

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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October 3, 2012  
Start: 1:22 p.m.  
Recess: 1:42 p.m.

HELD AT: Council Chambers  
City Hall

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

COUNCIL MEMBERS:  
Council Member Charles Barron  
Council Member Sara M. Gonzalez  
Council Member Peter A. Koo

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

Ted Weinstein  
Director of Bronx Planning  
Department of Housing, Preservation and Development

Kim Darga  
Director, Multifamily Preservation Loan Program  
Department of Housing, Preservation and Development

[gavel, background noise]

CHAIRPERSON LEVIN: All right, good afternoon, everybody. Welcome to the Subcommittee on Planning, Dispositions and Concessions, I'm Council Member Steve Levin, Chair of the Subcommittee. I am joined this afternoon by my colleagues on the Subcommittee, Council Member Sara Gonzalez of Brooklyn, Council Member Peter Koo of Queens, and Council Member Charles Barron of Brooklyn. We have several items on the agenda today, so I'll try to move swiftly. We have Land Use Nos. 680, 681, 717, 718 and 719. We are going to start with Land Use No. 718, and that's TPTP-TBX904 20135097 HAX, Bronx Community Board District 5. And we will be calling on Ted Weinstein, that's the Director of Bronx Planning for HPD, to testify on this item. [pause, background noise] Good afternoon, Mr. Weinstein.

TED WEINSTEIN: Good afternoon, Council Members. My name is Ted Weinstein, I'm Director of Bronx Planning for HPD. This concerns a cluster of three apartment buildings in The Bronx. They're part of a larger cluster, that back in 1992 were conveyed to a local organization

1 through our special initiatives program, SIP.  
2 They had previously become City owned through  
3 failure to pay real estate taxes. Unfortunately,  
4 over the years that organization was unable to  
5 maintain the program requirements, not only in  
6 terms of paying taxes and other financial  
7 responsibilities, but in terms of maintaining the  
8 buildings themselves, so that the tenants  
9 themselves were suffering. It got to the point,  
10 therefore, where HPD felt compelled to, in 2011,  
11 to foreclose on the properties and take the  
12 properties back. I should mention at this time,  
13 we were actually here at the Committee in June, in  
14 early June, seeking approval of the UDAP for  
15 disposition and for UDAP tax exemption, and the  
16 Committee approved it, and it went on, it was  
17 approved by the full Council. And these  
18 properties were then conveyed, the closing took  
19 place at the end of June, and these properties  
20 were in fact sold to a new management company, and  
21 experienced management company, who was selected,  
22 who have other buildings and a good record in that  
23 immediate area. The reason we're here today is  
24 because the tax exemption that was approved by the  
25

1  
2 Committee and the full Council in June was a UDAP  
3 tax exemption that would only be good for 20  
4 years. The tax exemption that we're now seeking  
5 is an Article 11 tax exemption. The reason we  
6 couldn't do it at that time was that the new  
7 management company had to create an HDFC in order  
8 qualify for that tax exemption. The benefit of  
9 having an Article 11 tax exemption, rather than  
10 the original UDAP tax exemption, is one, it's  
11 longer, it's good for 40 years, there's a  
12 regulatory agreement that goes with it. So, it'll  
13 be for 40 years instead of 20 years, so that not  
14 only extends the tax exemption, it extends the  
15 affordability requirement because it coincides  
16 with the regulatory agreement. So, the  
17 affordability of these buildings will be then for  
18 40 years instead of just the 20 years. Council  
19 Member Foster has been briefed on this, she  
20 supports it, she supported the project in June, as  
21 well, and we welcome your support. And I'm happy  
22 to answer questions.

23 CHAIRPERSON LEVIN: Thanks. Now,  
24 this agreement, it replaces the--

25 TED WEINSTEIN: That's right. What

1  
2 we're asking is the termination of the previous  
3 tax exemption and instituting a new tax exemption.

4 CHAIRPERSON LEVIN: Okay. And so  
5 how many units?

6 TED WEINSTEIN: The total of the  
7 three buildings together, it's approx--it's 70  
8 units, including a superintendent.

9 CHAIRPERSON LEVIN: Okay. And  
10 they're affordable, the remaining affordable, or  
11 what's the - -

12 TED WEINSTEIN: [interposing] The  
13 existing tenants, these are occupied buildings,  
14 the existing tenants upon the closing received  
15 rent stabilized leases, the vacant apartments, the  
16 rents were structured at 70 percent of area median  
17 income.

