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LAND USE SUBCOMMITTEE ON PLANNING, DISPOSITION AND CONCESSIONS

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September 2, 2008 Start: 01:10pm Recess: 01:40pm

HELD AT: Council Chambers

City Hall

B E F O R E:

DANIEL R. GARODNICK

Chairperson

COUNCIL MEMBERS:

Sara M. Gonzalez Inez E. Dickens Vincent Ignizio

A P P E A R A N C E S (CONTINUED)

Harvey Hicks
430 Lenox Avenue Tenant Association

Reah Smith 430 Lenox Avenue Tenant Association

John Ellison 152 Tenant Association

Josh Lockwood Habitat for Humanity, New York City

Veronica Harris
152 Tenant Association

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YVETTE MOLINA: Testing, today's
date September 2, 2008. This is a committee
hearing on planning, disposition and concessions
and is recorded by Yvette Molina

[Break in Audio]

MALE SPEAKER: Testing, one, two,
three. Testing, one, two three. Today's
committee is going to be a subcommittee on
planning, disposition and concessions. Today's
date is September 2, 2008 and is being recorded by
Yvette Molina.

[Break in Audio]

afternoon, everybody, and welcome to the subcommittee on planning, dispositions and concessions. This is a subcommittee of land use of the New York City Council. My name is Dan Garodnick and I have the privilege of chairing the subcommittee. I'm joined today by Council members Sara Gonzalez and Vinny Ignizio and we are going to get right into it. We have a relatively short agenda today and we're going to start with Land Use number 810, which is the ACA Dollar Homes Amendment and it is applicable city-wide in the

2	Districts of a number of council members, of
3	course, and it is 20085725HAY. It is an
4	application from the New York City Department of
5	Housing Preservation Development and I welcome
6	them to join us now and to give us an introduction
7	of this item and, of course, this is a
8	modification of previously approved urban
9	development action area projects and related tax
10	exemptions, so we welcome you and as soon as
11	you're ready, please introduce yourselves and go
12	right ahead.
13	THERESA ARROYO: Hi. Good
14	afternoon, council members, chairperson and
15	committee. My name is Theresa Arroyo on the
16	directive land use for HPDs intergovernmental
17	affairs. I'm accompanied by James Ship of, who is
18	the sponsor for Restored Homes, HDFC?
19	JAMES SHIP: Yes.
20	THERESA ARROYO: HDFC, Housing

THERESA ARROYO: HDFC, Housing

Development Fund Corporation. As you stated,

LU810 consists of the proposed amendment of a tax

exemption package previously approved by the

council. In 2007, the council granted a tax

exemption for 22 properties in the asset control

area program. HPD is partnering with HUD, and the 2 3 Non-Profit Restored Homes Housing Development Fund 4 Corporation. Together, we are placing vacant 5 homes back in use and creating affordable housing 6 home ownership opportunities. The tax exemptions 7 that were previously approved were to have 8 commenced on the 1st of July following the 9 issuance of a temporary or permanent certificate 10 of occupancy for each of the 22 homes; but due to 11 the limited nature and scope of the rehabilitation 12 being performed, temporary or permanent 13 certificates of occupancy are not required by the 14 Department of Buildings for most of the homes. 15 Thus, the trigger for the tax exemption is 16 inadequate. The proposed amendment before the 17 subcommittee today will allow the tax exemption to 18 be available to the purchasers of the restored 19 homes following certification by HPD or its 20 designee that the rehabilitation has actually been 21 completed. Each of the affected council members 22 have been briefed this summer on this action, 23 which basically amounts to a technical correction 24 of what was voted for favorably back in 2007. 25 How's that?

1	SUBCOMMITTEE ON PLANNING 7
2	THERESA ARROYO: Right.
3	CHAIRPERSON GARODNICK: And, as a
4	result, there would be no way to trigger
5	THERESA ARROYO: [Interposing] To
6	get the tax
7	CHAIRPERSON GARODNICK:
8	[Interposing]the tax exemption
9	THERESA ARROYO: [Interposing]
10	Correct.
11	CHAIRPERSON GARODNICK:in those
12	situations, is that right?
13	THERESA ARROYO: Correct.
14	CHAIRPERSON GARODNICK: Okay. So,
15	what this does is, it changes that trigger to be a
16	certification by HPD
17	THERESA ARROYO: [Interposing]
18	Right.
19	CHAIRPERSON GARODNICK:that the
20	rehabilitation of the building is completed.
21	THERESA ARROYO: Right, by HPD or
22	its designee, which would be Restored Homes, to
23	certify that the rehabilitation is actually
24	complete.
25	CHAIRPERSON GARODNICK: Sounds like
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CHAIRPERSON GARODNICK: Thank you. Let's just ask the follow-up questions that we

the project and has indicated his support.

