

CITY COUNCIL
CITY OF NEW YORK

-----X

TRANSCRIPT OF THE MINUTES

of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS

-----X

February 8, 2011

Start: 1:20pm

Recess: 2:12pm

HELD AT:

Committee Room

250 Broadway, 16th Floor

B E F O R E:

STEPHEN T. LEVIN

Chairperson

COUNCIL MEMBERS:

Charles Barron

Sara M. Gonzalez

Peter A. Koo

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

Carol Clark
Assistant Commissioner
Department of Housing Preservation and Development

Sal D'Avola
Executive Director
Restored Homes

2 CHAIRPERSON LEVIN: Good afternoon.
3 Welcome to the Subcommittee on Planning,
4 Dispositions and Concessions. I'm Council Member
5 Stephen Levin, Chair of the Subcommittee. I am
6 joined this afternoon to my right by Council
7 Member Sara Gonzalez of Brooklyn, Council Member
8 Peter Koo of Queens and to my left, Council Member
9 Charles Barron of Brooklyn. We have--all the way..

10 [background conversation]

11 CHAIRPERSON LEVIN: We have one
12 item on the agenda this afternoon. It is non - -
13 No. 20115223 HAK, Land Use No. 238. It is an
14 Asset Control Area disposition. The address is
15 824 Monroe Street in Brooklyn. That is in
16 Community Board District 3 of Brooklyn, Council
17 District 41--that is the Council District
18 represented by Council Member Darlene Mealy. We
19 have with us today to testify on this disposition
20 Carol Clark Assistant Commissioner of HPD and Sal
21 D'Avola from Restored Homes. Only one.
22 Commissioner Clark?

23 CAROL CLARK: Thank you, Mr.
24 Chairman and members of the Committee. I'm Carol
25 Clark and I'm joined by Sal D'Avola who is the

2 Executive Director of restored Homes. As you
3 noted, LU 238 consists of a vacant two-family home
4 located 824 Monroe Street to be developed under
5 the Asset Control Area program. HPD and the
6 Federal Department of Housing and Urban
7 Development are undertaking this initiative to
8 revitalize neighborhoods by bringing back vacant
9 homes and created affordable homeownership
10 opportunities for low- and moderate-income
11 families. Homes acquired by HUD as a result of
12 mortgage foreclosures are sold to a not-for-profit
13 sponsor, Restored Homes HDFC, for rehabilitation
14 and subsequent sale to qualified purchasers. In
15 collaboration with HPD, Restored Homes oversees
16 the rehab and conducts the marketing process to
17 identify income eligible purchasers.

18 Today HPD is before the Council
19 seeking its approval of a tax exemption to enhance
20 the affordability of the project for the eligible
21 purchaser. Council Member Mealy has reviewed the
22 project and indicated her support. Thank you.

23 CHAIRPERSON LEVIN: Thank you, Mr.
24 D'Avola. Have you thus far started to market the
25 property? I mean are you looking for--is it based

2 on the tax exemption?

3 SAL D'AVOLA: We've actually
4 started marketing the home. In fact, we have an
5 interested purchaser, who we are in the process of
6 qualifying to see if they qualify for the home.

7 CHAIRPERSON LEVIN: Is there an AMI
8 cap on this particular project?

9 SAL D'AVOLA: In the program, there
10 is an AMI cap of 115% of AMI; however, the home is
11 affordable to families earning--at the \$340,000
12 sales price, it's an income of 88% of AMI;
13 however, we have additional subsidies from the
14 Affordable Housing Corporation, which is the State
15 agency that we--that is dependent on the income of
16 the eligible purchaser that can reduce the price
17 down to \$260,000, depending on the income of that
18 particular purchaser.

19 CHAIRPERSON LEVIN: So the lower
20 the AMI--the AMI would correspond with the sale
21 price?

22 SAL D'AVOLA: Correct. The more
23 subsidy we can put into the house depending on the
24 lower AMI of the purchaser.

25 CHAIRPERSON LEVIN: Do any of my

2 colleagues have any questions?

