

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS &  
CONCESSIONS

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December 17, 2012  
Start: 9:36 a.m.  
Recess: 9:48 a.m.

HELD AT: 250 Broadway  
Committee Room - 16<sup>th</sup> Floor

B E F O R E:  
STEPHEN T. LEVIN  
Chairperson

COUNCIL MEMBERS:  
Charles Barron  
Inez E. Dickens  
Sara M. Gonzalez

## A P P E A R A N C E S

Christopher Gonzalez  
Assistant Commissioner Governmental Affairs & Research  
NYC Housing Preservation and Development

Gary Sloman  
Director of Operations - Div. of Housing Supervision  
NYC Housing Preservation and Development

Peter Madden  
Director of Distressed Asset Finance Programs  
NYC Housing Preservation and Development

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2 CHAIRPERSON LEVIN: Good morning  
3 and welcome to the Subcommittee on Planning,  
4 Dispositions and Concessions, my name is Stephen  
5 Levin, Chair of the Subcommittee. I am joined  
6 this morning by my colleagues, Council Member Sara  
7 Gonzalez of Brooklyn, Council Member Charles  
8 Barron of Brooklyn, Council Member Inez Dickens of  
9 Manhattan. We have two items on the agenda this  
10 morning. We'll keep this fairly brief. We have  
11 pre-considered Land Use #20135202 HAM Sinclair  
12 Houses Apartments, Land Use #746, that is 20135199  
13 HAM, Hargate Apartments AKA Gateway II, both are  
14 in Manhattan Community Board #9 and both are in  
15 the Council district represented by Council Member  
16 Robert Jackson. I'm sorry, excuse me, Sinclair  
17 Houses Apartments is in the Council district  
18 represented by Council Member Robert Jackson, and  
19 Hargate Apartments is in the Council district  
20 represented by the Subcommittee's own Council  
21 Member Inez Dickens, I apologize. We will be  
22 hearing both items today, and we will be asking  
23 Christopher Gonzalez, Assistant Commissioner at  
24 HPD, to testify on these items. Mr. Gonzalez.

25 MR. GONZALEZ: Good morning,

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2 Committee. My name is Christopher Gonzalez,  
3 Assistant Commissioner at HPD. I am joined by  
4 Gary Sloman, Director of Operations from HPD's  
5 Division of Housing Supervision. This pre-  
6 considered item known as Sinclair Houses is  
7 located at block 2082, lots 36 and 52, in  
8 Manhattan. The current owner, Sinclair Houses  
9 Associates LP, is an Article 5 redevelopment  
10 housing company. Under the proposed project a new  
11 owner will acquire the exemption area and enter  
12 into a 30-year regulatory agreement. The new  
13 owner, Sinclair Housing Development Fund  
14 Corporation and Sinclair Preservation LPD, will  
15 undertake the rehabilitation of the two multiple-  
16 dwelling buildings containing 81 units of housing  
17 for low-income families. HPD is before the  
18 Council seeking approval for the voluntary  
19 dissolution of the current owner, termination of  
20 the current tax exemption, and approval of the new  
21 article 11 tax exemption that will be coterminous  
22 with the regulatory agreement. Council Member  
23 Jackson has indicated his support for the project.  
24 I'll take any questions you have. The AMI? The  
25 existing tenants, it's up to 30%.

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MR. SLOMAN: 60% of AMI.

MR. GONZALEZ: Sinclair Houses? It would be 60% AMI.

CHAIRPERSON LEVIN: Sir, can you identify yourself for the record?

MR. SLOMAN: I'm sorry, Gary Sloman, Director of Operations, Housing Supervision, HPD.

CHAIRPERSON LEVIN: How many units?

MR. SLOMAN: 81.

MR. GONZALEZ: 81.

CHAIRPERSON LEVIN: And the new owner will be, this is the dissolution of the previous owner.

MR. GONZALEZ: The new owner will be Sinclair Housing Development Fund Corporation, and Sinclair Preservation LP.

CHAIRPERSON LEVIN: And the dissolution of the ownership is strictly because of the need for a new tax exemption, or is there other factors at play here that--

MR. SLOMAN: [Interposing] It's because of the acquisition, it's being acquired by the Article 11, and then the Article 5 will have

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no purpose.

CHAIRPERSON LEVIN: Okay.

MR. SLOMAN: So it will dissolve.

CHAIRPERSON LEVIN: And the new tax exemption, what's the life span of the new tax exemption?

MR. SLOMAN: It's coterminous with the regulatory period, it's 30 years.

CHAIRPERSON LEVIN: 30 years.

Okay, do any of my colleagues have any further questions on this item? Council Member Dickens has a statement.

COUNCIL MEMBER DICKENS: Thank you ... oh really, I thought they were doing them both.

MR. GONZALEZ: We just started with Sinclair, but we can do--

CHAIRPERSON LEVIN: [Interposing]  
We'll close out the hearing on Sinclair House Apartments and open the hearing on Land Use #746, Hargate Apartments, AKA Gateway II, in the Council district represented by Council Member Inez Dickens. Council Member Dickens, do you want to make a statement on Hargate?

COUNCIL MEMBER DICKENS: No, my

1  
2 colleague is not speaking on that. I will speak  
3 after HPD.