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2	always ask here. NAPCO Holdings was selected as
3	the purchaser how?
4	THERESA ARROYO: Asset Sales has a
5	request for offers. In this particular building,
6	the occupant is the former owner. So this is one
7	of those unique situations where this is a win-win
8	for everybody in the sense that the tenant can
9	continue to try and obtain his property.
10	CHAIRPERSON GARODNICK: I see. The
11	tenant was the former owner, and also what's the
12	relationship between the tenant and Nacko
13	Holdings?
14	THERESA ARROYO: What happens is
15	we're still this tenant had applied for
16	legislation to try and redeem the property. He
17	has still been unable to acquire the money
18	necessary to redeem his property, so this allows
19	for more time, through the program, for him to
20	secure that ability and still stay in his home.
21	CHAIRPERSON GARODNICK: Okay, but
22	what is the relationship between the occupant
23	THERESA ARROYO: [Interposing]
24	Nothing. NAPCO will conserve the property.

CHAIRPERSON GARODNICK: And will

1	SUBCOMMITTEE ON PLANNING 10
2	give him an opportunity, at some point
3	THERESA ARROYO: [Interposing] To
4	buy the property.
5	CHAIRPERSON GARODNICK:to buy it
6	from them.
7	THERESA ARROYO: Right.
8	CHAIRPERSON GARODNICK: Is there
9	any other, any other
10	THERESA ARROYO: [Interposing] And
11	NAPCO will also fix the property, too. If any
12	repairs are necessary, they will take care of
13	that, also.
14	CHAIRPERSON GARODNICK: Any other
15	obligations on the purchaser today or in the
16	future for maintenance of property as affordable
17	housing or
18	THERESA ARROYO: No.
19	CHAIRPERSON GARODNICK: No. This
20	is just an asset sale by the City to a purchaser
21	with rehabilitation.
22	THERESA ARROYO: Yes.
23	CHAIRPERSON GARODNICK: Okay.
24	Seeing no other members of the public wishing to
25	testify on Land Use number 763, non-ULURP

occupied, City-owned building located at 601 West 138th Street, through HPD's Tenant Interim Lease associations in City-owned buildings to purchase and manage low-income cooperatives. This project consists of 21 residential units. Council member Jackson has been briefed and indicated his approval.

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CHAIRPERSON GARODNICK: Thank you. If you could just go back and explain how the Tenant Interim Lease Program works for us?

2	THERESA ARROYO: Okay. In essence,
3	these are occupied buildings. The tenants go
4	through a series of well, actually, I should
5	refer to… I have with me, by the way, the
6	director of the TIL Program, which is Victor
7	Hernandez, but I will
8	CHAIRPERSON GARODNICK:
9	[Interposing] Thank you, Mr. Hernandez, for being
10	here.
11	THERESA ARROYO: But I will attempt
12	to do the explanation here. In essence, HPD, what
13	it does is, offering home ownership opportunities
14	to the tenants. The tenants are then educated in
15	building management, how to run an effective co-
16	op, how to maintain the budget. They're brought
17	along so they, themselves, form their own housing
18	development fund corporation and basically own the
19	property, own their own unit, okay, and manage
20	their own property.
21	CHAIRPERSON GARODNICK: And this is
22	being transferred to the current
23	THERESA ARROYO: [Interposing] To
24	the tenants.
25	CHAIRPERSON GARODNICK:tenants.

2	THERESA ARROYO: Right now, it's 21
3	units, there are 17 occupied units and four vacant
4	units.
5	CHAIRPERSON GARODNICK: And the
6	four vacant units will be offered how?
7	THERESA ARROYO: During the first
8	two years, those four units will be used for
9	relocation of other TIL tenants, during the first
LO	two years. Then after, the tenants, themselves,
11	can sell the units.
12	CHAIRPERSON GARODNICK: Thank you.
13	THERESA ARROYO: Okay.
L4	CHAIRPERSON GARODNICK: Seeing no
15	members of the public wishing to testify in this
L6	item, we'll close the hearing on Land Use number
L7	776, non-ULURP number 20085616HAM. We're going to
18	skip to Land Use number 809, non-ULURP number
L9	20085724HAK. Those are three properties in
20	Brooklyn, in the District of Council member Vann.
21	Ms. Arroyo?
22	THERESA ARROYO: LU809 consists, as
23	you said, of the proposed disposition of three
24	vacant City owned lots located at 118 Hart Street
25	and 512 and 544 Lafayette Avenue under HPD's New