18 CHAIRPERSON LEVIN: 70 percent.

19 TED WEINSTEIN: Yes.

20 CHAIRPERSON LEVIN: Okay. Do any  
21 of my colleagues have any questions on this item?  
22 Seeing none, I thank you very much, Mr. Weinstein.

23 TED WEINSTEIN: Thank you.

24 CHAIRPERSON LEVIN: For your  
25 testimony. And we will close the public hearing

1  
2 on Land Use No. 718. We will move over, on to  
3 Land Use No. 717, Marconi Street grade changes,  
4 Bronx Community District 11. That's C 110401 MMX.  
5 And we will ask Andreas Naughton from Philip Habib  
6 to testify on this item.

7 [pause, background noise]

8 PHILIP NAUGHTON: Hi. My name is  
9 Andreas Naughton, from Philip Habib & Associates.  
10 And I'm here to present the application for  
11 establishing legal grades on Marconi Street, which  
12 is located in the Morris Park, Pelham Bay  
13 neighborhood of The Bronx. This board shows the  
14 location of Marconi Street. It was, Marconi  
15 Street was previously mapped as a public street,  
16 in conjunction with the PSAC II development, which  
17 was located at the northern limit of that board  
18 there. It's a two way street that begins at  
19 Waters Place, which is the street at the bottom  
20 here. It continues approximately 3,000 feet to  
21 the north, to a cul-de-sac which is at the  
22 southern boundary of PSAC. So, the street was  
23 designed by DDC and is currently being constructed  
24 by DDC; however, when the design was initially  
25 done, the--I apologize, when the road was

1  
2 initially mapped, the design was not completed at  
3 the time, and as such, the legal grades were not  
4 incorporated onto the original map filing. And so  
5 here we are today to establish those legal grades  
6 for the street. In general, we try to maintain  
7 the existing grades as close as possible. The  
8 numbers you see here, the first number is  
9 representing the final grade on the street, and  
10 the number in parenthesis is showing the change in  
11 grade between existing and final.

12 CHAIRPERSON LEVIN: Plus means  
13 higher?

14 PHILIP NAUGHTON: Right, exactly.  
15 And so, essentially, as much as possible, we try  
16 to maintain existing grades toward the northern  
17 limit because of utilities, we needed to raise the  
18 grade as much as say three feet at the northern  
19 limit to accommodate the storm sewer. And that's  
20 really it.

21 CHAIRPERSON LEVIN: Does this at  
22 all affect existing businesses or residential  
23 properties?

24 PHILIP NAUGHTON: It, most of the  
25 businesses, like Hutch Metro Center, has access



1  
2 from other internal streets, and the properties on  
3 the western side of Marconi Street are accessed by  
4 a separate street as well. And then DDC  
5 accommodated anything else that was inside the  
6 street.

7 CHAIRPERSON LEVIN: Okay, so you  
8 haven't heard any complaints from any of the local  
9 businesses.

10 PHILIP NAUGHTON: Not directly.

11 CHAIRPERSON LEVIN: Okay. I thank  
12 you for your testimony. Do--does anyone have any  
13 questions.

14 COUNCIL MEMBER BARRON: [off mic]  
15 You said not directly, indirectly?

16 PHILIP NAUGHTON: No, no. Sorry.

17 COUNCIL MEMBER BARRON: [off mic]  
18 Just checking.

19 PHILIP NAUGHTON: No, apologize,  
20 yeah.

21 CHAIRPERSON LEVIN: Okay. I thank  
22 you very much, Mr. Naughton, for your testimony.

23 PHILIP NAUGHTON: Thank you.

24 CHAIRPERSON LEVIN: And we will  
25 close the public hearing on Land Use No. 717. We

1  
2 will move on to--one moment here--Land Use No.  
3 680, a tax exemption for a property in Jamaica  
4 Queens, in the district Council Member Ruben  
5 Wills. The public hearing was held on this item  
6 on September 19th, HPD presented the application.  
7 Two individuals testified in opposition to the  
8 project. HPD has since provided additional  
9 information to the Committee to address the  
10 matters that were raised at the public hearing.  
11 The Committee, I am, as Chair, am satisfied with  
12 HPD's response and we will proceed to a vote on  
13 Land Use No. 680 today. And I recommend a Yes  
14 vote on this.

