

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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September 15, 2011

Start: 1:43pm

Recess: 2:04pm

HELD AT: Council Chambers  
City Hall

B E F O R E: STEPHEN T. LEVIN  
Chairperson

COUNCIL MEMBERS:  
Charles Barron  
Inez E. Dickens  
Sara M. Gonzalez  
Peter A. Koo

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

Carol Clark  
Assistant Commissioner  
NYC Department of Housing Preservation and Development

Salvatore D'Avola  
Executive Director  
Restored Homes HDFC

Michael Polo  
Deputy Director of the Office of New Construction  
NYC Department of Housing Preservation and Development

CHAIRPERSON LEVIN: Good afternoon.

Welcome to the Subcommittee on Planning, Dispositions and Concessions. I'm Council Member Stephen Levin, Chair of the Subcommittee. I'm joined this afternoon by my colleagues Peter Koo of Queens and Sara Gonzalez of Brooklyn. We have three items on the agenda today, and we're going to go through them in relatively short order. I'm going to start with Land Use number 388. That's 20115747 HAK, 1690 St. Mark's Avenue. We'll do them one at a time. That is an Asset Control Area block 1461, lot 12 in Brooklyn. That is in Community District 16 and Council District number 37 represented by Council Member Erik Dilan. Testifying on this item today is Carol Clark, Assistant Commissioner at HPD and Sal D'Avola of Neighborhood Restored Homes. Ms. Clark?

ASSISTANT COMMISSIONER CLARK:

thank you, Mr. Chairman. As you noted, I'm Carol Clark joined by Sal D'Avola, LU 388 consists of a vacant one family home located at 1690 St. Mark's Avenue to be developed under the Asset Control Area program. HPD and the Federal Department of Housing and Urban Development are undertaking this

1 initiative, which is known as the ACA program to  
2 revitalize neighborhoods by bringing vacant homes  
3 back into use, while creating affordable home-  
4 ownership opportunities for low and middle and  
5 moderate income families. Homes acquired by HUD  
6 as a result of mortgage foreclosures are sold to a  
7 not for profit sponsor Restored Homes HDFC, of  
8 which Mr. D'Avola is the executive director, for  
9 rehabilitation and subsequent sale to qualified  
10 purchasers. In collaboration with HPD, Restored  
11 Homes oversees the rehab and conducts the  
12 marketing process to identify the income eligible  
13 purchases. Today HPD is before the Council  
14 seeking its approval of a tax exemption to enhance  
15 the affordability of the project for the eligible  
16 purchaser. Council Member Dilan has reviewed the  
17 project and indicated his support. Thank you.

18  
19 CHAIRPERSON LEVIN: Thank you. Mr.  
20 D'Avola, do you want to add anything?

21 SALVATORE D'AVOLA: No, I'm just  
22 here to answer questions.

23 CHAIRPERSON LEVIN: The marketing  
24 process—has that been undertaken yet or started to  
25 look at potential buyers?

1  
2 SALVATORE D'AVOLA: Yes, the  
3 marketing process is being undertaken. It is a  
4 single family house. We're actively marketing the  
5 house. It's still in construction; it should be  
6 completed in construction in about 30 to 60 days.

7 CHAIRPERSON LEVIN: And what's the  
8 purchase price most likely--ballpark?

9 SALVATORE D'AVOLA: It's a range  
10 between 215,000 to \$255,000 depending on the  
11 income eligibility. We have subsidies from the  
12 New York State Affordable Housing Corporation that  
13 are allowing us to get to that level.

14 CHAIRPERSON LEVIN: How much in  
15 subsidy are you getting from them?

16 SALVATORE D'AVOLA: Depends on the  
17 income; it could be as much as \$40,000 a unit, if  
18 the eligible purchaser is less than 90% of AMI--  
19 their income is less than 90% of AMI.

20 CHAIRPERSON LEVIN: Okay. If  
21 they're over 90% does it--

22 SALVATORE D'AVOLA: [Interposing]  
23 It's a tiered structure. I think it's 25, if it's  
24 above 110% of AMI up to 130% of AMI.

25 CHAIRPERSON LEVIN: So the

1  
2 incentive there is to find families that are  
3 within that either 90 or below or between 90 and  
4 110 or 120 or something?

