CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

LAND USE SUB COMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS

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March 4, 2009 Start: 1:51pm Recess: 2:17pm

HELD AT: Committee Room

City Hall

B E F O R E:

DANIEL R. GARODNICK

Chairperson

COUNCIL MEMBERS:

Sara M. Gonzalez Inez E. Dickens

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

Theresa Arroyo Director of Land Use, Intergovernmental Affairs Department of Housing Preservation & Development

Wendell Walters Commissioner for Housing Production Department of Housing Preservation & Development

1	PLANNING, DISPOSITIONS AND CONCESSIONS 3
2	CHAIRPERSON GARODNICK: Good
3	afternoon everybody and welcome to the Sub
4	Committee on Planning, Dispositions and
5	Concessions, a Sub Committee of the Land Use
6	Committee of the New York City Council. My name
7	is Dan Garodnick. I have the privilege of
8	chairing the Sub Committee and am joined by
9	Council Members Inez Dickens, of Manhattan; and
10	Sara Gonzalez, of Brooklyn. We have a rather
11	short agenda today, so we're going to get right
12	into it and invite HPD to the witness table to
13	start us off with Land Use number 931 at 1157
14	Fulton Avenue, Bronx Community Board 3, C090073HAX
15	in the District of Council Member Foster.
16	[Pause]
17	THERESA ARROYO: Good afternoon.
18	CHAIRPERSON GARODNICK: Good
19	afternoon and welcome.
20	THERESA ARROYO: Thank you. I am
21	Theresa Arroyo, Director of Land Use at HPD's
22	Intergovernmental Affairs. LU, I believe you said
23	984, correct? 931, I'm sorry.

CHAIRPERSON GARODNICK: No, 931.

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We're starting with.

2	THERESA ARROYO: I apologize. 931
3	consists of the proposed disposition of one
4	occupied, city-owned building located at 1157
5	Fulton Avenue, under HPD's damp Special Projects
6	Program. In 2007, HPD completed rehabilitation of
7	the four-story building with 13 bedrooms. The not
8	for profit sponsor, Good Counsel Incorporated, who
9	has leased the property since 1985, will continue
10	to operate it as transitional housing for homeless
11	single expecting mothers. These women are allowed
12	to stay at the shelter for one year after the
13	birth of their child. Good Counsel will provide,
14	continue to provide on-site social services as
15	well as follow up services when the client leaves
16	the site. Council Member Foster has reviewed the
17	project and indicated her support.
18	CHAIRPERSON GARODNICK: Thank you.
19	Let's just make sure we understand all of this.
20	So in 2007 HPD rehabilitated 1157 Fulton Avenue.
21	THERESA ARROYO: Right.
22	CHAIRPERSON GARODNICK: And from
23	1985 on it had been operated by Good Counsel?
24	THERESA ARROYO: Good Counsel has

been the month-to-month tenant since 1985. So in

Community Board 5. And I will ask HPD to present

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this item as well.

2	WENDELL WALTERS: Good afternoon,
3	of course. My name is Wendell Walters, a
4	Commissioner for Housing Production at HPD. I'm
5	here to introduce, as you said, Land Use numbers
6	1009 through 1013, and known as the Gateway
7	Estates Phase II project, which consists of five
8	related ULURP actions. Land Use number 1009
9	consists of the proposed third amendment to the
10	Fresh Creek Urban Renewal Plan. This will
11	facilitate the development of a mixed-use project
12	containing affordable housing, local retail and
13	community facility and uses of the remaining
14	undeveloped land in the Fresh Creek Urban Renewal
15	area. Land Uses 1010, 1011 and 1013 consist of a
16	proposed amendment of the zoning map, the approval
17	of a special permit to modify the sign regulations
18	within a general large scale development, and the
19	amendment of the City map, all to facilitate the
20	development of the project known as Gateway
21	Estates II and known before the Council as Land
22	Use number 1012. Land Use 1012 consists of the
23	proposed disposition of ten city-owned vacant lots
24	located at Flatlands Avenue, Elton Street,
25	Vandalia Avenue and Meadow Street, for