4 CHAIRPERSON LEVIN: Okay.

5 MR. GONZALEZ: All right. Good  
6 morning, my name is Christopher Gonzalez,  
7 Assistant Commissioner at HPD and I am joined by  
8 Peter Madden, Director of Distressed Asset Finance  
9 Programs. Land Use Item 746, known as Hargate  
10 Apartments, is located at 229-237 Central Park  
11 North. The current owner, Hargate Associates LP,  
12 is an Article 5 redevelopment housing company, and  
13 under the proposed project a new owner will  
14 acquire the exemption area. The new owner, HP  
15 Hargate Housing Development Fund Company, and NIA  
16 Holdings LLC, will undertake the rehabilitation of  
17 the exemption area containing five contiguous  
18 buildings with a total of 91 units. The new owner  
19 will enter into a 30-year regulatory agreement  
20 with all rents governed by a Section 8 HAP  
21 contract. HPD is before the Council seeking  
22 approval for the voluntary dissolution of the  
23 current owner, termination of the current tax  
24 exemption and approval of a new Article 11 tax  
25 exemption that will be coterminous with the

1  
2 regulatory agreement. Council Member Dickens has  
3 indicated her support, and we will take any  
4 questions you have.

5 CHAIRPERSON LEVIN: Council Member  
6 Dickens.

7 COUNCIL MEMBER DICKENS: Good  
8 morning and thank you, Chair Levin and my  
9 colleagues on the Planning Subcommittee. I  
10 strongly support Land Use Item #749, Hargate  
11 Apartments, also known as Gateway II, which is an  
12 Article 11 exemption for the Hargate Apartments  
13 located in the Village of Harlem at 229 Central  
14 Park North. Hargate is a Section 8 development  
15 comprised of 91 units spread amongst 18 three-  
16 bedrooms, 33 two-bedrooms, 38 one-bedroom, one  
17 studio and one super's unit. The new owners, the  
18 new affordable housing fund LLC and HPD, will  
19 enter into a new 30-year regulatory agreement,  
20 Council Member, as the current one expires in  
21 2014, to preserve all the units as affordable  
22 Section 8 base. The development is 100% occupied  
23 and any units that become vacant within the 30-  
24 year agreement, within the 30-year agreement, will  
25 be specifically offered to Section 8-qualified

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2 individuals. This action will preserve affordable  
3 housing in the Village of Harlem. Over 50% of the  
4 residents earn less than 20% AMI and over 65% earn  
5 less than 30% AMI. All current residents will be  
6 protected under this new regulatory agreement.

7 This action would also allow for capital  
8 improvements to the development, which dates back  
9 to 1910. I am satisfied that I will be approving  
10 the preservation of affordable housing on Central  
11 Park North, which has -- over this way -- which  
12 has seen an ... uptake of luxury development. The  
13 residents of Hargate can rest assured that they  
14 will be able to reside on this prime strip at  
15 their affordable Section 8 rents for the  
16 foreseeable lifetime future. Thank you so much,  
17 Chair. I ask my colleagues, all of my colleagues,  
18 to vote yes on Hargate. Thank you. Seeing no  
19 questions.

20 CHAIRPERSON LEVIN: Thank you,  
21 Council Member Dickens, congratulations on an  
22 excellent project. Thank you very much. Do any  
23 of my colleagues have any further questions on  
24 this item? Seeing none, I thank you very much,  
25 we'll close out the hearing on Land Use #746, and

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2 we'll be laying aside Land Use #719 and #741, and  
3 I am going to ask Counsel to the Committee to call  
4 the roll on Sinclair Houses Apartments, 20135202  
5 HAM, and Land Use #746, Hargate Apartments, AKA  
6 Gateway II, 20135199 HAM. I recommend an aye vote  
7 on both.

8 COMMITTEE COUNSEL: Anne Mccoy,  
9 Counsel to the Committee. Chair Levin.

10 CHAIRPERSON LEVIN: I vote aye.

11 COMMITTEE COUNSEL: Council Member  
12 Barron.

13 COUNCIL MEMBER BARRON: I'd like to  
14 explain my vote. First, I want to commend the  
15 Councilwoman for following my lead in making  
16 housing very affordable for her constituents. I  
17 also want to commend her for naming her project  
18 Gateway II, I think that started in East New York,  
19 we have a Gateway I and a Gateway II, it started  
20 in East New York. So we thank Harlem for  
21 following the lead of East New York and Brooklyn  
22 in naming it, even in name, and continuing this  
23 great affordability. To you my congratulations,  
24 and I proudly vote aye on all.

25 COMMITTEE COUNSEL: Council Member

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Gonzalez.

COUNCIL MEMBER GONZALEZ: Aye on  
all.

COMMITTEE COUNSEL: Council Member  
Dickens.

COUNCIL MEMBER DICKENS: Of course  
aye, but I want to remind my colleague, my  
esteemed colleague from East New York, that  
there's a Harlem Gateway I, II and V, prior to  
anything in East New York being named Gateway.

COMMITTEE COUNSEL: By a vote of  
four in the affirmative, none in the negative and  
zero abstentions, Land Use Item 746 and pre-  
considered Land Use Item Sinclair Houses are  
approved and referred to the full Land Use  
Committee.

CHAIRPERSON LEVIN: We're going to  
leave the roll open until the full Land Use  
Committee convenes. Thank you.

So we're going to close the hearing  
on Planning, Dispositions & Concessions before the  
start of the full Land Use Committee. The hearing  
on Planning, Dispositions & Concessions is  
adjourned.

C E R T I F I C A T E

I, Richard A. Ziats, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature \_\_\_\_\_

Date \_\_\_\_\_ December 19, 2012 \_\_\_\_\_