

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON ZONING

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November 13, 2008
Start: 11:35 am
Recess: 12:25 pm

HELD AT: Council Chambers
City Hall

B E F O R E:
TONY AVELLA
Chairperson

COUNCIL MEMBERS:
Simcha Felder
Eric N. Gioia
Robert Jackson
Melinda R. Katz
Michael E. McMahon
Helen Sears
Albert Vann

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

Tom McKnight
Senior Vice President
Economic Development Corporation

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2 CHAIRPERSON AVELLA: Good morning,
3 everyone, and it is still is morning. I'd like to
4 call this meeting of the Subcommittee on Zoning
5 and Franchises to order. The one item on the
6 agenda is the Hunters Point South rezoning. We
7 had the public hearing several weeks ago. Today,
8 we are here to discuss the vote.

9 Joining me are members of the
10 committee, Council Members Simcha Felder, Helen
11 Sears, Mike McMahon, Eric Gioia, whose district
12 this project lies within, Al Vann, and I know
13 Robert Jackson is around. And I know we're also
14 joined in the room by members of Council Member
15 Dan Garodnick's subcommittee and also members of
16 the Land Use Committee, which will be meeting
17 immediately thereafter this committee.

18 There have been negotiations that
19 have been going on about this project and what I'd
20 like to do, the administration is here to testify
21 about some of those negotiations and then I will
22 call on Council Member Gioia.

23 [Pause]

24 MR. TOM MCKNIGHT: Thank you. I'm
25 Tom McKnight, Senior Vice President, Economic

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2 Development Corporation. I am joined by RuthAnne
3 Visnauskas from Housing Preservation.

4 I just wanted to make a brief
5 statement to summarize our discussions with the
6 Councilman over the past couple of months as we've
7 moved through the approvals process, those
8 discussions have really been fruitful. We really
9 appreciated the Council Member's involvement in
10 this, his guidance and input I think has really
11 resulted in a project that I can talk about today,
12 that really is improved and addresses the critical
13 concern that he raised to us about trying to reach
14 lower income tiers within the project and also
15 within the neighborhood.

16 We've started our discussions and
17 we've talked a lot in the public about the real
18 financial pressures on this project. It is 60%
19 middle income affordable, that's 3,000 units;
20 there's significant cost and acquisition in
21 creating new streets and creating park space.
22 This is a real financial burden and I think that
23 we appreciated the Councilman kind of recognizing
24 that it's a real challenge, creating affordable
25 housing is very costly. And that there's a

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2 tipping point here on this project that really
3 makes it infeasible. And we've appreciated the
4 Councilman's work in working with that issue and
5 still trying to create additional housing.

6 So, despite those financial
7 pressures, we've been able to identify several
8 significant improvements to the project. Among
9 those are creation of 200 low income senior units
10 as part of the project, that will be in addition
11 to the 800 moderate income units created as part
12 of the project. And then on the private site, B
13 site, inclusionary zoning the Councilman expressed
14 to us as being a really important part of this
15 project and was included at his request. That
16 I.Z. change on that site will result in an
17 additional 330 low income units as part of the
18 project.

19 So looking at low income, there
20 will be over 500 units created as part of the
21 project; looking at low to moderate income units,
22 there will be over 1,300 created as part of the
23 project. And, again, that's in the context we're
24 already creating that 60% middle income level
25 within the project.

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2 So from there, recognizing that
3 there has been a--the issue of low income housing
4 has been something that there's been a steady
5 drumbeat on through this process, and working with
6 the Councilman, we kind of broadened our scope and
7 looked at the neighborhood and looked at the
8 borough to identify places where additional low
9 income specifically housing could be created. And
10 as a result of that search, which it was fruitful,
11 thanks to the Councilman identifying different
12 sites that could have potential for inclusionary
13 zoning and affordable housing. So as a result of
14 that search, we found an additional 500 units that
15 are likely to be created within the neighborhood,
16 low income units, over time. And so looking at
17 the neighborhood, that's over a thousand low
18 income units that will be created over time in
19 this committee community.

20 And then we also took a more
21 broader look and looked across the borough and, as
22 a result of that search, identified an additional
23 2,000 units that will be created in the borough--
24 low income units that will be created in the
25 borough over time. So looking at this from a

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2 borough-wide perspective over time, we anticipate
3 the creation of 3,000 low income units across the
4 borough of Queens.

5 So looking at affordable housing,
6 that's really where that kind of recounts our
7 process working with the Councilman and, again, we
8 felt that it was very fruitful and his input has
9 really resulted in a great project. This is very
10 unique project, it's the first time that there
11 will be moderate to low income units on the
12 waterfront in Western Queens. It will be a new
13 public park, it will be an exciting new
14 development that we re looking forward very much
15 to implement.