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development, through HPD's Large Scale Development Program. The proposed sponsors, Gateway Center Properties Phase II, LLC, and Gateway Elton Street I, LLC, along with Nehemiah Housing Development Fund Company, would develop these lots along with a 21-acre State-owned vacant lot in multiple phases. The project includes the construction of 420 total residential buildings, containing approximately 1,858 dwelling units, and approximately 620,000 square feet of commercial improvements. Councilman Barron has been briefed on the project and has indicated his support. Within the residential development itself, as I mentioned, there was 1,858 units, 1,118 of those units will be developed by the Nehemiah Housing Fund Corporation, and 740 of those units would be built along the main north-south Elton Street corridor, with the joint venture partnership of the Related Companies and Hudson Companies, broken down within a homeownership project, which is 462 units of rental project, which is 198 units, and a small senior housing portion that will be a total of 80 units. The overall affordability for the project, among all those different categories will

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be 80% of the homeownership units will be at 80%, 2 3 up to 80% of AMI and lower. 20% of the homeownership units in the project will be in the 80 to 110% of AMI, and the rental units will all 5 be affordable under 80% of AMI. This project has 6 7 gone through extensive discussion and briefing 8 within the community, as well as negotiations with the local Council Member. As I mentioned before, 9 10 a 21-acre portion of the site is owned by the State of New York, which there is a proposed 11 12 agreement with the State for the acquisition of 13 that portion of the site. We're very excited 14 about this project in an area of East New York, 15 Brooklyn, that definitely deserves this kind of 16 development. And again, we've had much discussion 17 with the local Council Member about this project, and he's indicated his support. 18 Thank you. 19 CHAIRPERSON GARODNICK: Thank you 20 21 the demapping and remapping of streets, as you

very much. So the actions that you're seeking are the demapping and remapping of streets, as you said; an amendment to the Urban Renewal Plan; a special permit resignage; the UDAAP and disposition of ten sites owned by the City for the purpose of the development of both commercial and

1	PLANNING, DISPOSITIONS AND CONCESSIONS 11
2	housing, that we are working with Nehemiah on.
3	But the 740 units of the 740 units, 462 of them
4	will be homeownership. 198 of them will be low-
5	income rental, and another 80 of them will be
6	senior housing.
7	CHAIRPERSON GARODNICK: I see.
8	Okay, that was where I
9	WENDELL WALTERS: [Interposing] Of
10	the 740.
11	CHAIRPERSON GARODNICK: That was
12	where I was confused. So the breakdown that you
13	gave on homeownership, rental and senior, that was
14	of the 740?
15	WENDELL WALTERS: With the senior,
16	that's correct.
17	CHAIRPERSON GARODNICK: Okay. And
18	then the 1,118?
19	WENDELL WALTERS: Is the Nehemiah
20	Housing, which will be one and two-family and what
21	we call octet, eight-unit buildings that have all
22	homeownership volume.
23	CHAIRPERSON GARODNICK: Any
24	affordability restrictions there?
25	WENDELL WALTERS: All of the

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Nehemiah housing will be affordable, and a large percentage of them, 80% of them will be under 80% of AMI.

CHAIRPERSON GARODNICK: Okay. Tell us about the commercial space here. There's already retail, commercial on one end of this development. What's anticipated for the rest?

WENDELL WALTERS: Well that portion of the site will be developed with the Related Companies. As you mentioned, there's already an existing shopping center there. They're going to pretty much double up on the size of that to 620,000 square feet. The kind of stores that have contemplated there are still under discussion, and there are representatives from Related who can talk a little bit more about that here today if necessary. But it's a big driver, economic driver, for the whole project. There is acquisition costs associated with that for the City of New York that we'll be using to offset some of the other costs that we'll be using to subsidize Nehemiah for the affordable portion.