5 SALVATORE D'AVOLA: Yes.

6 CHAIRPERSON LEVIN: Do any of my  
7 colleagues have any questions on this item?  
8 Council Member Koo?

9 COUNCIL MEMBER KOO: So how are you  
10 advertising this house for sale?

11 SALVATORE D'AVOLA: In numerous  
12 places. We have the homes advertised in our  
13 website. They're on HPD's website. We advertise  
14 them in local newspapers and in general  
15 circulation newspapers like the free Metro or the  
16 free AM New York that are handed out at the subway  
17 stations.

18 COUNCIL MEMBER KOO: How do you  
19 pick the winner?

20 SALVATORE D'AVOLA: We get  
21 applications every day. We go through the  
22 applications to see if they qualify--if they  
23 qualify for a mortgage, if they meet the income  
24 eligibilities. As we get them in, we log them in  
25 in sort of preference order as we get them.

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COUNCIL MEMBER KOO: Okay. Thank you.

CHAIRPERSON LEVIN: Actually, it's funny—how many have you gotten so far for this particular home?

SALVATORE D'AVOLA: I'm not sure actually.

CHAIRPERSON LEVIN: A lot?

SALVATORE D'AVOLA: No, honestly. I think this house has been particularly difficult to market. Location is a bit tricky and just sort of the sign of the times in terms of where we are in terms of people qualifying for mortgages.

CHAIRPERSON LEVIN: I don't want to actually go too far afield, but which mortgage lenders are—

SALVATORE D'AVOLA: We're working with HSBC, Citibank, Chase... most of our buyers however qualify for either an FHA or a Sonyma mortgage, which allows for a smaller 3 or 3 ½ % down payment.

CHAIRPERSON LEVIN: Right. I know a couple of years ago that there was a real dearth of those mortgages actually given out—Sonyma and

1  
2 HFA—I mean it was like in the single or double  
3 digits for months on end. Is it getting better?  
4 Are you seeing that that agency is making these  
5 mortgage loans easier for customers and also in  
6 terms of volume?

7 SALVATORE D'AVOLA: Yeah.

8 Honestly, if it weren't for FHA or Sonyma, I think  
9 a lot of our buyers wouldn't qualify for  
10 mortgages.

11 CHAIRPERSON LEVIN: Thank you very  
12 much. I appreciate it. We're going to close that  
13 item and move on to Land Use number 387. This is  
14 20115746 HAK, 1413 Pitkin Avenue in Brooklyn.  
15 That's in Community District 16 as well, Council  
16 District number 41—that's the council district  
17 represented by Council Member Darlene Mealy. It's  
18 block 1475, lot 78, also an Asset Control Area.  
19 We will have Assistant Commissioner Carol Clark  
20 and Salvatore D'Avola from Neighborhood Restored  
21 Homes to testify on this item.

22 ASSISTANT COMMISSIONER CLARK: As  
23 you noted, Mr. Chairman. LU 387 consists of a  
24 vacant two family home located at 1413 Pitkin  
25 Avenue, and again, it's in the Asset Control Area



1  
2 program. As we explained, this is an undertaking  
3 of the federal government and partnership with  
4 HPD, which has a goal of bringing vacant homes  
5 back into use, and to create affordable home  
6 ownership opportunities. The not for profit  
7 sponsor, Restored Homes HDFC, rehabs the building  
8 and sells them to qualified purchasers. This  
9 project has been not yet supported by Council  
10 Member Mealy. Ongoing discussions are taking  
11 place with her office and with her—seeking her  
12 approval of this tax exemption.

13 CHAIRPERSON LEVIN: Okay. We will  
14 be recessing this particular item today, and I  
15 think we will allow the process to continue with  
16 Council Member Mealy, and we'll be revisiting that  
17 this coming Monday, the 19<sup>th</sup>. I want to thank you  
18 very much on these two items, and we will close on  
19 Land Use number 387. Thank you very much, Mr.  
20 D'Avola. Thank you very much, Commissioner Clark.

21 I think, Commissioner Clark, we're  
22 going to keep you here to discuss Land Use number  
23 465, which is in Queens. If we could actually  
24 hold for a minute because I think Council Member  
25 James Sanders wants to be here for the hearing on

1  
2 this item. I'll go through the basics here. It's  
3 Land Use number 465. That's C110272 HAQ. That's  
4 in Queens Community District 14, Council District  
5 number 31. We'll give him 30 seconds or a minute  
6 or so. I think he's aware and he's just upstairs.

