

SUBCOMMITTEE ON PLANNING, DISPOSITIONS

AND CONCESSIONS

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CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND  
CONCESSIONS

November 1, 2018

Start: 2:06 p.m.

Recess: 3:50 p.m.

HELD AT: 250 Broadway-Committee Rm, 16<sup>th</sup> Fl.

B E F O R E: CHAIM M. DEUTSCH  
BEN KALLOS  
Chairperson

COUNCIL MEMBERS:

DIANA AYALA  
RUBEN DIAZ SR.  
VANESSA L. GIBSON  
ANDY L. KING  
RAFAEL SALAMANCA

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

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Genevieve Michel  
Executive Director of Government Affairs for  
Planning, Land Use Development at the New York  
City Department of Housing Preservation and  
Development, HPD

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Alice Friedman  
Assistant Project Manager at the New York City  
Department of Housing Preservation and  
Development, HPD

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Lacey Tauber  
Development and Planning Director at the New York  
City Department of Housing Preservation and  
Development, HPD

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Dan Moran  
Project Manager, New Construction Finance at the  
New York City Department of Housing Preservation  
And Development, HPD

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Andrea Kretchmer  
Principal at Xenolith Partners LLC

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Terri Belkas-Mitchell  
Principal at Xenolith Partners LLC

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Stephen Hayes  
Executive Vice President of the Carey Group LLC

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Molly Anderson  
Senior Associate at New York City Economic  
Development Corporation

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Frank Dubinsky  
Developer at Monadock Development LLC

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Kevin Parris  
Deputy Director at New York City Department of  
Housing Preservation and Development, HPD

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

Ken Spillberg  
Director of Mixed Income Programs at the New York  
City Department of Housing Preservation and  
Development, HPD

Ted Weinstein  
Director of Bronx Planning at the New York City  
Department of Housing Preservation and  
Development, HPD

Matt Iacopetta  
Vice President at the Richman Group

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[gavel]

COUNCIL MEMBER DEUTSCH: Good afternoon and welcome to the Subcommittee on Planning, Dispositions and, and Concessions. I'm Council Member Chaim Deutsch and I will be filling in today for Chair Kallos who could not be here today. We are joined here with Council Member Ruben Diaz Sr., Ruben, I can't see who else is here. Yeah, Rafael Salamanca and the, the... Vanessa Gibson and the Diana Ayala. Today we will be holding hearings on two projects; LU 232 Park and Elton and LU 240 MEC 125<sup>th</sup> Street. If you're here to testify please add a white speaker slip with the Sergeant At Arms to indicate the LU number, the item you wish to testify on that slip. Before we begin on the hearings, we will vote to approve LU's 241 and 242 and 243, all related to property at 599 Cortlandt Avenue in Council Member Salamanca district in the Bronx which was a subject of a hearing on October 23<sup>rd</sup>. These approvals will facilitate the construction of a new four-story building with approximately eight affordable residential units including a one-bedroom homeless set aside unit and commercial space. For LU 241, HPD seeks the... seeks the disposition of 599 Cortlandt

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2 Avenue pursuant to Section 197-C of the New York City  
3 charter. This designation as an urban development  
4 action area and the approval of an urban development  
5 action area project pursuant, pursuant to Article XVI  
6 of the general municipal law. The LU 242, HPD seeks  
7 the acquisition of 599 Cortlandt Avenue pursuant to  
8 Section 197-C of the New York City charter and for LU  
9 243, HPD seeks an Article XI tax exemption pursuant  
10 to Section 577 of the private housing finance law for  
11 property located at 599 Cortlandt Avenue in Council  
12 Member Salamanca district and supportive of these  
13 applications. So, now I will ask Council Member  
14 Salamanca to please make his remarks on this project.  
15 Thank you.

16 COUNCIL MEMBER SALAMANCA: Thank you  
17 Chair Deutsch. My remarks will be very brief, you  
18 know just really excited about moving forward on this  
19 project that we've been working on for almost a year  
20 and a half now but just something that I want to  
21 point out. This is an eight story, 100 percent  
22 affordable housing project and... I know yesterday I  
23 said... I, I introduced the bill of a 15 percent  
24 homeless set aside and the bill required that any  
25 development that's getting city subsidy which has 15

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2 units or more that there will be a mandatory 15  
3 percent homeless set aside. This project that we're  
4 voting on today it's only eight units, therefore it's  
5 not required, it... should the 15 percent homeless set  
6 aside bill pass, this, this project will not fall  
7 under that category but I was able to negotiate one  
8 unit of the eight for a homeless set aside and it  
9 just comes to show and I know that the administration  
10 and HPD is here, this can be done, a 15 percent  
11 homeless set aside can be done regardless of how big  
12 or how small this development is and that's just what  
13 I wanted to point out and with that I hope that the  
14 Committee votes, votes in favor of this project.  
15 Thank you.