15 COUNCIL MEMBER BARRON: [off mic]  
16 Chair, what was the opposition and what was your  
17 satisfaction?

18 CHAIRPERSON LEVIN: The opposition  
19 was from two individuals that said that they had  
20 not received correspondence from HPD on a couple  
21 of the issues that they are, were previous tenants  
22 of the property. HPD has I think presented to  
23 those individuals the information that they  
24 requested. I could ask HPD if, to elucidate  
25 further, if you're prepared to do so at this time?

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2 If you want to come up and provide some further  
3 information, that would be great.

4 [pause, background noise,  
5 crosstalk]

6 MALE VOICE: --actually be a  
7 expert, so I'll let her take the--[laughter]

8 FEMALE VOICE: Hello, everyone,  
9 hello, Council Members. So, two individuals  
10 testified at the last hearing. They're tenants.

11 CHAIRPERSON LEVIN: If you could  
12 identify yourself for the record.

13 KIM DARGA: Oh, sorry, I'm Kim  
14 Darga, I'm the Director of the Multifamily  
15 Preservation Loan Program at HPD. So, Mr.  
16 Frederick Jones, who's a tenant at the Supton  
17 Boulevard property, and Mr. Derek Roberson, who's  
18 a tenant at the property at 138th Street, Mr.  
19 Jones, they have slightly different concerns that  
20 they brought up. Mr. Jones lived at Supton  
21 Boulevard until about January of this year, at  
22 which time DOB issued a vacate order for the  
23 property. The existing, so one of his concerns  
24 was that he had been displaced, as well as he  
25 mentioned that he didn't believe he was receiving

1  
 2 information about the project. So, I'll address  
 3 both of those. So, at the time, DOB issued--

4 CHAIRPERSON LEVIN: Sorry, if you  
 5 could specify how the displacement issues - -

6 KIM DARGA: Exactly, so, at the  
 7 time that DOB issued the vacate order, the  
 8 existing property owner, which is - - affordable,  
 9 HDFC offered Mr. Jones three different apartments  
 10 in the neighborhood. Mr. Jones did refuse each of  
 11 those apartments. In addition, he was offered  
 12 those apartments again in court. He has sued the  
 13 City on multiple occasions. And, let's see, since  
 14 then, he has also reached out to emergency housing  
 15 services at HPD. He is in a shelter now in  
 16 Queens, and they have offered him additional  
 17 applications for housing, which he has refused to  
 18 complete. So, we would love to see him in a, you  
 19 know, a more permanent housing situation. We do  
 20 consider him a tenant of this project and when the  
 21 construction is complete, he will have a place in  
 22 the building. We'd like to see him somewhere  
 23 besides a shelter in the interim, but unless he  
 24 accepts one of those options, there's really not  
 25 much we can do for him.

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2 CHAIRPERSON LEVIN: How can you--I  
3 mean, not to encourage hearsay, but--

4 KIM DARGA: Yeah.

5 CHAIRPERSON LEVIN: Can you maybe  
6 provide us with why he's explained to you why he  
7 hasn't taken the apartments that have been  
8 offered?

9 KIM DARGA: He's, I spoke to him  
10 actually after the last hearing. He said he was  
11 not comfortable entering into an agreement with  
12 the current property owner. We actually--and I  
13 can't speak to the EMS, or EHS options that were  
14 provided to him, I'm not sure why he refused  
15 those, but in terms of the temporary apartments in  
16 his neighborhood, that were offered by the current  
17 property owner, he said he was not comfortable  
18 entering into any agreement with the current  
19 property owner. We are in the process, as part of  
20 this particular transaction, the amended Article  
21 11, transferring property ownership, and manage--  
22 ownership and management to a new development  
23 entity.

24 CHAIRPERSON LEVIN: So, I would  
25 encourage HPD to continue to work with him, so

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2 that, because you know, it's important that  
3 individuals that are displaced due to properties,  
4 that you know, are receiving renovations and the  
5 like, that they be able to stay in the  
6 neighborhood, that they have safe, decent and  
7 permanent or semi-permanent housing, that they're  
8 not forced into the City shelter system. So, I  
9 would ask that HPD continue to work with him, and  
10 you know, work through his concerns specifically  
11 if it has to do with the property owner, and maybe  
12 some, you know, past issues that they've had, that  
13 there be a way in which, you know, HPD can  
14 continue to monitor the situation--

15 KIM DARGA: Absolutely.

16 CHAIRPERSON LEVIN: --and work with  
17 him, because we do want him to be back in that  
18 apartment.

19 KIM DARGA: Absolutely.

20 COUNCIL MEMBER BARRON: [off mic]  
21 Let me just ask you, he--he's not satisfied with  
22 [on mic] he's not satisfied with the present owner  
23 and there is going to be a new owner?