back to us--

2	THERESA ARROYO: Well, I have, and
3	we have also representation by Habitat here, but
4	from I have is one third of the units will be
5	affordable to families earning up to 80 percent of
6	AMI, which equates to \$61,450 per family of four.
7	The other two third of the homes will be for
8	families up to 165 percent of AMI, which equals
9	\$126,700. The estimated sale prices range from
LO	\$123,000 to about \$152,000, rounding off both
11	ways.
L2	CHAIRPERSON GARODNICK: Thank you,
L3	and those limitations, the one third at 80
L4	percent, the two thirds up to 165 percent, those
15	limitations exist for how long?
L6	THERESA ARROYO: I should know
L7	that. I'm trying to think. I know as far as
L8	resale, you have to stay on about 15 years. The
L9	resale, I think it's up to, maybe Habitat would
20	know better or refresh my memory, but I think it's
21	for about 20 years. I'm not exactly sure. I
22	don't recall it, unfortunately.
23	CHAIRPERSON GARODNICK: Okay. If
24	you could actually find the answer to that and get

1	SUBCOMMITTEE ON PLANNING 16
2	THERESA ARROYO: [Interposing] I
3	will definitely
4	CHAIRPERSON GARODNICK:we'd
5	appreciate it.
6	THERESA ARROYO: Sure. Sad that I
7	should forget that at this point.
8	CHAIRPERSON GARODNICK: No, that's
9	all right, but we would like to have that
10	information
11	THERESA ARROYO: [Interposing]
12	Okay.
13	CHAIRPERSON GARODNICK:for the
14	record. Okay. So, with that, we have one person
15	wishing to testify and it is Habitat for Humanity,
16	so
17	THERESA ARROYO: [Interposing]
18	Yeah.
19	CHAIRPERSON GARODNICK:we'll
20	allow them to answer that question. Josh
21	Lockwood, welcome.
22	THERESA ARROYO: Yes.
23	CHAIRPERSON GARODNICK: Nice to
24	have you here.
25	JOSH LOCKWOOD: Thank you very

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much.

CHAIRPERSON GARODNICK: And if you could just introduce yourself and then tell us anything we need to know plus the answer to that other question.

JOSH LOCKWOOD: Sure, sure. you for the opportunity to testify. My name is Josh Lockwood. I'm the executive director of Habitat for Humanity New York City. Just by way of background, we've been operating in this city since 1984 as an independent affiliate of Habitat for Humanity International. We actually provide home ownership opportunities for first time home buyers, individuals and families, and we serve families earning between 45 and 80 percent of AMI, which we would also do in this instance. On our projects through the New Foundations Program, there's a 15-year sales restriction, but we accept money from the State of New York, the Department of Housing and Community Revitalization that includes a 30-year restriction, so essentially, these units will have a 30-year restriction. 16 units on Hart and Lafayette Street are two bedrooms and three bedroom units. We've built

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about 40 units in Bedford Stuyvesant to date and, again, always serving families under 80 percent of AMI. We serve families based on need, so we do a home visit and interviews to ensure that the families we're serving are needing this home ownership opportunity and we have a sweat equity program, as well, so families help to build their own homes alongside thousands of New York City volunteers. And I think it's notable that on our current project we're building in Brownsville, Brooklyn, those volunteers, just by buying coffee and lunch every day along with our staff, are injecting \$2,000,000 during the construction period into local businesses. So there's a real economic benefit to a Habitat project as well as the home ownership opportunities.

Thank you very much for your presence here and seeing no questions or testimony from additional members of the public on Land Use 809, non-ULURP 20085724HAK, we wish you the best of luck on this item and we'll close the hearing on it and we will open the hearing on Land Use number 852, non-ULURP number 20095003HAK, three properties, I'm sorry.

THERESA ARROYO: Competitive

process request for offers.