16 COUNCIL MEMBER DEUTSCH: Thank you. I  
17 know call for a vote to approve LU's 241, 242 and  
18 243, Counsel please call the roll.

19 COMMITTEE CLERK: Deutsch?

20 COUNCIL MEMBER DEUTSCH: Aye.

21 COMMITTEE CLERK: Gibson?

22 COUNCIL MEMBER GIBSON: [off mic] I vote  
23 aye.

24 COMMITTEE CLERK: Diaz?

25 COUNCIL MEMBER DIAZ: Aye.

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COMMITTEE CLERK: The Land Use Items are approved by a vote of three in the affirmative, no negatives and no abstentions and will be referred to a Land Use Committee for a vote.

COUNCIL MEMBER DEUTSCH: Thank you. Ready to roll?

COMMITTEE CLERK: Uh-huh.

COUNCIL MEMBER DEUTSCH: We will now start our public hearing, first we will start with LUs 232 Park and Elton in Council Member Salamanca's district in the Bronx. This approval will facilitate the development of 37 housing units affordable to households with income ranges from 27 percent to 90 percent of the AMI including six homeless set aside units. All of these units will be subject to rent stabilization. Specifically, LU 232 is for an amendment of the previously approved, approved urban development action area project approval, the disposition of property located at 3120 Park Avenue, block 2418, lot 16 and 451 East 159<sup>th</sup> Street, block 2381, lot 43 in the Bronx. This application also requests approval for a tax exemption pursuant to Article XI of the private housing finance law. I now... I now open the public hearing on Park and Elton and

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2 would like to invite HPD to present its testimony, I  
3 see her up there already pretty quick and we're going  
4 to ask the Counsel to administer the oath to HPD and  
5 the applicants.

6

COMMITTEE CLERK: Please state your name  
7 before answering, do you affirm to tell the tell the  
8 truth, the whole truth and nothing but the truth in  
9 your testimony before this Subcommittee and in  
10 response to all Council Member questions?

11

ALICE FRIEDMAN: Alice Friedman.

12

TED WEINSTEIN: Ted Weinstein.

13

COMMITTEE CLERK: Can you please just say  
14 yes that you affirm? Just use your name and say yes  
15 that you do.

16

ALICE FRIEDMAN: Alice Friedman, yes.

17

TED WEINSTEIN: Ted Weinstein, yes.

18

GENEVIEVE MICHEL: Genevieve Michel, yes.

19

ANDREA KRETCHMER: Andrea Kretchmer, yes.

20

TERRI BELKAS-MITCHELL: Terri Belkas-  
21 Mitchell, yes.

22

COMMITTEE CLERK: Thank you.

23

COUNCIL MEMBER DEUTSCH: You may begin,  
24 we'll start with...

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GENEVIEVE MICHEL: He...



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COUNCIL MEMBER DEUTSCH: I'm sorry?

GENEVIEVE MICHEL: We'll start with the presentation, go ahead... [cross-talk]

COUNCIL MEMBER DEUTSCH: Okay.

GENEVIEVE MICHEL: Land Use Number 232 consists of two non-contiguous city owned vacant lots located at 3120 Park Avenue, block 2418, lot six and 451 East 159<sup>th</sup> Street, block 2381, lot 43 in Bronx council district 17 and is known as Park and Elton Apartments. These two properties were initially acquired by the city through in rem title foreclosures for nonpayment of taxes, in 1984 and 1977 respectively. They were then also designated as urban renewal sites in the Melrose Commons urban renewal plan and condemned through that plan in 1998. On June 27<sup>th</sup>, 2007, Resolution Number 939, five sites were included in a ULURP action approving the disposition, UDAAP designation and project approval for development through HPD's new foundations program. The original project was envisioned as a 53-unit homeownership project across all five lots affordability levels between 80 percent and 130 percent of AMI. Because of the downturn in the housing market in 2008, the developer was unable to