CHAIRPERSON GARODNICK: What is the overall cost to the City for the subsidies of

1	PLANNING, DISPOSITIONS AND CONCESSIONS 15
2	WENDELL WALTERS: At the moment
3	CHAIRPERSON GARODNICK:
4	[Interposing] There's no obligation for anybody to
5	do anything.
6	WENDELL WALTERS: There's no
7	obligation for anybody to do anything at the
8	moment.
9	CHAIRPERSON GARODNICK: Okay.
10	WENDELL WALTERS: Until we actually
11	sign the land disposition agreements with the
12	groups.
13	CHAIRPERSON GARODNICK: What sort
14	of will this be part of the negotiations, I
15	guess, is really what I would ask at this moment?
16	Will that element be part of the negotiations,
17	ensuring that if the City is putting forth
18	\$100,000,000 that they're actually be or that
19	there is actually enough money to or financing to
20	be able to achieve what is intended to be achieved
21	here?
22	WENDELL WALTERS: Well as you can
23	well imagine, financing for these projects are
24	increasingly difficult. And as I said before,
25	there are currently two prior phases that are

under construction, and it is part of our overall plan for the area. So there is every expectation that we'll be moving forward with the level of affordability that is outlined, particularly for the Nehemiah side, it's part of their mission to provide affordable homeownership opportunities.

CHAIRPERSON GARODNICK: Okay. Well you understand my question though, which is, how are we going to feel confident as a City, HPD, this Council, that we are not simply laying pipes where there is no financing in the private sector to be able to accomplish what we're discussing here? My question to you is, is that going to be part of the negotiations, a certain assurances on the part of the development team here, whether it's Nehemiah or Related or Hudson, that they have financing in place to be able to do what we are allowing them to do here, or is that something that will just be a hope for the best sort of situation on the part of the City?

WENDELL WALTERS: I understand your question, but it's hard for me to say that they will-- do they have a deal on the table with their construction lender. We anticipate that being the

1	PLANNING, DISPOSITIONS AND CONCESSIONS 20
2	into the 1,118. Now those are all one to two-
3	families. Is that correct?
4	WENDELL WALTERS: Not all. There's
5	going to be a substantial portion of apartments
6	there that will be homeownership units as well.
7	So
8	COUNCIL MEMBER DICKENS:
9	[Interposing] Well how many of those are going to
10	be the one to two-family?
11	WENDELL WALTERS: They'll be 300
12	well, total houses, they'll be 320, one and two-
13	family houses. And then they'll be another 720
14	co-op and condo units.
15	COUNCIL MEMBER DICKENS: 700 and
16	what?
17	WENDELL WALTERS: 20.
18	COUNCIL MEMBER DICKENS: I didn't
19	hear you.
20	WENDELL WALTERS: 720.
21	COUNCIL MEMBER DICKENS: Will be
22	how much?
23	WENDELL WALTERS: Co-op and condo
24	units.
25	COUNCIL MEMBER DICKENS: And what

1	PLANNING, DISPOSITIONS AND CONCESSIONS 21
2	will be the AMI for those co-op, condo units?
3	WENDELL WALTERS: Those
4	COUNCIL MEMBER DICKENS:
5	[Interposing] And what constitutes the difference
6	between co-op and the condo?
7	WENDELL WALTERS: Well we're still
8	working on the structure of that. The structural
9	makeup of the project will have either an
10	underlying mortgage in the form of a co-op that
11	each resident has shares of the corporation
12	COUNCIL MEMBER DICKENS:
13	[Interposing] I know what a co-op is. I just want
14	to know
15	WENDELL WALTERS: [Interposing] And
16	the condo will just have a fee simple title
17	ownership of the condos
18	COUNCIL MEMBER DICKENS:
19	[Interposing] I understand. I know the
20	definition. I'm trying to get an understanding of
21	how what was the breakdown, how you arrived a
22	co-op versus condos. What will be the AMI on the
23	co-ops?
24	WENDELL WALTERS: They'll range
25	from 60 to 110.

2	have	t wo	phases	οf	the	project	in	construction.
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We have worked with the Nehemiah brand for, as I'm sure you know, quite a number of years, and its mission of providing affordable homeownership opportunities is a longstanding one. And we've been able to do so quite well with them. To answer your question, we provide subsidies to all of our projects, where appropriate, including other districts in New York City where

COUNCIL MEMBER DICKENS: Or in the case of some rentals, not just homeownership but rentals as well.

homeownership possibilities are possible.

WENDELL WALTERS: As well, correct.

COUNCIL MEMBER DICKENS: Well I commend my colleague Council Member Barron on obtaining such a phenomenal, phenomenal affordability for his district; I think that's great. And I realize that, you know, that HPD possibly has a-- you know, he's been able to work very well with HPD. So I thank you for that knowledge. That's all, Chair.