3 COUNCIL MEMBER BARRON: What did
4 you say the AMI was?

5 CHAIRPERSON LEVIN: Max AMI for the
6 program--Mr. D'Avola if you want to..

7 SAL D'AVOLA: Yeah. Maximum for
8 the program is 115% of AMI; however, this--

9 COUNCIL MEMBER BARRON:
10 [Interposing] 115%, come on now.

11 SAL D'AVOLA: --but this home is
12 affordable to families earning 88% of AMI.

13 COUNCIL MEMBER BARRON: And how
14 much is 88% of the AMI?

15 SAL D'AVOLA: 88% of the AMI--

16 COUNCIL MEMBER BARRON:
17 [Interposing] Is 60-\$70,000.

18 SAL D'AVOLA: --is \$69,000.

19 COUNCIL MEMBER BARRON: What is the
20 AMI of that neighborhood?

21 SAL D'AVOLA: I don't know that
22 number.

23 COUNCIL MEMBER BARRON: Well, you
24 should know that. You should know that.

25 SAL D'AVOLA: I don't have that

2 information--

3 COUNCIL MEMBER BARRON:

4 [Interposing] It's Brownsville, right?

5 SAL D'AVOLA: It's Bed-Stuy,
6 actually.

7 COUNCIL MEMBER BARRON: Bed-Stuy?
8 What's the AMI for Bed-Stuy?

9 SAL D'AVOLA: I don't have that
10 information, Councilman.

11 CAROL CLARK: I'll get back to you
12 with that information--

13 COUNCIL MEMBER BARRON:

14 [Interposing] Oh come on now, come on.

15 CAROL CLARK: --Council Member
16 Barron.

17 COUNCIL MEMBER BARRON: You all
18 know that the AMI for the neighborhood Bedford,
19 Stuyvesant and Brownsville is usually 30,000.
20 Correct?

21 CAROL CLARK: That sounds right to
22 me, yes.

23 COUNCIL MEMBER BARRON: Well,
24 30,000, and you're talking about bringing in
25 something for 69,000?

2 SAL D'AVOLA: That's the cap of the
3 affordability--

4 [crosstalk]

5 SAL D'AVOLA: --but as I was
6 mentioning, Councilman, that we have additional
7 subsidies from the Affordable Housing Corporation--

8 COUNCIL MEMBER BARRON:

9 Interposing] I understand all of that, but once we
10 pass this...

11 SAL D'AVOLA: --that will allow us
12 to bring the price down to \$260,000.

13 COUNCIL MEMBER BARRON: You get a
14 tax break to bring the price down. That's what
15 this tax break is for is to bring the price down.

16 SAL D'AVOLA: That's part of it.
17 Yes.

18 COUNCIL MEMBER BARRON: Right. And
19 you did not bring it down.

20 SAL D'AVOLA: We did.

21 COUNCIL MEMBER BARRON: 69,000
22 after a tax break is not affordable in area where
23 there is a 30,000 AMI.

24 SAL D'AVOLA: I don't have an
25 answer to that, Councilman.

2 COUNCIL MEMBER BARRON: Come on,
3 you know we've been through this enough to know
4 that if we're going to give tax breaks to people
5 that means that's money that we're not get in our
6 budget during this crisis, so we're not going to
7 get those revenue, and we do that sometimes, I
8 vote for those things because we have to do that
9 to make it affordable--

10 CAROL CLARK: [Interposing] Right.

11 COUNCIL MEMBER BARRON: --but you
12 get the break and we still don't get
13 affordability. That doesn't make sense.

14 CAROL CLARK: Well, what this is is
15 Mr. D'Avola was testifying, Council Member Barron,
16 there actually is a purchaser in this area that is
17 being qualified to purchase this house and what
18 the tax break is is only for ten years and for
19 five years--

20 COUNCIL MEMBER BARRON:
21 [Interposing] I got all that. I'm not confused.

22 CAROL CLARK: --under the UDEP tax
23 exemption.

24 COUNCIL MEMBER BARRON: I'm not
25 confused on that and you can always find someone

2 in our community on the top end that can afford
3 that. You can always find that, but when you have
4 a community that has a 30,000 AMI, a 69,000 is not
5 affordability.