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2 secure private bank financing, therefore the project  
3 stalled. In an effort to move forward with the  
4 project, the developer and HPD determined a two  
5 phased scattered site rental project was the best  
6 option. Therefore, on May 25<sup>th</sup>, 2010, Reso 262, the  
7 City Council approved an amendment consisting of a  
8 change in development program from new foundations to  
9 the low-income rental program as well as a UDAAP tax  
10 exemption. The first phase has been developed across  
11 three lots consisting of 37 residential units  
12 affordable to households earning up to 60 percent  
13 AMI. The lots under Land Use Number 232 remain city  
14 owned and undeveloped as the project experienced  
15 further delays due to the illness of the principal of  
16 the initial development team. Once the development  
17 team was reconstituted the project started moving  
18 again. Currently, the developer proposes to construct  
19 two buildings on the two undeveloped lots under HPD's  
20 neighborhood construction program and upon  
21 completion, the project will consist of 37 units of  
22 rental housing, plus a superintendent's unit. The  
23 project includes a 50 percent homeless set aside  
24 which is approximately six units for families  
25 referred from other social service agencies such as

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2 the Department of Homeless Services, DHS. There will  
3 be a mixture of unit types including 18 studios, 10  
4 one bedroom and ten two-bedroom apartments. Targeted  
5 household incomes will range from 30 percent to 110  
6 percent of AMI and rents will range between 27  
7 percent to 90 percent of household income. Therefore,  
8 it's anticipated that a studio will rent for 354 ...  
9 sorry, the studio will rent for 200... 354 dollars at  
10 the 27 percent AMI level to 2,037 for a two-bedroom  
11 apartment at the 90 percent AMI level. Building  
12 amenities for both sites include a laundry room,  
13 bicycle storage, and rear yard accessible only to  
14 tenants. No commercial space, community facility or  
15 parking spaces are planned for the project. Today,  
16 HPD is before the Planning Subcommittee seeking to  
17 amend the project summary changing from the new  
18 foundations program to the neighborhood construction  
19 program and approval of Article XI tax benefits for  
20 3120 Park Avenue and 451 East 159<sup>th</sup> Street which will  
21 assist with maintaining affordability for these  
22 rental units. The tax exemption will be in place for  
23 a term of 40 years coinciding with the length of the  
24 regulatory agreement. The current cumulative value of  
25 the exemption is approximately 6,699,908 dollars with

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2 a net present value of 1,713,406 dollars. I also do  
3 just want to thank Chair Salamanca for his support of  
4 this project and for going back and forth with us, I  
5 think to get something that everyone is very happy  
6 with.

7

[off mic dialogue]

8

ANDREA KRETCHMER: How's that? Perfect.

9 Okay, I'm Andrea Kretchmer from Xenolith Partners,  
10 Terri Belkas-Mitchell and I will take turns just  
11 making this presentation. I know that there's a  
12 little bit of a time pressure so we're leaving hard  
13 copies with all of you and any questions we can  
14 answer at the end. So, I just want to introduce our  
15 development team; Xenolith is a developer of  
16 affordable and mixed-use projects primarily in the  
17 city of New York. We've been... Terri and I have been  
18 working together for six or seven years, we were  
19 principals and developers with other development  
20 firms before this. Xenolith is a certified woman  
21 owned business enterprise by New York City's Small  
22 Business Services. We've developed about 600 units of  
23 housing and have another couple hundred in our  
24 pipeline, two specific Bronx projects I wanted to  
25 mention; one was a mod rehab of a Section 8 portfolio

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2 in the Belmont neighborhood and the other is... I'm a  
3 principal at Type A Real Estate Advisors as well and  
4 so we've presented to this committee on 1497  
5 Boulevard, we're 115 senior units there as well.  
6 Again, these are samples of some of our previous  
7 work, I won't... I won't take time with them now;  
8 projects in Brooklyn and in the Bronx. A feature we  
9 prefer to include in all of our projects when they're  
10 big enough are communities' facilities. Here these  
11 are... a YMCA and a community facility that we  
12 developed in East New York. So, let's talk about 3120  
13 Park Ave and 451 East 159<sup>th</sup> Street, which we lovingly  
14 refer to as Elton so that's the other cross street  
15 there. The two sites are both located along 159<sup>th</sup>  
16 Street, they're on opposite sides of the street so  
17 just our luck we have two separate community boards.  
18 They're located in multifamily neighborhoods, the  
19 main thing I wanted to point out is that on Park  
20 Avenue we're across the street from our Asiana air  
21 rights and down the street from the fire station. So,  
22 the sites are about three blocks apart. The existing  
23 building... existing site locations both of them are  
24 vacant, there is some vegetation but nothing... they,  
25 they've been vacant for several years, they're small

