

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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January 24, 2017
Start: 2:53 p.m.
Recess: 2:59 p.m.

HELD AT: 250 Broadway - Committee Rm.
16th Fl.

B E F O R E: ANDREW COHEN
Acting Chairperson

COUNCIL MEMBERS: Darlene Mealy
Ydanis A. Rodriguez
Andrew Cohen
Mark Treyger

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

Artie Pearson, Director of Land Use
Office of Governmental Relations.
Housing Preservation and Development, HPD

Gary Sloman, Director of Operations
Division of Housing Supervision
Housing Preservation and Development, HPD

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[sound check, pause]

CHAIRPERSON COHEN: Are we starting?

[gavel] Good afternoon, very late afternoon. I'm Council Member Andy Cohen Acting Chair of the Subcommittee on Planning, Dispositions and Concessions. I welcome everyone to today's hearing. I want to thank and acknowledge the sergeant-at-arms, Jessica, who's done a very good job today, Land Use Director Raju Mann, Deputy Director Amy Levitan, Attorney Julie Luben, Dylan Casey. I'm supposed to circle one of you. I think it's Dylan today, and Project Manager Jakeem. (sp?) We are joined today by Council Member-Subcommittee Members Mark Treyger and Ydanis Rodriguez. Thank you for just leaving your other committees and coming here. I appreciate it. We have one item on calendar today for a hearing and vote, Land Use No. 546, Rainbow Plaza in Speaker Mark-Viverito's district. The property is located at 575 East 140th Street, and 574 East 140th Street at Community Board 1 in the Bronx. HPD is seeking approval of the acquisition of the subject property by a newly created Article 5 Corporation and approval of a partial Article 5 Tax Exemption for 40 years. These actions will facilitate the preservation of 126

units of affordable housing at approximately 60% AMI.

I am now opening up the hearing on this item.

[background comments]

LEGAL COUNSEL: Artie Pearson.

ARTIE PEARSON: Yes.

LEGAL COUNSEL: Gary Sloman.

GARY SLOMAN: Yes.

[background comments]

LEGAL COUNSEL: Do you swear to tell the
truth and the whole truth?

ARTIE PEARSON: I do.

GARY SLOMAN: And I do.

LEGAL COUNSEL: Will you go ahead and
just please introduce before testifying.

ARTIE PEARSON: Artie Pearson, Director
of Land Use from HPD's Office of Governmental
Relations.

GARY SLOMAN: Gary Sloman, Director of
Operations, Division of Housing Supervision of HPD.

ARTIE PEARSON: Good afternoon, Acting
Chair Cohen and members of the subcommittee. Land
Use No. 546 consists of one multiple dwelling located
at 574 and 575 East 140th Street in Speaker Mark-
Viverito's district, and is known as Rainbow Plaza.

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2 It is a six-story building containing 126 rental
3 units, and one superintendent's unit. Currently,
4 there is only one vacancy. There is a mixture of
5 bedroom types including 1, 2 and 3-bedroom units
6 under targeted AMI of 60%. In 1984, the Board of
7 Estimate approved the development of Rainbow Plaza as
8 an Article 5 redevelopment company, which provides
9 the Section 8 based low-income rental housing. In
10 2009, the complex was conveyed to a new owner that
11 continues to operate the complex as Section 8 based
12 low-income housing. Although the owner has a Section
13 8 contract in place with the development, it has been
14 brought to HPD's attention that the owner is not
15 organized as an Article 5 redevelopment company, but
16 was organized pursuant to the Business Corporation
17 Law. Because Article 5 redevelopment companies must
18 be duly organized under the Private Housing Finance
19 Law, HPD is seeking Council approval to allow Rainbow
20 Plaza to enter into a redevelop company contract
21 under Section 114 of the Private Housing Finance Law.
22 Additionally, HPD seeks approval of a new tax
23 exemption for a period of 40 years that will coincide
24 with a new redevelopment company contract, and
25 Speaker Melissa Mark-Viverito has been briefed on

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2 this project, and has indicated her support, and both
3 Gary and I can answer any question that you may have.

4 CHAIRPERSON COHEN: Yes, are you—are you
5 speaking also or--

6 GARY SLOMAN: No, not unless there's any
7 questions.

8 CHAIRPERSON COHEN: Okay. Thank you very
9 much, Artie. I'm going to give everybody the secret
10 that I'm very inclined to support projects in the
11 Speaker's district that she supports, but I just have
12 a couple of questions. One is I was wondering are
13 there any open violations on the property currently?

14 ARTIE PEARSON: There are a minimal
15 number of violations on the property. None of them a
16 C. Mostly from A&B and the owner is obliged to
17 correct all of these housing code violations. As a
18 matter of fact, they're in the process of doing that
19 now and seeking dismissal inspections to make sure
20 they're wiped from the record.

21 CHAIRPERSON COHEN: And who is the
22 current owner?

23 GARY SLOMAN: Well, the current owner is--
24 is an entity. The--the gentleman who owned the entity
25 are here, it's the owners of the entity, but it's the

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2 same principals who are forming a new Article 5. So
3 there's not really a transfer of ownership so much of
4 a change of entity. Technically, it's a new—a new
5 corporation that's acquiring it, but really, it's the
6 same principals involved.

7 CHAIRPERSON COHEN: In this corporation
8 the only assets will be this property?

9 GARY SLOMAN: That's correct.

10 CHAIRPERSON COHEN: Okay. Do any of my
11 colleagues have any questions? Okay.

12 LEGAL COUNSEL: Are there any more
13 members of the public who would like to testify on
14 this item?

15 CHAIRPERSON COHEN: Seeing none. Yes,
16 alright. I'm going to go to page and find out what
17 I'm supposed to do next. I note for the record that
18 the application we are voting on today has the full
19 support of the Speaker and my support. I will now
20 call on counsel to call the roll on the vote to
21 approve.

22 LEGAL COUNSEL: Chair Cohen.

23 CHAIRPERSON COHEN: I vote aye.

24 LEGAL COUNSEL: Council Member Rodriguez.

25 COUNCIL MEMBER RODRIGUEZ: Aye.

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LEGAL COUNSEL: Council Member Treyger.

COUNCIL MEMBER TREYGER: Aye.

CHAIRPERSON COHEN: Alright, I would like to thank the members of the public--[background comments] What? He said he was going--he's going to tell you the tally.

LEGAL COUNSEL: By a vote of 3 in the affirmative, 0 in the negative and 0 abstentions [laughter] Land Use Item 546 is approved and referred to the full Land Use Committee.

CHAIRPERSON COHEN: Excellent. Thank you, Dylan. Alright, I want to thank the members of the public, my colleagues, counsel and Land Use staff for attending today's hearing, and this meeting is hereby adjourned. Thank you very much. [gavel]

ARTIE PEARSON: Thank you.

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 February 2, 2017