6 CAROL CLARK: I hear your point.

7 CHAIRPERSON LEVIN: Anything
8 further? Any of my other colleagues have any
9 questions on this particular item? Okay. I think
10 I don't have any further questions myself. Well
11 one question is with regard to the exemption lasts
12 for ten years, is it a declining...?

13 CAROL CLARK: Yes, it's five years
14 full and five pro-rated, decreasing in the second
15 five years for a period of ten years total.

16 CHAIRPERSON LEVIN: And Restores
17 Homes works with the homeowners to prepare them to
18 be able to pay a full tax on the property?

19 SAL D'AVOLA: Yes, all of our
20 homeowners go through homeowner education and we
21 work with local non-profits in the community.
22 We're working with Bridge Street Community
23 Development Organization as well as NHS of Bed-
24 Stuy in this neighborhood. In fact, this
25 potential purchaser came to us through counseling

2 that is being offered by NHS of Bed-Stuy. And in
3 fact with regard to the tax exemption, should the
4 particular homeowner who is purchasing this house
5 sells it within the ten-year recapture period, the
6 tax exemption goes away. The tax exemption is
7 tied to the individual purchaser purchasing this
8 house.

9 COUNCIL MEMBER BARRON: Just one
10 other question. You said you're applying for
11 subsidies?

12 SAL D'AVOLA: No, we have
13 subsidies.

14 COUNCIL MEMBER BARRON: So you have
15 subsidies... How much?

16 SAL D'AVOLA: I mentioned that we
17 have the availability of Affordable Housing
18 Corporation subsidies for this particular house.

19 COUNCIL MEMBER BARRON: How much?

20 SAL D'AVOLA: For this particular
21 house, we can provide up to \$80,000 in subsidies.

22 COUNCIL MEMBER BARRON: So you get
23 \$80,000 subsidies plus a tax break, and we're
24 still at 80--%116% of the AMI? And 80...

25 SAL D'AVOLA: No, Councilman.

2 Actually, you're wrong about that. We with the
3 \$80,000 in subsidy, we're able to bring the price
4 down to \$260,000--

5 COUNCIL MEMBER BARRON:

6 [Interposing] No, I'm talking about the AMI.

7 SAL D'AVOLA: The AMI at \$260,000
8 would be probably be somewhere around--I don't
9 have that info, but let--it's probably is at 69%
10 of AMI, which is below the 80%.

11 COUNCIL MEMBER BARRON: This house
12 is at, what? You mentioned 116%, you mentioned 80-
13 something percent of the AMI... What is this--

14 SAL D'AVOLA: [Interposing] The
15 program...

16 COUNCIL MEMBER BARRON: What is
17 this house?

18 SAL D'AVOLA: This house is
19 affordable to someone in a range of 69% of AMI up
20 to 88% of AMI.

21 COUNCIL MEMBER BARRON: See? When
22 you do that range thing, why would someone take
23 somebody at 69, when they can get them at 88?

24 SAL D'AVOLA: That is how it is
25 tied to the subsidy. The subsidy that we are

2 getting from the Affordable Housing Corporation is
3 tied to income, and if we can identify a purchaser
4 who is a 80% of AMI or below, they can get the
5 maximum subsidy that's tied to the house, which is
6 the \$80,000. If the person's AMI exceeds 80% of
7 AMI and it's a tiered structure with the
8 Affordable Housing Corporation, there is less
9 subsidy that goes into that house based on the
10 higher income of the purchaser.