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2 sites, the zoning there is R7-2. A quick rendering of  
3 each of them; they're both five stories, again  
4 contextual with the existing buildings, sometimes a  
5 little bit big.. taller, sometimes a little bit  
6 shorter. Genevieve mentioned the features, we're  
7 doing enterprise green communities, we have  
8 recreation space in the back yards, laundry, bike  
9 storage all of that. The building on Park Avenue is  
10 going to have 14 units in the building on Elton will  
11 have 24 units. Interesting shape of the building on  
12 Park Avenue because of the angle at the street front.  
13 So, you can see on both of those actually the  
14 recreation space or passive recreation space in the  
15 back yard on both of those. The last thing I'll  
16 mention are the project partners that we're working  
17 with; Xenolith is... has... we're proud to have financing  
18 relationships with both the New York City Housing  
19 partnership and Community Preservation Corporation.  
20 Our predevelopment loan is from the housing  
21 partnership and our construction and permanent loans  
22 will be through Community Preservation Corporation,  
23 both of those I'm sure are well known to the  
24 Committee. And our architect is Gia 55, they have  
25 extensive affordable housing experience. The builder

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is going to be DP Group general contractors, the Bronx based business also with extensive experience in Hire NYC and with the MWBE... complying now with MWBE Buildup. Terri.

TERRI BELKAS-MITCHELL: So, I'll briefly cover the sources and uses for the project. The development has a total development cost of just under 12 million which works out to about 13... 313,000 per unit. The construction costs are approximately 263 dollars per square foot, include... plus a five percent contingency and soft costs are approximately 2.65 million. Two items to note in the soft costs; the environmental expenses were higher than typical costs due to the limited number of units across a project and the fact that they were on two separate sites, so they required multiple reports for each site and there is a significant amount of soil remediation that needs to be conducted given the history of the site. There... I also want to note that there's no developer fee included in the soft costs and that is a HPD NCP term sheet requirement. Our sources include a CPC first mortgage. As I mentioned we'll be using the NCP program through HPD and we also have some Brownfield funding coming in from OER,

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2 through the Brownfield incentive grant program and  
3 EPA revolving loan funds. There is also a ten percent  
4 equity requirement associated with the NCP program.  
5 Some of the challenges that I already alluded to was  
6 the small number of units made it challenging to  
7 spread out the costs across a number of units for the  
8 sites and the two separate buildings were not as cost  
9 efficient as they would be with a single building  
10 when it comes to building systems and as I'm sure  
11 you're aware interest rates and construction costs  
12 are rising and so we are very motivated to close and  
13 stem that. Now on the unit mix we have a mix of 30,  
14 50, 80, and 90 percent AMI units; nine at 30 percent  
15 AMI, four at 50 percent AMI, seven at 80 percent AMI,  
16 and 17 at 90 percent AMI. Fifteen percent will be  
17 homeless units and those will include three studios,  
18 two one bedroom, and one two bedrooms. Now the AMI  
19 for the neighborhood is 30 percent of AMI and based  
20 on census track data from the American Community  
21 Survey 13 percent of local households would qualify  
22 for the 50 percent AMI units and 20 percent of local  
23 households would qualify for the 80 and 90 percent  
24 AMI units. I do want to note... I'll get to the slide  
25 in a second, but we did go before community boards



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2 one and three in 2017 to discuss the project and they  
3 were very supportive of the middle-income units, they  
4 were happy to see them, and they were also excited to  
5 see that a WBE was leading this development. The  
6 market rate rents are just above the 90 percent AMI  
7 levels and these 80 and 90 percent units are really  
8 helping to support these lower, the 30 and 50 percent  
9 AMI tiers. The units will be marketed through NYC  
10 Housing Connect and income certifications and leasing  
11 will be conducted by PWB Management which does a  
12 significant amount of management in the Bronx and  
13 throughout the city. We have some construction hiring  
14 contact information readily available for the project  
15 and these are star letters of support from the  
16 community boards in favor of the project. Thank you.