CHAIRPERSON GARODNICK: Thank you, Council Member Dickens.

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WENDELL WALTERS: You're welcome.

CHAIRPERSON GARODNICK: Okay,

seeing no other members of the public wishing to testify on these items, and Council Member Dickens having made her points extremely clearly, we will close the hearing on Land Use numbers 1009 to 1013 the related items of Gateway Estates, the sequel. And we will open the hearing, I'm going to note that we are going to lay that item over until the next meeting of our subcommittee, and you were correct to point out that Council Member Barron has expressed his strong support for this item and regrets that he wasn't able to join us, but we got started a little late and he had to run off. And he asked me to communicate that to you and to put it on the record. We'll now open the hearing on Land Use number 984, Non-ULURP number 20095295HAX, 463 East 159th Street in the Bronx, in the district of Council Member Arroyo. Ms. Arroyo? THERESA ARROYO: Thank you. not related. LU 984 consists of the proposed disposition of a vacant city-owned building located at 463 East 159th Street through HPD's

Asset Sales Program. The purchaser, 142-05

2	Rockaway Boulevard, Queens, LLC, proposes to
3	acquire the neighboring distressed property from
4	the private owner. This gets interesting. They
5	will then combine the two lots and construct an
6	eight-unit building. That is the proposed plan.
7	However in the event they are unable to acquire
8	the adjacent property, the purchaser will demolish
9	the existing one-family home, which is what we are
10	seeing disposition approval for, and will build
11	instead a two-family handicap-accessible home.
12	Council Member Arroyo has reviewed the project and
13	indicated her support.
14	CHAIRPERSON GARODNICK: Thank you.
15	Okay, let's just understand. If they're
16	successful in acquiring the lot next door and
17	creating the eight-units, what is the
18	affordability of those units?
19	THERESA ARROYO: That's not
20	something we're not holding anything on that. I
21	mean eight-units would be rent stabilized, would
22	be market.
23	CHAIRPERSON GARODNICK: Market
24	rate

THERESA ARROYO: [Interposing]

1	PLANNING, DISPOSITIONS AND CONCESSIONS 27
2	Right.
3	CHAIRPERSON GARODNICK: But rent
4	stabilized apartments. Same thing is true for the
5	development of the two-family home if they're not
6	successful in their negotiations?
7	THERESA ARROYO: The two-family
8	home would be market also.
9	CHAIRPERSON GARODNICK: Also
10	market. Right. And that's not that would not
11	be rent-stabilized?
12	THERESA ARROYO: Right.
13	CHAIRPERSON GARODNICK: Okay. And
14	Council Member Arroyo is supportive of this?
15	THERESA ARROYO: Yes.
16	CHAIRPERSON GARODNICK: And the
17	purchaser was chosen through any particular
18	process?
19	THERESA ARROYO: Competitive
20	process. Competitive request for offers.
21	CHAIRPERSON GARODNICK: Okay.
22	Thank you. Seeing no members of the public
23	wishing to testify on this item, I close the
24	hearing on Land Use 984, Non-ULURP 20095295HAX.
25	And just clarify for the purposes of voting today;

2	we're going to lay over all of the items on
3	today's calendar, with the exception of Land Use
4	931, 982 and 984. So for those of you playing at
5	home, that means Gateway we're holding, and the
6	other items we heard today plus the Puerto Rican
7	Traveling Theatre Company are on the agenda. And
8	to be voted on, the Chair is recommending an Aye
9	vote, and we'll ask the Counsel to call the roll.
10	CAROL SHINE: Carol Shine, Counsel
11	to the Sub Committee. Chair Garodnick?
12	CHAIRPERSON GARODNICK: I vote Aye.
13	CAROL SHINE: Council Member
14	Gonzalez?
15	COUNCIL MEMBER GONZALEZ: Aye.
16	CAROL SHINE: Council Member
17	Dickens?
18	COUNCIL MEMBER DICKENS: Aye.
19	CAROL SHINE: By a vote of three in
20	the affirmative, none in the negative and no
21	abstentions, the aforementioned items are approved
22	and referred to the full Committee.
23	CHAIRPERSON GARODNICK: Thank you
24	very much. And with that we're adjourned.

I, Erika Swyler 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.

the fit

Signature_____

Date ____March 17, 2009_____