

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON PLANNING
DISPOSITIONS AND CONCESSIONS

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November 9, 2015
Start: 11:05 p.m.
Recess: 11:53 p.m.

HELD AT: Committee Room - City Hall

B E F O R E: INEZ E. DICKENS
Chairperson

ANDREW COHEN
Acting Chairperson

COUNCIL MEMBERS: Darlene Mealy
Ydanis A. Rodriguez
Mark Treyger

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

Ardie Pearson, Director of Land Use
Office of Government Relations
NYC Housing Preservation and Development

Lisa Talma, Assistant Commissioner
Property Disposition and Finance
NYC Housing Preservation and Development

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2 [sound check, pause]

3 CHAIRPERSON COHEN: Good morning.

4 Everybody's ready? I'm ready. Okay. [background

5 comments] [gavel] Good morning, right? Good

6 morning. I'm Andy Cohen Acting Chair of the

7 Subcommittee on Planning, Dispositions and

8 Concessions filling in for Chair Inez Dickens. We

9 are joined today by Council Members Treyger and

10 Rodriguez. We have three items on the calendar

11 today, Land Use Items 290, 291 and 292. We will be

12 holding a public hearing and voting on all three

13 items today. Land Use Items 290, 291 and 292 are

14 applications for Urban Development Action Area

15 Project approvals and tax exemptions. Land Use Item

16 No. 290 is in Council Member Levin's district. Land

17 Use 291 is in Council Member Cumbo's district, and

18 292 is in Council Member Eugene's district. All

19 three council members have indicated their support

20 for the projects. I will now open the public hearing

21 on Land Use Items No. 290, 291 and 292, and we have--

22 from HPD we have Ardie Pearson and we have Lisa

23 Talma. Did I say that--Talma. Okay. Are you going

24 to swear them in.

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2 LEGAL COUNSEL: [off mic] Okay, raise
3 your right hand?

4 CHAIRPERSON COHEN: Will you raise your
5 right hand? Do you swear or affirm the testimony
6 you're going to give before this committee shall be
7 the truth?

8 ARDIE PEARSON: Yes.

9 LISA TALMA: Yes.

10 CHAIRPERSON COHEN: Please proceed.

11 ARDIE PEARSON: Thank you. Good
12 afternoon, Chair Cohen, and members of the
13 Subcommittee. I'm Ardie Pearson, Director of Land
14 Use for HPD's Office of Government Relations, and I'm
15 joined Lisa Talma, Assistant Commissioner for
16 Property Disposition and Finance. Land Use Nos. 290
17 and 291 and 292 consists of a cluster of eight city-
18 owned buildings proposed for disposition and
19 redevelopment under HPD's Multi-Family Preservation
20 Loan Program, and is known as the FSG Cluster. Land
21 Use No. 290 is located at 825 Bedford Avenue, which
22 is Block 1734, Lot 58 in Council District 33. That's
23 Council Member Levin's district. Land Use No. 291 is
24 located at 165 Park Avenue, Block 2031, Lot 57, 368
25 Lafayette Avenue; Lot 1948, Lot 28; 802 Washington

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2 Avenue, Block 1173, Lot 53; and 840 Washington
3 Avenue, Block 117--sorry, 1176, Lot 98 in Council
4 District 35, which is Council Member Cumbo's
5 district. And Land Use No. 292 is located at 72 and
6 74 Lott Street. That's Block 5127, Lots 15 and 16;
7 and 83 East 18th Street, Block 5099, Lot 37 in
8 Council District 40, which is Council Member Eugene's
9 District. The eight buildings combined have a total
10 of 52 units of which 30 are vacant. The sponsor is
11 proposing to substantially rehabilitate all the
12 buildings. Additionally, there's an opportunity to
13 increase the total number of apartments to 62 by
14 reconfiguring approximately half of the vacant units
15 At the end of the rehabilitation process, there will
16 be a mixture of unit types including 18 studios, 25
17 1-bedrooms, 12 2-bedrooms and 7 2-bedroom apartments.
18 All units will be rent stabilized. The AMIs will not
19 exceed 60%, and rents will be between \$805 for a
20 studio and \$1,206 for a 3-bedroom unit. Existing
21 tenants will be temporarily relocated during the
22 construction period, and upon completion of the work
23 will return to their apartments. HPD is before the
24 Planning Subcommittee seeking approval for Land Use
25 Nos. 290, 291 and 292 in order to facilitate the sale

2 and redevelopment of the FSG cluster. Council Members
3 Leven, Cumbo and Eugene are supportive of their
4 respective projects and we're available to answer any
5 questions you may have.