11 COUNCIL MEMBER BARRON: Right, but
12 if you have a house at 260--it's a two-family?

13 SAL D'AVOLA: It's a two-family
14 house.

15 COUNCIL MEMBER BARRON: At 260?

16 SAL D'AVOLA: At the lower end, if
17 someone were making less than--at 80 percent or
18 below--if that qualified purchaser--then we can
19 put that full subsidy to get to that 260.

20 COUNCIL MEMBER BARRON: And if
21 they're at 80, the higher...

22 SAL D'AVOLA: The higher it's
23 \$340,000 is the sales price of the house.

24 COUNCIL MEMBER BARRON: 340 and
25 then...

2 SAL D'AVOLA: It could go down to
3 260 depending on the income of the buyer. We
4 don't have a buyer as of yet, that's why it's a
5 range of price.

6 COUNCIL MEMBER BARRON: What could
7 you do to get it lower, the AMI?

8 SAL D'AVOLA: Additional subsidies.

9 COUNCIL MEMBER BARRON: 'Cause you
10 know we've had subsidies at 80,000 and we've
11 gotten AMIs at 40, 50, 55% with the subsidies that
12 you got.

13 CAROL CLARK: Are those new
14 construction projects if my memory serves?

15 COUNCIL MEMBER BARRON: I don't
16 know what they are, but I'm saying--

17 CAROL CLARK: [Interposing] I think
18 they are, yeah.

19 COUNCIL MEMBER BARRON: I've had
20 projects that we've had 55% of the AMI and got the
21 same kind of subsidies you have.

22 SAL D'AVOLA: I don't know how
23 those other programs are working. I can only just
24 talk about the particular program that I'm here
25 before you on.

2 COUNCIL MEMBER BARRON: Right.

3 CHAIRPERSON LEVIN: Any further
4 questions, Council Member? Sorry, Council Member
5 Gonzalez.

6 COUNCIL MEMBER GONZALEZ: I just
7 want to ask in reference to the member that in the
8 district that you are--you met with her several
9 times I imagine? Council Member Mealy?

10 CAROL CLARK: We met with Council
11 Member Mealy's staff, and we communicated with her
12 through her staff in this instance and she has
13 approved the project, indicating her support.

14 COUNCIL MEMBER GONZALEZ: Okay,
15 thank you.

16 CHAIRPERSON LEVIN: Any further
17 questions? Okay. The hearing on this particular
18 item is hereby closed. We will take a vote. I
19 recommend an aye vote on this item, but before we
20 get to that, I just want to mention that both Land
21 Use Nos. 314 and 315 Harlen Park House Planning
22 Project and Harlen Park Houses Conveyance are
23 going to be laid over until a later hearing.
24 With that, I recommend an aye vote on this item,
25 and I will ask Christian Hylton, counsel to the

2 Committee, to call the roll.

3 CHRISTIAN HYLTON: Chair Levin?

4 CHAIRPERSON LEVIN: Aye.

5 CHRISTIAN HYLTON: Council Member

6 Barron?

7 COUNCIL MEMBER BARRON: No.

8 CHRISTIAN HYLTON: Council Member

9 Gonzalez?

10 COUNCIL MEMBER GONZALEZ: Aye.

11 CHRISTIAN HYLTON: Council Member

12 Koo?

13 COUNCIL MEMBER KOO: Aye.

14 CHRISTIAN HYLTON: By vote of three

15 in the affirmative, one in the negative, no

16 abstentions, LU 238 is approved and referred to

17 the full Land Use Committee.

18 CHAIRPERSON LEVIN: This meeting is
19 closed.

20 [gavel]

21 CHAIRPERSON LEVIN: We're going to

22 leave the roll open for 15 minutes before closing

23 out. Thank you.

C E R T I F I C A T E

I, Kimberley Uhlig 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

Kimberley Uhlig

Date

February 16, 2011