7 ASSISTANT COMMISSIONER CLARK: May  
8 I make a note that it's Mr. D'Avola's birthday  
9 today?

10 CHAIRPERSON LEVIN: Happy Birthday,  
11 Sal.

12 SALVATORE D'AVOLA: Thank you.

13 [background conversation]

14 CHAIRPERSON LEVIN: Okay. So we  
15 will rejoin the hearing. Again, this is Land Use  
16 number 465, Rockaway Firehouse.

17 [crosstalk]

18 CHAIRPERSON LEVIN: Assistant  
19 Commissioner Carol Clark and Mike Polo of HPD.  
20 Thank you, Mr. Chairman. Yes, I'm Carol Clark at  
21 HPD and Mike Polo is the deputy director of the  
22 Office of New Construction for the agency. LU  
23 number 465 consists of the proposed disposition of  
24 a vacant firehouse, which is located 58-03  
25 Rockaway Beach Boulevard, through a negotiated

1 sale with the sponsor Rockaway Waterfront  
2 Alliance; they're known as RWA. They were  
3 selected through a competitive process. They  
4 propose to redevelop the firehouse into a  
5 community center that can accommodate the  
6 organization's environmental, educational and  
7 recreational initiatives. The project area is  
8 comprised of the firehouse and two small parcels  
9 of city-owned land on either side of it. These  
10 additional parcels will serve as accessory open  
11 space for the community center, as is proposed.  
12 The main floor of the firehouse is proposed to be  
13 a flexible space to serve as a meeting hall, a  
14 classroom or an exhibition space. Council Member  
15 Sanders has indicated he's in favor of the  
16 project. Thank you.

18 CHAIRPERSON LEVIN: Thank you,  
19 Commissioner Clark. I just want to note for the  
20 record we've been joined by a member of the  
21 Committee, Council Member Charles Barron and  
22 Council Member James Sanders. Council Member  
23 Barron is from Brooklyn. Council Member Sanders  
24 is from Queens. Council Member Sanders, do you  
25 want to add anything.

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COUNCIL MEMBER SANDERS: Sure.

Thank you. Thank you. Is anyone representing the organization here today?

ASSISTANT COMMISSIONER CLARK: No, sir.

COUNCIL MEMBER SANDERS: Okay, okay. I just wanted to find that out. The community has several questions. In general, we are in favor. Let's be clear. We're very much in favor of this. The idea of taking a historical structure, the firehouse, and making it into a community vehicle—something that the community can use to benefit from is good. As you both know, I've been involved in this project for a long time, so I'm very happy to see that this community group manages it. We do have a couple of questions that had been raised and I'm sure you're aware, and let me raise some of them again. The second floor of this building—we're trying to make sure that the community group that is going to run this does not put anything in there that is not a fit for the community. Maybe there's fear that it could be a backdoor way of putting in a shelter of one type or another or any other public use that

1  
2 may not fit, and what protections do we have that  
3 this will not happen?

4 ASSISTANT COMMISSIONER CLARK: The  
5 City Planning Commission report that talks about  
6 the hearing that was held by Community Board 14 on  
7 June 14<sup>th</sup> of this year indicated that there was  
8 opposition to the group the Rockaway Waterfront  
9 Association renting that second floor space for  
10 unrelated uses, and so there's agreement that they  
11 will not do that.

12 COUNCIL MEMBER SANDERS: Have we  
13 defined unrelated uses?

14 ASSISTANT COMMISSIONER CLARK: They  
15 were defined at the City Planning Commission as  
16 social service uses, like homeless, drug, medical  
17 or mental health type uses. And I'm quoting from  
18 the City Planning-

19 COUNCIL MEMBER SANDERS:  
20 [Interposing] Okay, and those were defined as  
21 unrelated?

22 ASSISTANT COMMISSIONER CLARK: Yes,  
23 sir.

24 COUNCIL MEMBER SANDERS: Okay and  
25 the RWA accepted that?

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2 ASSISTANT COMMISSIONER CLARK: Yes,  
3 they did.

4 COUNCIL MEMBER SANDERS: Suppose  
5 they change their mind? Can they still bring these  
6 services in?

7 ASSISTANT COMMISSIONER CLARK:  
8 Mike, I think I'd like to ask you-

9 MICHAEL POLO: Well, first and  
10 foremost at the City Planning Commission hearing,  
11 they did verbally at that time agree to adhere to  
12 the Community Board's recommendations and not to  
13 bring these uses in. Second of all, we can put  
14 protections into the LDA that would restrict them  
15 to simply the function that they have proposed-the  
16 environmental center, the community center. And  
17 really, this question only came up in the course  
18 of questioning as to how they keep the project  
19 financially viable over the long-term. They  
20 suggested that they might rent space out.  
21 Frankly, they did not mention any of these types  
22 of uses. They did talk about a food pantry;  
23 somehow that devolved into social service type  
24 uses I think they never really brought up, but  
25 they agree not to have any of those uses and to

1  
2 their chagrin, also a food pantry; they would not  
3 entertain that.