6 CHAIRPERSON COHEN: Thank you very much.

7 I have a question or two, but I'll defer to any of my
8 colleagues if they do. Um, I just, I-- As long as
9 we're here, I'm going to educate myself a little bit.
10 The units are currently rent stable? What are the
11 status of the units today?

12 ARDIE PEARSON: As far as occupancy or--
13 or stabilization?

14 CHAIRPERSON COHEN: Stabilization.

15 ARDIE PEARSON: The buildings are rent
16 stabilized.

17 CHAIRPERSON COHEN: It--it--if the--what
18 will happen to the rent if they're rent stabilized?
19 Is there only going to be a relationship between what
20 the rent is currently and what it will be after
21 rehabilitation?

22 ARDIE PEARSON: They will be rent
23 stabilized after rehabilitation.

24 CHAIRPERSON COHEN: And will it--what is
25 the relationship between the rent--like if a unit is

2 \$500 now and you have this AMI formula, what--I mean
3 is there any--an preservation of the current status?
4 When the unit is cheaper now, will they all be re--
5 the rents all refigured under this new formula?

6 ASSISTANT COMMISSIONER TALMA: Yes, um,
7 the rents will be restructured after the construction
8 is complete. The buildings are currently city-owned
9 and the rent is roughly--is roughly I think \$50, \$55
10 per room. Um, but those rents will be restructured to
11 approximately the amounts that Ardie read out before.
12 This is in part to help to pay for the financing on
13 the deal.

14 CHAIRPERSON COHEN: But \$50--\$55 that's
15 just an average of what--some are more, some are less
16 depending on--?

17 ASSISTANT COMMISSIONER TALMA: That's a--
18 the rough--the rough per room rate under the city-
19 owned--ownership, yes.

20 CHAIRPERSON COHEN: Okay, and is it--in
21 order to come up with the new rents, it's strictly by
22 this formula? Like is there any relationship between
23 the amount of money that's going to be invested like
24 in the traditional like NCI kind of situation, or is
25 it just--just based on this new formula?

2 ASSISTANT COMMISSIONER TALMA: It's not
3 so much based on an MCI, um, but it's partially based
4 on what the building would need to operate in terms
5 of income, and part of that is also the repayment of
6 debt service. However, this project is looking at a
7 variety of different forms of financing including
8 low-income housing tax credits. That all feeds into
9 the calculation.

10 CHAIRPERSON COHEN: Thank you very much.
11 Anybody else? Going once. Okay. I'm supposed to
12 say something else now.

13 COUNCIL MEMBER RODRIGUEZ: [off mic] Does
14 the council members support it?

15 CHAIRPERSON COHEN: They do. The--the
16 three council members support the applications?

17 ARDIE PEARSON: That's correct.

18 CHAIRPERSON COHEN: Okay. All right.
19 Thank you very much for your testimony. Are there
20 any members of the public who wish to testify?
21 Seeing none, I will now close the public hearing on
22 these three items. We will now--do we have a clerk?
23 Oh, we're not voting? Okay, we are. Okay, and I
24 will now move on a vote to approve Land Use Items
25 290, 291 and 292. Counsel, please call the roll.

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2 LEGAL COUNSEL: Chair Cohen.

3 CHAIRPERSON COHEN: I vote aye.

4 LEGAL COUNSEL: Council Member Rodriguez.

5 COUNCIL MEMBER RODRIGUEZ: Aye.

6 LEGAL COUNSEL: Council Member Treyger.

7 COUNCIL MEMBER TREYGER: Aye.

8 LEGAL COUNSEL: Land Use Items 290, 291

9 and 292 are approved by a vote of 3 in the

10 affirmative, 0 in the negative and 0 abstentions and

11 they are referred to the Full Land Use Committee.

12 CHAIRPERSON COHEN: This concludes our
13 hearing. Thank you. [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date November 9, 2015