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owned building located at 152 West 144th Street, as you said, through HPD's Tenant Interim Lease

2	Program. TIL assists organized tenant
3	associations in City-owned buildings to purchase
4	and manage low income cooperatives, as we
5	discussed earlier. This project consists of 24
6	residential units, 17 occupied and 7 vacant. And
7	Council member Dickens has been briefed and I
8	refer to her.
9	CHAIRPERSON GARODNICK: Thank you
10	very much and I will defer to her, as well, on
11	Land Use number 777. Council member Dickens?
12	INEZ E. DICKENS: Mr. Chair, I'd
13	like permission to give my statement. I have two
14	TILs coming up at this and I'd like, if possible,
15	if she could give
16	CHAIRPERSON GARODNICK:
17	[Interposing] Would you like them both?
18	INEZ E. DICKENS: Yes.
19	CHAIRPERSON GARODNICK: Okay. Ms.
20	Arroyo, if you could introduce, let me open the
21	hearing on both 777, which we just heard and 778,
22	which is non-ULURP number 20085618HAM, 430 Lenox
23	Avenue in Manhattan. If you could introduce that
24	item as well, and then we'll hear from Council
25	member Dickens.

2	THERESA ARROYO: Sure. LU778 is
3	the proposed disposition of another one occupied
4	City-owned building located, as you said, at 430
5	Lenox Avenue through HPD's Tenant Interim Lease
6	Program. Again, this program is basically; the
7	idea is to sell City owned buildings to tenant or
8	associations so that they can convert them into
9	low-income cooperatives. This project consists of
10	five units, five occupied units. Three occupied,
11	this is the one Victor? I'm sorry, I made a
12	mistake there. It's three occupied units, two
13	vacant at 430 Lenox Avenue.
14	MALE SPEAKER: Is it right?
15	THERESA ARROYO: Okay.
16	CHAIRPERSON GARODNICK: Got it.
17	Thank you very much. Now, Council member Dickens.
18	INEZ E. DICKENS: Thank you, Mr.
19	Chair, and I apologize for my lateness but I was
20	in leadership and I do have to return so I
21	appreciate the time. I want to acknowledge that
22	my residents for both TILs, 430 Lenox and 152 West
23	144th Street are here and ready to give testimony
24	about this. I am pleased to lend my strong
25	support for both of these buildings in the TIL

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Program to complete the preparation and transition into becoming homeowners of their buildings and I'm confident that the residents themselves are 430 Lenox Avenue is a five unit building under the leadership of TA President Reah Smith and it's been in the program for many years. For the three existing tenants, they have been in the building for over ten years. Ms. Smith has been in the building for almost 40 years, herself. tenants have lingering concerns about the rehabilitation of their apartments, which, due to new building codes, has transitioned formerly onebedroom apartments into studios. My office is also seeking, on behalf of the three returning tenants, full compensation for the spoilage of food. They have received partial compensation but not full compensation for the spoilage of food due to problems with the gas and electric in the first 30 days that they occupied the building after the renovation was completed. To date, the residents have been paid just under one half of the amount that they were due. Overall, they are about 90 percent pleased with their new building and are ready to work together to take over ownership.

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152 West 144th Street is a 24-unit building and is under the leadership of TA Board Members, Ms. Harris, Ms. Adda [phonetic] and Ms. Ellison, as well as TA President Lamond Lubdum [phonetic] units will have previous tenants returning. building, after its rehab, is in beautiful shape. The residents are hoping to get money from the TIL program for additional cabinetry on the one line of apartments that has been shorted. HPD has resolved to look into this situation and try to resolve it equitably. In response to the outstanding issues with both of these buildings, the spoilage of foods and the additional cabinets, as well as unit size and other issues, my office and I are committed to continue to work with the residents and HPD to try to find solutions to these problems so that all parties will be happy. In the end, I am very pleased to lend my strong support for both of these applications before us today. Ownership is what stabilizes a community and helps to prevent entire families and communities from being moved out. When we can read in the business section of the New York Times as recently as August 26th about mortgage defaults

2	on apartment rentals due to overassessment, which
3	has been my argument with HPD and the City since
4	I've been in office, affordable home ownership
5	that is based upon area median income is the only
6	viable option. I thank my chairman for my time
7	and I ask my colleagues to support this
8	application for both of these buildings.
9	CHAIRPERSON GARODNICK: Thank you
10	very much, Council member Dickens, and for your
11	leadership on this and so many other issues. We
12	do have some members of the public wishing to
13	testify. If you have to run, perhaps you'd like
14	to have the opportunity to vote now?
15	INEZ E. DICKENS: Yes.
16	CHAIRPERSON GARODNICK: Okay.
17	Council member Dickens, I'm going to ask the
18	Council to call the role as to your vote.
19	FEMALE SPEAKER: Council member
20	Dickens.
21	COUNCIL MEMBER DICKENS:
22	CHAIRPERSON GARODNICK: Thank you.
23	Council member Dickens has registered an aye vote
24	on all items that are on the calendar today and,
25	with that, I would like to welcome up to testify,