4 COUNCIL MEMBER SANDERS: Now I am  
5 more interested in—they need to have a certain  
6 amount of flexibility because they need to figure  
7 a way to keep this project going. I'm not trying  
8 to hang them in that sense. I do want to make  
9 sure that they're not putting anything that will  
10 have a negative impact on the particular  
11 community, so I rather define what they can't do  
12 and leave some opening in there. Is that  
13 possible?

14 ASSISTANT COMMISSIONER CLARK:  
15 Using the LDA, which Mike referred to, which is  
16 the land disposition agreement, there can be some  
17 definition of that and we can certainly work with  
18 your office going forward toward that end.

19 COUNCIL MEMBER SANDERS: Well, that  
20 is what I will suggest is a fitting resolution  
21 here. If we were able to write in things that  
22 they can't do, we would not have to do a universal  
23 thing, and therefore, I can stop pressing my good  
24 luck with this great Subcommittee.

25 CHAIRPERSON LEVIN: The good will

1  
2 extends as far as possible, so you're always  
3 welcome.

4 [background conversation]

5 COUNCIL MEMBER LANDRR: So I am  
6 looking forward to the conversation with you—the  
7 continued conversation. And we will go into faith  
8 that has brought that has brought us here  
9 together, and I recommend a yes vote to this  
10 Committee.

11 ASSISTANT COMMISSIONER CLARK:

12 Thank you, Mr.—

13 CHAIRPERSON LEVIN: Thank you,  
14 Council Member Sanders, and again, anytime you  
15 want, you're welcome to join with here at the  
16 Subcommittee. You're welcome any time. I just  
17 want to mention that we've been joined by  
18 Committee member Inez Dickens, Council Member from  
19 Manhattan. Do any of my colleagues have any  
20 questions on this particular item? Okay. Well,  
21 Council Member Sanders, thank you very much. I  
22 appreciate your efforts on this, in shepherding  
23 this through this process and up to this point in  
24 the Council. This is the kind of thing that I  
25 think has been good adaptive reuses of our



1  
2 firehouses that regretfully have been closed  
3 throughout the city. There was a couple in the  
4 district that I represent, and they've been  
5 adaptively reused as community facilities. We  
6 find that to be a positive thing; they're not  
7 being turned into condominiums and market rate  
8 housing, and so communities in this city cherish  
9 those firehouses. They meant a lot to people, and  
10 they mean a lot to people. Keeping them as public  
11 accessible community facilities is a silver lining  
12 in that story. I want to thank you both very much  
13 for your testimony. We are going to vote on—we  
14 hereby close the hearing on Land Use number 465,  
15 and we're going to vote on Land Use number 465 as  
16 well as Land Use 388. There is a Land Use item  
17 number 467, which we are going to lay over until a  
18 further hearing. That's 20125065 HAK. But we are  
19 going to vote on 388, 465, and we're going to  
20 recess again Land Use number 387 until Monday  
21 September 19<sup>th</sup> at 9:45am. I recommend a yes vote  
22 on 465 and 388. I'm going to ask counsel to the  
23 Committee, Carol Shine, to call the roll.

24 COUNSEL: Chair Levin?

25 CHAIRPERSON LEVIN: Aye on all.

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COUNSEL: Council Member Barron?

COUNCIL MEMBER BARRON: Aye on all.

COUNSEL: Council Member Gonzalez?

COUNCIL MEMBER GONZALEZ: Aye on  
all.

COUNSEL: Council Member Dickens?

COUNCIL MEMBER DICKENS: Aye.

COUNSEL: Council Member Koo?

COUNCIL MEMBER KOO: Aye on all.

COUNSEL: By a vote of five in the  
affirmative, none in the negative and no  
abstentions, the two aforementioned items are  
approved and referred to the full Committee.

CHAIRPERSON LEVIN: And because  
we're all here, this meeting is recessed until  
9:45 on Monday the 19<sup>th</sup>.

[gavel]

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 9/25/11