24 KIM DARGA: There is, yes.

25 COUNCIL MEMBER BARRON: There is a

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new owner, he's not satisfied with the new owner?

KIM DARGA: No, he hasn't said that to me.

COUNCIL MEMBER BARRON: He's not satisfied with the prior owner.

KIM DARGA: He said he, it was the current owner.

COUNCIL MEMBER BARRON: The current owner.

KIM DARGA: Yeah, not the new--

COUNCIL MEMBER BARRON: And he, will the rents be raised with the new owner, or will it be--?

KIM DARGA: We will, as part of the rehabilitation, be increasing the rents upon the completion of construction.

COUNCIL MEMBER BARRON: Is he concerned about that?

KIM DARGA: Well, all the existing tenants will be offered Section 8. So, he won't--

COUNCIL MEMBER BARRON: Did they all qualify for Section 8?

KIM DARGA: He will qualify for Section 8.

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COUNCIL MEMBER BARRON: And did he express his concern, was he excited about coming back to his apartment, or--?

KIM DARGA: He wants to be back in his apartment.

COUNCIL MEMBER BARRON: He wants to be back in his apartment.

KIM DARGA: Yeah. Unfortunately, with the vacate order, he cannot live there at this time.

COUNCIL MEMBER BARRON: Well, I understand that, but--

KIM DARGA: So.

COUNCIL MEMBER BARRON: And he understands the rents will be raised, but Section 8 will be offered to all of the--

KIM DARGA: Yes.

COUNCIL MEMBER BARRON: --tenants there--

KIM DARGA: All of the existing tenants.

COUNCIL MEMBER BARRON: Do most of them qualify?

KIM DARGA: We have, well, we think



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2 so. The new developer has asked all the tenants  
3 to complete tenant surveys, with their household  
4 composition and income information, so we can  
5 determine exactly who will and will not. We have  
6 not gotten all of those back yet. So.

7 COUNCIL MEMBER BARRON: Yeah,  
8 where's this located again?

9 KIM DARGA: In Jamaica, so 138th  
10 Street, and the other property's on Supton  
11 Boulevard.

12 COUNCIL MEMBER BARRON: Mm-hmm, all  
13 right, thanks.

14 KIM DARGA: So, Mr. Roberson, who's  
15 the other tenant, also had some concerns about the  
16 transparency, knowing what's going on with the  
17 project. So the new, the current owner and the  
18 new owner entered into a purchase and sale  
19 agreement, in May of this year. And the new  
20 developer has had, had or organized, three tenant  
21 meetings at Queens Legal Aid, over the last three  
22 months. They have also sent written summaries of  
23 the meetings. The first meeting was very well  
24 attended, the tenants have not really shown up the  
25 last two meetings. So, I think they've been

1  
2 pretty transparent, they've also sent all  
3 correspondence to both Council Member Gennaro's  
4 and Council Member Will's offices.

5 COUNCIL MEMBER BARRON: Okay. At  
6 those tenant meetings, was there any expressions  
7 of any opposition or--

8 KIM DARGA: I think it's a lot of  
9 con--it's been a long time. I mean, this project  
10 originally closed in 2006. I think most of the  
11 tenants' concerns are related to the fact that  
12 it's been so long. I mean, they have continued to  
13 live in these buildings, and I think we're, you  
14 know, doing everything we can to close 'em and--

15 COUNCIL MEMBER BARRON: So they  
16 want the reimplementation to happen--

17 KIM DARGA: --get the construction

18 - -

19 COUNCIL MEMBER BARRON: --they want  
20 new ownership--

21 KIM DARGA: Yeah.

22 COUNCIL MEMBER BARRON: --to come  
23 in and--

24 KIM DARGA: If you saw the  
25 pictures--

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2 COUNCIL MEMBER BARRON: You would  
3 see it--

4 KIM DARGA: Yeah.

5 COUNCIL MEMBER BARRON: I know  
6 those [crosstalk] Is the third party transparent?

7 KIM DARGA: This is the multifamily  
8 preservation loan program. It's an umbrella for  
9 NEP, NRP. Some of the previous City disposition  
10 programs.