16 [Pause]

17 CHAIRPERSON AVELLA: Council Member
18 Gioia.

19 COUNCIL MEMBER GIOIA: Thank you,
20 Mr. Chairman, and thank you for all your help as
21 we've moved through this process, along with Chair
22 Katz, thank you for your help, Chairwoman, as
23 well. And, to the city, thank you.

24 And I wanted to just walk through a
25 few things. First, and I think that this is

1 really important to note, all of us recognize we
2 have an affordable housing crisis in New York.
3 You have a middle class that is driven out of New
4 York to the suburbs, paying for their homes with
5 their commute, traveling further and further to
6 work because they can't afford to buy a home.
7 And, in some ways, they're the lucky ones because
8 those who can't afford to move out of New York are
9 forced to live in squalor and you have people who
10 are making choices they never thought they'd have
11 to make. You just need to walk down the block in
12 my neighborhood or in Jackson Heights or in
13 Council Member Liu's neighborhood and look at the
14 number of bells on a one or two-family house to
15 see how many people are actually living in
16 basements or are in partitioned apartments, or
17 putting mattresses on their kitchen floor and
18 sleeping in there at night. There are people in
19 this town who are living in conditions they should
20 never have to live in.

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22 So I say that to illustrate I think
23 the deep, deep housing crisis that we're in, and
24 that is the backdrop that all development in New
25 York City is placed on. So when we looked at

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2 Hunters Point South and you guys did the
3 presentation to the City Council a few weeks ago.
4 Having grown up in Queens, the waterfront, my
5 entire life was cut off, completely cut off,
6 unless you worked in the Budweiser factory or the
7 Pepsi factory or in a paint factory, you never get
8 to see the waterfront in Queens. It is a
9 wonderful, wonderful thing that that is changing.
10 The waterfront is in the midst of a renaissance
11 with green parks and housing and restaurants and
12 places for you to push a stroller or to read a
13 newspaper, that is a really great thing. And when
14 I looked at the project, at the Hunters Point
15 South project, you looked at it and you couldn't
16 help but think, wow, that's really nice, I'm glad
17 that's happening in Queens.

18 But because the project did not do
19 enough to mitigate the housing crisis, it became a
20 problem and a problem we had to face together.
21 And I think when you talk to all the critics and
22 all the advocates--and I want to thank them, by
23 the way, for all they've done putting a face to
24 this housing crisis in Queens and around this
25 city. I met with them before and I said to some

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2 of the ladies who claim to be senior citizens, who
3 I still don't believe are senior citizens, but I
4 said to them, it is their face when I was dealing
5 with you and I was negotiating with you, it's
6 their face that I see.

7 In my discussions with the
8 administration, you can correct me if I'm wrong,
9 is between the tax-exempt bonds and the new
10 structure that is being created to finance this
11 project. It was my understanding that to add
12 deeper subsidies into this project would have made
13 it untenable and it would not have been built,
14 that is my understanding.

15 MR. MCKNIGHT: Yeah, that's correct.
16 I think that we had took it and analyzed the lower
17 deep affordability scenarios and found that they
18 could cost upwards of 300 million additional
19 dollars to the project.

20 COUNCIL MEMBER GIOIA: And so given
21 this backdrop, there's a tremendous need for
22 affordable housing in Queens, there needs to be
23 more done for the middle as well to make sure that
24 Queens is a place that the middle-class can not
25 only survive, but actually thrive and be a magnet

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2 for that middle-class in New York. But then,
3 given the larger backdrop that we can't solve it
4 there in Hunters Point South because it wouldn't
5 have been built and I think all of our challenge
6 in government and in public policy is not to let
7 the perfect become the enemy of the good.

8 What we have come up with together
9 is this idea of broadening the pie--of looking at
10 the larger neighborhood and making Long Island
11 City and Western Queens through rezoning and
12 through the incentive of zoning and zoning
13 bonuses, a neighborhood where people of all income
14 levels can live within walking distance of one
15 another, so that a cop married to a school teacher
16 can live on the waterfront, and so can a
17 restaurant worker, and a hotel worker, and a
18 janitor, and a nurse, they all can live in the
19 same neighborhood. And so do you use this Hunters
20 Point South as a catalyst to bring more deeper
21 affordability to the surrounding neighborhood.

22 And you mentioned 500 as the
23 number, but I think--and I know you can't publicly
24 commit to more--that is the floor, that is a
25 conservative estimate of what we can create

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2 through rezonings in Western Queens over the next
3 five years.

4 MR. MCKNIGHT: That's correct. It
5 could be higher, we felt comfortable that that was
6 really a floor upon which we would build.