17 COUNCIL MEMBER DEUTSCH: Thank you. Can  
18 you just explain about the, the soil remediation, how  
19 much of the property needs to be remediated?

20 TERRI BELKAS-MITCHELL: Can you speak to  
21 that... [cross-talk]

22 ANDREA KRETCHMER: Sure... [cross-talk]

23 TERRI BELKAS-MITCHELL: ...a little bit  
24 more... [cross-talk]

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ANDREA KRETCHMER: Sure. As is common in  
New York City now there's historic fill everywhere  
and we had some additional organic, volatile organic  
and some similarly volatile organic materials that  
just are from previous uses; old tanks and whatever  
else was left on the site so the cost to excavate and  
then dispose of some of that is a little bit higher  
than if your land is uncontaminated so... [cross-talk]

10

COUNCIL MEMBER DEUTSCH: Who has the  
oversight of that?

12

ANDREA KRETCHMER: We're working with  
OER, so we have some big grants and some EPA funding  
to remediate those costs.

15

COUNCIL MEMBER DEUTSCH: So, this is not  
a DEC project?

17

ANDREA KRETCHMER: It is not.

18

COUNCIL MEMBER DEUTSCH: Okay. Okay, glad  
to hear it. Okay, any members of the committee,  
Salamanca, Council Member... okay...

21

COUNCIL MEMBER SALAMANCA: Thank you  
Chair Deutsch. Hello everyone. So, just so members of  
the Committee know, this project, I've been working  
on this project for about... over a year and a half.  
One of the first project when I first got elected and

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1  
2 the original... the original layout of this project or  
3 the original proposal was a 30... 37 unit building  
4 where five units at 80 percent AMI and 32 units at 90  
5 percent AMI and I... you know and they know this, I  
6 made it clear from the beginning this was  
7 unacceptable to me, this was unacceptable to my  
8 community we needed to go deeper in affordability and  
9 so we went from again 32 units at 90 and five units  
10 at 80 to now the... what's being proposed which is nine  
11 units at 30 percent AMI, four units... well nine units  
12 at 27 percent AMI, four units at 47 percent AMI,  
13 seven units at 80 percent AMI, 17 units at 90 percent  
14 AMI and we got six units for homeless set aside which  
15 is a 15 percent homeless set aside so we've come a  
16 long way and I want to thank you for working with me  
17 and again HPD. This can be done, a 15 percent  
18 homeless set aside can be done regardless of how big  
19 or how small these projects are, and I hope you can  
20 send that message back to your Commissioner and to  
21 the Mayor's Office, thank you.

22 GENEVIEVE MICHEL: We definitely hear  
23 you.

24 COUNCIL MEMBER DEUTSCH: Thank you, any  
25 other questions from members, members of the

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Subcommittee? No, seeing none, panel you're dismissed.

ANDREA KRETCHMER: Thank you... [cross-talk]

COUNCIL MEMBER DEUTSCH: Have a nice day, enjoy your day.

[off mic dialogue]

COUNCIL MEMBER DEUTSCH: Our second hearing today is for LU 240 MEC 125<sup>th</sup> Street in Council Member Ayala's district in the East Harlem neighborhood of Manhattan. This approval will facilitate the development of 404 residential units including 268 affordable and 134 market rate, more than 62,000 square feet of commercial space, 5,800 square feet of cultural community facility, 10,000 square feet of public open space and 121 parking spaces, I love that. For this project in 2008, City Council approved the rezoning UDAAP designation urban renewal plan amendment to disposition for all lots, blocks 1790, lots one, three, five and six, parts of... part of lots eight, 41, 44, 45, 46 and 101. A 2006 RFP related to these properties have been issued by the New York City Economic Development Corporation. Specifically, LU 240 is an application requesting

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approval of a new tax exemption pursuant to Article XI of the private housing finance law. I'm now opening the public hearing on MEC 125<sup>th</sup> Street and would like to invite HPD and ADC to present its testimony. So, I'm going to ask the counsel to administer the oath to HPD and to the applicants.

COMMITTEE CLERK: Please state your names before answering, do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony before this Subcommittee and in response to all Council Member questions?

KEVIN PARRIS: Kevin Parris, yes.

LACEY TAUBER: Lacey Tauber, yes.