2	if they so desire, Veronica Harris of the 152 West
3	144th Street Tenants Association, also Joanne
4	Ellison of that same association, both to speak on
5	Land Use number 777 and Harvey Hicks of the 430
6	Lenox Avenue Tenants Association and Reah Smith of
7	the 430 Lenox Avenue Tenants Association, to speak
8	on the subject of Land Use 778. So, with that, we
9	can start in any order. But, since you both are
10	here, why don't we start with you? If you could
11	introduce yourselves, and I welcome you to City
12	Hall and we're glad to have you, so please.
13	VERONICA HARRIS: Thank you,
14	Chairman Garodnick and Chairpersons and I'd like
15	to thank the Councilwoman Dickenson, speaking on
16	our behalf. I'm part of the 152 Tenants
17	Association
18	CHAIRPERSON GARODNICK:
19	[Interposing] If you could state your name, too.
20	VERONICA HARRIS: Veronica Harris.
21	CHAIRPERSON GARODNICK: Okay.
22	Well, Ms. Harris
23	VERONICA HARRIS: [Interposing] I'm
24	the secretary.
25	CHAIRPERSON GARODNICK: Okay, thank

moves in right after one another. Other than

24 CHAIRPERSON GARODNICK: Welcome. 25 REAH SMITH: Mr. Chairperson, we

2.	are	readv	to	run	Our	building.	Т	think	Ms.
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- 3 Dickens spoke when she mentioned everything that
- 4 we were really concerned about in the building.
- 5 We're 95 percent ready to purchase our building.
- 6 We've been in the program since 1999 and we have
- 7 this, everything is fine so far. So we're ready
- 8 to go, we're good to go.
- 9 CHAIRPERSON GARODNICK: Great, and
- 10 95 percent.
- 11 REAH SMITH: Yes.
- 12 CHAIRPERSON GARODNICK: What does
- 13 that number represent, exactly? So, what does
- 14 that mean?
- 15 REAH SMITH: Well, we weren't
- 16 exactly-- there was two items, like the spoilage
- of the food. We went without gas for like a
- 18 month, okay? And we were reimbursed, we
- 19 reimbursed ourselves out of our account, you know
- 20 for half of them, half of the money, which we
- 21 | really feel that there should be a little more
- 22 compensation for that. And also, when they did
- rehab the building, there were, we had bedrooms.
- 24 | My apartment, or residence went from a bedroom to
- 25 no bedroom, to like a studio. Our rent

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skyrocketed, of course, because we understand it's
going to a condo. All right, HDFC, all right?
And we were told, you know, about the square
footage that's how they determine, you know, the
rents. Other than that, well, those two really
outstanding things, I have no qualms about it and
I want to thank our Councilwoman for all the help
that she's given us.

and thanks to all of you for your presence here today and your advocacy and we wish you the best and certainly on the basis of the strong support of Council member Dickens, we accept your preparedness and enthusiasm here to go forward and we thank you and certainly look forward to hearing of your successes, so unless anybody else has anything to add.

REAH SMITH: Do you?

HARVEY HICKS: Thank you, Mr.

Chairman.

CHAIRPERSON GARODNICK: Thank you very much. We thank you for being here and we will close the hearing on this, these two items, Land Use 777, non-ULURP 20085617HAM and Land Use

2	number 778, 20085618HAM, both in the District of
3	Council member Dickens. And, with that, that's
4	all we are going to hear today. So we're going to
5	couple together the items that we heard today, on
6	today's calendar for voting purposes and lay over
7	the rest at the request of the individual Council
8	Members in whose Districts the properties sit and
9	the Chair recommends an aye vote on the items we
10	heard today and I will ask the council to call the
11	role.
12	FEMALE SPEAKER: Chair Garodnick?
13	CHAIRPERSON GARODNICK: I vote aye.
14	FEMALE SPEAKER: Council member
15	Gonzalez?
16	SARA M. GONZALEZ: Aye to all.
17	FEMALE SPEAKER: Council member
18	Ignizio?
19	VINCENT IGNIZIO: Yes.
20	FEMALE SPEAKER: By a vote of four
21	in the affirmative, none in the negative and no
22	abstentions, the aforementioned items are approved
23	and referred to the full committee.
24	CHAIRPERSON GARODNICK: Thank you
25	for that and with that I thank the committee

members for being here and welcome everybody back on this day after Labor Day and, with that, the subcommittee is adjourned.

I, Janet L. Steinbach, 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.

James S. Steinbach

Signature:

Date September 8, 2008