7 COUNCIL MEMBER GIOIA: And what I
8 hope to do over the coming months, not the coming
9 years, but the coming months, is to work with you,
10 to work with the people in this room, to work with
11 the people who know Queens best to identify more
12 and more sites, both publicly owned and privately
13 owned, that we can actually create more housing in
14 Queens.

15 MR. MCKNIGHT: We'd, of course, be
16 pleased to work with you on that going forward.

17 COUNCIL MEMBER GIOIA: Thank you.
18 And then just two quick points, one of the things
19 I have long advocated for that we don't do enough
20 as a city is homeownership. Can you talk about
21 the homeownership component of this project?

22 MR. MCKNIGHT: Sure, briefly I'll
23 perhaps ask RuthAnne to jump in, but it's
24 envisioned as 200 affordable homeowner occupant
25 units, again, that's a floor. I think we'd like

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2 to create more, but looking at the finances of the
3 project, where we are, we felt like that's a
4 substantial part of the project. So right now
5 we're looking at 200 homeowner units.

6 COUNCIL MEMBER GIOIA: And in terms
7 of the--to be clear, so this is a 60% subsidized
8 project at different tiers, the actual a project
9 and it's a permanent affordability, correct?

10 MR. MCKNIGHT: That's correct,
11 permanent affordability.

12 COUNCIL MEMBER GIOIA: Okay. I have
13 no other questions. Thank you very much for your
14 time, thank you for working together.

15 CHAIRPERSON AVELLA: Council Member
16 Katz has a question.

17 COUNCIL MEMBER KATZ: Just very
18 quickly, I apologize for coming in a few minutes
19 late. You're creating 200 affordable for seniors?
20 Inside the boundaries that we're doing today.

21 MR. MCKNIGHT: That's correct.

22 COUNCIL MEMBER KATZ: What's the
23 mechanism by which you're doing that?

24 MR. MCKNIGHT: We're looking at 202
25 housing, federal subsidy housing.

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2 COUNCIL MEMBER KATZ: Okay. So
3 you'd have to get the approvals there and go
4 through that whole process in order to get them.
5 And there's not going to be any distinction, it's
6 not an inclusionary issue, it's not a grants from
7 the city, it's totally 202.

8 MR. MCKNIGHT: That's the way we're
9 looking at it, yes.

10 COUNCIL MEMBER KATZ: Thank you.

11 [Pause]

12 CHAIRPERSON AVELLA: With that,
13 seeing no other questions of the administration,
14 Chair recommends approval of the item and asks
15 Counsel to poll the vote.

16 COUNSEL: Chairman Avella.

17 CHAIRPERSON AVELLA: Aye.

18 COUNSEL: Council Member Felder.

19 [Pause]

20 COUNCIL MEMBER FELDER: [No
21 response]

22 COUNSEL: Council Member Gioia.

23 [Pause]

24 COUNCIL MEMBER GIOIA: - -

25 COUNSEL: Council Member Jackson.

2 [Pause]

3 COUNCIL MEMBER JACKSON: Pass.

4 [Pause]

5 COUNCIL MEMBER GIOIA: I'm sorry, I
6 have a point of information, or I don't know what
7 the proper--

8 - -

9 COUNCIL MEMBER GIOIA: So what do I
10 do? Should I table the vote?

11 [Pause]

12 - -

13 MALE VOICE 1: Pass.

14 MALE VOICE 2: Pass.

15 MALE VOICE 3: What's it?

16 CHAIRPERSON AVELLA: If everybody
17 passes then--

18 [Pause]

19 - -

20 COUNCIL MEMBER GIOIA: Sorry folks,
21 Melinda just raised a question.

22 [Pause]

23 COUNCIL MEMBER KATZ: Sorry--

24 CHAIRPERSON AVELLA: The Chairwoman
25 raised a question.

[Pause]

CHAIRPERSON AVELLA: As Chair, I will table the vote. Council Member Gioia, you have a question of the Administration?

COUNCIL MEMBER GIOIA: Please forgive me, and thank you all for your indulgence.

Chairwoman Katz just raised a question about 202 housing. We have a commitment here that we're doing this housing and it's not contingent upon getting 202 approval, if should 202 approval fall apart for some reason unbeknownst to us, there's a commitment here to this tier of housing.

MR. MCKNIGHT: We would first seek to use 202 subsidies, if we're not successful, there will be senior housing created on site.

[Pause]

COUNCIL MEMBER GIOIA: How do you do that? Where...?

MR. MCKNIGHT: There would need to be subsidy from another source, either that's the city or the federal subsidy.

COUNCIL MEMBER GIOIA: Okay. Thank you very much. And thank you again for your

1 indulgence.