STEPHEN HAYES: Stephen Hayes, yes.

KEN SPILLBERG: Ken Spillberg, yes.

COMMITTEE CLERK: You may begin.

LACEY TAUBER: Okay. Land Use Item Number 240 consists of an exemption area located at 213 East 125<sup>th</sup> Street in Manhattan council district eight known as MEC 125<sup>th</sup> Street parcel B West. These lots are designated urban renewal sites within the Harlem East Urban... sorry, Harlem East Harlem urban renewal area. The City Council approved ULURP actions for these sites on October 7<sup>th</sup>, 2008, including

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2 disposition approval, UDAAP designation of project  
3 approval as well as urban renewal plan amendments and  
4 zoning map changes in order to facilitate the East  
5 125<sup>th</sup> Street project. Parcel B of this project  
6 consists of three parcels designated for residential,  
7 commercial, community facility and entertainment  
8 development. The East 125<sup>th</sup> Street project is the  
9 result of a collaborative effort between city  
10 officials and local community participation that led  
11 up to a request for proposals issued by EDC in 2006.  
12 Parcel C was the first to close in 2010 and completed  
13 construction with 49 residential units targeted to  
14 households with incomes between 40 to 60 percent of  
15 AMI plus one super's unit and approximately 5,600  
16 square feet of retail space. A portion of parcel A  
17 was the next to close in 2015 and completed  
18 construction with a cancer treatment facility known  
19 as the Proton Center which is expected to open in  
20 2019. Land Use Number 240, which is parcel B West,  
21 will be the third phase of the East 125<sup>th</sup> Street  
22 project to close. HPD has submitted for the record a  
23 timeline for parcel B that details the condemnation  
24 and acquisition process that took place between 2008,  
25 when the project was approved and 2018. With that

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2 process now completed, the sponsor plans to construct  
3 a 19-story elevator building that will include a  
4 mixture of unit types; 98 studios, 97 one bedroom,  
5 197... or sorry, 179 two bedrooms and 28 three-bedroom  
6 apartments as well as two superintendent units for a  
7 total of 404 units. Of the total unit count, 268  
8 units will be targeted to families with household  
9 incomes at 40, 50, 100, and 130 to 165 percent AMI  
10 with initial rents estimated at 37 percent, 47  
11 percent, 80 percent and 130 percent of AMI. The  
12 balance of 134 units will be market rate. The project  
13 also includes 62,204 square feet of commercial space  
14 and 5,887 square feet of community facility space as  
15 well as 121 parking spaces and 10,000 square feet of  
16 publicly accessible open space. Currently, the plan  
17 includes a supermarket as the retail anchor tenant  
18 and a dance studio in the community facility space.  
19 HPD is currently before the Planning Subcommittee  
20 seeking Article XI tax benefits for the exemption  
21 area in order to assist with maintaining  
22 affordability of the rental units for the term of 40  
23 years coinciding with the regulatory agreement  
24 establishing certain controls upon the operation of  
25 the exemption area. The cumulative value of the tax

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2 benefits is approximately 135,607,967 dollars and the  
3 net present value is 36,483,616 dollars.

4           STEPHEN HAYES: Hi, my name is Stephen  
5 Hayes and I am representing the developer and with me  
6 is Matt Iacopetta and Frank Dubinsky also with the  
7 development team who can answer questions if need be.  
8 I'm going to give a really brief presentation, you  
9 have hard copies so if you have any questions as you  
10 go, go on I, I'm, I'm not sure if I can work this  
11 PowerPoint however, do you know how to move the  
12 slide?

13           LACEY TAUBER: Just press the forward or  
14 the... button... [cross-talk]

15           STEPHEN HAYES: Oh, here it is, very  
16 easy... [cross-talk]

17           LACEY TAUBER: Yeah... [cross-talk]

18           STEPHEN HAYES: Okay. The agenda is  
19 basically I'm going to tell you who the developer is,  
20 talk a little bit about the program and the  
21 affordability mix, give a brief presentation on the  
22 architecture, talk about some highlights about local  
23 hiring, MWBE hiring and then next steps and timing.  
24 The development team is a combination of five  
25 partners, I've outlined them here on this slide, I