11 CHAIRPERSON LEVIN: And they have  
12 concerns as well with the level of upkeep at the  
13 building over the last several years, is that  
14 right?

15 KIM DARGA: Yes.

16 CHAIRPERSON LEVIN: And then how  
17 long is this going to take? When does HPD--

18 KIM DARGA: Good question, yeah.

19 CHAIRPERSON LEVIN: --think that  
20 they'll be able to effect--

21 KIM DARGA: We are, we have a  
22 request in for the financing for this project.  
23 The new developers reached out to a private bank  
24 to also fund a portion. The idea is that we could  
25 hopefully close by December, if not early kind of

1  
2 a little later in the winter, and the construction  
3 would take about 24 months. It will start at the  
4 vacant building. When the vacant building is  
5 complete, so that's Supton Boulevard, then the  
6 tenants from 138th Street will move into that  
7 building. And then 138th Street will commence  
8 construction and they will move back to their  
9 apartments.

10 CHAIRPERSON LEVIN: Okay, this is,  
11 all in all, this is going to be a few years.

12 KIM DARGA: It'll be a couple  
13 years.

14 CHAIRPERSON LEVIN: Okay.

15 COUNCIL MEMBER BARRON: - -  
16 understand this, so they'll be staying in the one  
17 building.

18 KIM DARGA: So, the, right now,  
19 Supton Boulevard is vacant, because that had a  
20 vacate order.

21 COUNCIL MEMBER BARRON: Is that the  
22 building where the gentleman was in?

23 KIM DARGA: Mm-hmm, yes.

24 COUNCIL MEMBER BARRON: So that's,  
25 I got it.

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KIM DARGA: You got it.

COUNCIL MEMBER BARRON: Okay.

KIM DARGA: And so they'll start there--

COUNCIL MEMBER BARRON: I got it.

KIM DARGA: --about 12 months, the tenants at 138th will then, yeah.

CHAIRPERSON LEVIN: Okay. Well, thank you very much for filling us in on that. Do any of my colleagues have any further questions on this item? [background comment] Seeing none, we will close the hearing on this item. It's already closed, okay. And I will, I'm--Okay. Okay, so, there, there are a couple more items that we're going to address this afternoon, Land Use No. 681 and Land Use No. 719. We are going to be laying over until the meeting on October 23rd. For Land Use No. 717, we are going to be laying that over until tomorrow morning, October 4th. On the other two items, Land Use No. 680 and Land Use No. 718, I will ask Council to the Committee to call the roll on these two items, and I recommend an aye vote on both items.

COUNSEL: Chair Levin.

2 CHAIRPERSON LEVIN: I vote aye on  
3 all.

4 COUNSEL: Council Member Barron.

5 COUNCIL MEMBER BARRON: Aye on all.

6 COUNSEL: Council Member Gonzalez.

7 COUNCIL MEMBER GONZALEZ: Aye on  
8 all.

9 COUNSEL: Council Member Koo.

10 COUNCIL MEMBER KOO: Aye on all.

11 COUNSEL: By a vote of four in the  
12 affirmative, none in the negative, and no  
13 abstentions, Land Use Items 680 and 718 are  
14 approved and referred to the full Land Use  
15 Committee.

16 CHAIRPERSON LEVIN: Thank you. We  
17 are going to recess the Subcommittee to be  
18 reconvening tomorrow, October 4th, at 9:30 a.m.,  
19 followed by the full Land Use Committee meeting at  
20 10:00 a.m. This meeting is held in recess.

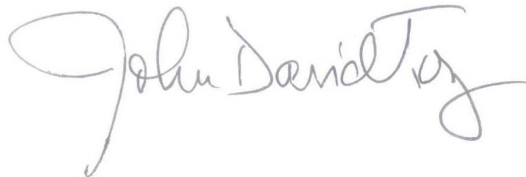
21 [gavel]

22 [background noise]

C E R T I F I C A T E

I, JOHN DAVID TONG 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

A handwritten signature in cursive script that reads "John David Tong". The signature is written in black ink and is positioned to the right of the printed word "Signature".

Date October 19, 2012