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3 CHAIRPERSON AVELLA: I will ask
4 Council to resume the vote.

5 COUNSEL: Council Member Gioia.

6 [Pause]

7 CHAIRPERSON AVELLA: Eric.

8 COUNCIL MEMBER GIOIA: Oh, sorry. I
9 vote yes, and I'd like to just one brief second
10 explain my vote. You know, thank you very much,
11 this has been a--because the city is doing
12 something new here, we're breaking new ground and
13 sometimes it's difficult, but I very much
14 appreciate the hard work that you have done in
15 creating this.

16 I've long believed that the middle
17 class is pushed out of New York even through well
18 intentioned public policies. If the only housing
19 plan we do is for the fabulously wealthy or for
20 the desperately poor, that means that the vast
21 majority, the middle is pushed out.

22 That being said, what is so
23 important as we make room for that middle and make
24 this a city for the middle is that we don't forget
25 those who are desperately struggling. And as we

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2 read these stories about Wall Street tumbling
3 everyday, I mean, there are folks and there are
4 people in this room, there are people I took the
5 subway with this morning who cannot pay their
6 rent, who cannot afford their medications, and who
7 are struggling to put food on their table.

8 And so that's why it's important
9 that we remember that Queens, you know, if Archie
10 Bunker ever lived in Queens, he doesn't live there
11 now. Queens is a working-class borough with a
12 middle-class attitude and so we need to remember
13 that those income levels are not very high and
14 that when we create housing, it has to be housing
15 for people of all income levels. And it is my
16 hope that this project on the waterfront can be a
17 catalyst to reinvesting in Queens and bringing
18 those affordable housing tiers. Thank you very
19 much.

20 COUNSEL: Council Member Jackson.

21 COUNCIL MEMBER JACKSON: I change my
22 vote from a pass to vote yes.

23 COUNSEL: Council Member Katz.

24 COUNCIL MEMBER KATZ: Aye.

25 COUNSEL: Council Member Sears.

COUNCIL MEMBER SEARS: Yes.

COUNSEL: Council Member Vann.

COUNCIL MEMBER VANN: Would it be in order to ask, I didn't understand the analogy with Archie Bunker, could I get clarification on that before a vote? No, I vote aye.

But after the meeting, I want clarification.

COUNSEL: By a vote of six in the affirmative, none in the negative, no abstentions, the item is approved and referred to the full Land Use Committee.

CHAIRPERSON AVELLA: I will keep the vote open until the next subcommittee has their quorum because we have two members that stepped out of the room for a moment.

COUNCIL MEMBER KATZ: Can we have please the subcommittee, Dan Garodnick subcommittee start to gather if the Sergeant-At-Arms can ring the bell. But more importantly, what I was going to say is that Land Use will be after the Subcommittee on Planning.

So the final approval on Hunters Point and Willets [phonetic] Point will be at the

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2 Land Use Committee, so wait around if you're
3 interested in Hunters Point.

4 FEMALE VOICE: [Crosstalk] Chair,
5 there's an economic development meeting right now
6 we're waiting for.

7 COUNCIL MEMBER GIOIA: Thank you for
8 your diligence.

9 CHAIRPERSON AVELLA: I'm going to
10 get...

11 COUNCIL MEMBER GIOIA: - - to
12 Archie--

13 SERGEANT-AT-ARMS: Quiet, please.

14 COUNSEL: Council Member McMahon.

15 [Pause]

16 COUNCIL MEMBER MCMAHON: I vote aye
17 on this project and I just would ask my friends
18 from the Economic Development Corporation to not
19 forget the nearly 500,000 people in Staten Island
20 who also need some economic development. We'd
21 love to have a project like this. So thank you
22 very much.

23 COUNSEL: Vote now stands seven in
24 the affirmative, none in the negative, no
25 abstentions.

2 CHAIRPERSON AVELLA: Simcha's on his
3 way up. We have one more to count.

4 [Pause]

5 - -

6 MALE VOICE: - - when Eric is - -

7 - -

8 COUNSEL: Council Member Felder.

9 CHAIRPERSON AVELLA: We are still
10 taking a vote, I would ask for everybody's
11 cooperation.

12 COUNCIL MEMBER FELDER: Yes.

13 COUNSEL: Vote stands now eight in
14 the affirmative, none in the negative, no
15 abstentions. Item is referred to the full Land
16 Use Committee [crosstalk]--

17 CHAIRPERSON AVELLA: [Interposing]
18 Thank you everyone, this closes this meeting of
19 Subcommittee on Zoning and Franchises.

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C E R T I F I C A T E

I, Tammy Wittman, 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 Tammy Wittman

Date February 4, 2009