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2 can tell you a little bit about each of them if you'd  
3 like but it's... they're affordable housing developers,  
4 Richmond is a... I think the eighth largest in the  
5 country of affordable housing owners, El Barrio and  
6 Hope are both East Harlem not for profit affordable  
7 housing developers and Monadnock is an affordable  
8 housing developer and also a general contractor who  
9 will be building this and Bridges is a retail  
10 developer in New York City as well. The program as  
11 outlined here is... I'm going to talk about the  
12 residential in more detail but that... there will be  
13 270 affordable units, 66 percent of the units are  
14 affordable, I'll talk about those more specifically.  
15 The community facility... or sorry, the commercial and  
16 retail has two floors and two sort of components; the  
17 second floor which is accessed and I'll show you in  
18 the drawing off of the corner of 3<sup>rd</sup> and 125<sup>th</sup> Street  
19 is going to be a... an affordable grocery store, a  
20 lease is about to be signed which is a use that is  
21 very much needed in this community. That will help of  
22 course lease the first ground floor which has three  
23 different sort of retail components that I'll show  
24 you in the plan. The community facility and cultural  
25 facility piece as Lacey mentioned is going to be a...

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2 where, where the term sheet with a dance studio for  
3 girls that are... that's located in East Harlem at  
4 present, they're going to expand the facility and be  
5 in... happily they're going to be in our facility.  
6 There's parking as mentioned and then there's also  
7 10,000 square feet of open space which is a through  
8 block between 125<sup>th</sup> and 126<sup>th</sup>. This is a summary of  
9 the affordability. As I mentioned 66 percent are  
10 affordable units, 33 market, the affordability  
11 breakdown is a result of discussions with... there's a  
12 local task force that's heavily involved in this  
13 project. The Council Member's office is... leads that  
14 task force as well as community board 11 members and  
15 they have been heavily involved in this project from  
16 the very beginning that includes talking about the  
17 affordability breakdown as well as hiring which I'll  
18 talk about in a second. So, those, those... this, this...  
19 these bands are a result of that discussion and also  
20 discussions with HPD and their term sheet  
21 requirements. What I wanted to do here is... because  
22 there, there sometimes are questions about the 130  
23 percent AMI bands, I just wanted to show that this...  
24 even with this, this band is significantly below what  
25 market rate would be and these are the comparables of

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2 nearby properties to show what those rents would be  
3 and, in the green... I guess you can see that it's  
4 green is the... is what the rents would be under the  
5 130 percent AMI band. I'm going to briefly go through  
6 the architecture, you can look at it and I can answer  
7 any questions but I'm going to be quick on it. This,  
8 this drawing shows the entire parcel which is somehow  
9 called parcel B, I'm not entirely sure the history of  
10 that but it's called parcel B. The project that we're  
11 talking about is the West side hence the name B West,  
12 which is where the green space is and to the left.  
13 Just to go back maybe this 125<sup>th</sup> Street to the South,  
14 126<sup>th</sup> Street, 3<sup>rd</sup> Avenue to the left and 2<sup>nd</sup> Avenue to  
15 the right. The other two site plans are potential  
16 additional phases which will come in later on. This  
17 is the site plan for the parcel that we're talking  
18 about now, B West, what's important here is the  
19 corner of 125<sup>th</sup> Street and 3<sup>rd</sup> Avenue which is the  
20 lower left piece is the anchor retail that goes up to  
21 the grocery store and then there's the three retail  
22 spaces and on the upper right is the lobby, sort of  
23 an orange color for the cultural center that's next  
24 to the public open space. I've put in these floor  
25 plans, I don't know why because you probably can't

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2 see them, but this is a cellar plan. A lot of the  
3 dance studio because of their desire is located in a  
4 place that can't be looked into so the dance studio  
5 is up on the upper right portion, the rest of the  
6 cellar attended parking and some building services.  
7 This is the architectural plan for the site plan that  
8 I just showed. You can see on the right is a design  
9 for a park that's just a preliminary place holder,  
10 we're working or we will be working with the task  
11 force that I was talking about previously to, to do  
12 design shares to come up with a plan that is more  
13 desired or more appropriate for what the community is  
14 looking for in that through block. The second-floor  
15 plan is really basic, it's a flexible grocery store  
16 plan as I mentioned, and this is the third, third  
17 floor and then going up onward up to 19. This third  
18 floor shows the amenity spaces which includes a  
19 lounge, library, business center, two terraces, open  
20 equally to whoever is attending the building,  
21 affordable and market rate tenants. And then the..  
22 this is the upper typical floor plan. Again, I'm  
23 rushing through these, but you have a hard copy if  
24 you want to look at it and have any questions. This  
25 is a rendering of the building. This is taken 3<sup>rd</sup> and

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2 125<sup>th</sup> Street, a little bit of a bird's eye view, you  
3 can see the lower floors are retail and then the  
4 upper one... the second floor is the grocery store. The  
5 building to the right on the South side of 125<sup>th</sup>  
6 Street is the parcel C project which was the first  
7 phase that was developed by this team that Lacey  
8 mentioned. I just want to do a highlight of some of  
9 the MWBE participation and hiring concepts. As I  
10 mentioned the 125<sup>th</sup> Street Task Force has been  
11 heavily involved in this and they have created a, a  
12 really helpful outline of what needs to take place  
13 for both MWBE hiring and local hiring which includes  
14 Hire... includes the hiring of two consultants, one an  
15 MWBE consultant and one a local hiring consultant  
16 that will be done in coordination with the task  
17 force. So, our team will be creating an MWBE  
18 utilization plan with EDC and with the, the task  
19 force and additionally they'll be doing the same  
20 thing for locally hire... local hiring plan. A couple  
21 of questions came in, I just wanted to put up here  
22 that the post construction jobs will be at or above  
23 living wage and health insurance will be provided and  
24 the grocery store is a unionized grocer. This is  
25 going to be closing in December, construction will

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start immediately thereafter, and TCL is expected in  
September of 2021. That's my quick presentation.

COUNCIL MEMBER DEUTSCH: Thank you,  
Council Member Ayala do you have any questions?

COUNCIL MEMBER AYALA: No questions, very  
supportive of the project. I know this has been ten  
years in the making. I applaud your patience HPD, I  
know that it's been difficult, but I trust in the,  
the task force due diligence in meeting and coming up  
with a... with a plan... a comprehensive plan for  
development in this site and so I am here today to  
just express my support. Thank you.

COUNCIL MEMBER DEUTSCH: Thank you. I'm  
going to ask everyone to be a little patient, the  
chair is coming back so... he has some questions so  
we're going to take a little pause.

STEPHEN HAYES: Okay.

CHAIRPERSON KALLOS: We are coming back  
from recess on this hearing of the Subcommittee on  
Planning, Dispositions and Concessions, the Committee  
Counsel will continue calling the roll.

COMMITTEE CLERK: Voting on Land Use  
Items 241, 242 and 243, Chair Kallos?

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CHAIRPERSON KALLOS: In deference to the local member I vote aye on all.

COMMITTEE CLERK: The Land Use Items are approved by a vote of four in the affirmative, no negatives, and no abstentions and will be referred to the full Land Use Committee.

CHAIRPERSON KALLOS: For the current panel we'd like to... we, we understand that we have EDC here as well, so we'd like to include them in this panel so that everyone can answer questions together.

[off mic dialogue]

CHAIRPERSON KALLOS: You'll want to pull your chair up to the table and if you have not been administered the oath yet please state your name for the record.

MOLLY ANDERSON: Molly Anderson.

CHAIRPERSON KALLOS: From which organization?

MOLLY ANDERSON: New York City Economic Development Corporation.

CHAIRPERSON KALLOS: Great.

DAN MORAN: And Dan Moran from HPD.

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COMMITTEE CLERK: And before we continue  
can you just affirm that you will tell the truth, the  
whole truth and nothing but the truth in your  
testimony before this Subcommittee and in response to  
all Council Member questions?

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MOLLY ANDERSON: Yes, I affirm.

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DAN MORAN: Yes.

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COMMITTEE CLERK: Thank you.

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CHAIRPERSON KALLOS: I want to apologize  
that I was unable to be here earlier. Over the summer  
the HPD moved forward with a third party transfer  
program which is a program I do believe in however it  
was not handled properly and as a result we have  
multiple homeowners from low income communities of  
color in Brooklyn who feel that their properties were  
taken improperly and I took the opportunity earlier  
today at their request to meet with them and discuss  
what had happened and, and committed to working with  
those homeowners and their local members to ensure  
that HPD does the right thing and gives homeowners  
their homes back where they lived and in no  
circumstance should third party transfer be used to  
take property away from somebody who lives in their  
building. With regard to the project we are looking



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2 at, it is the East 125<sup>th</sup> Street development B West  
3 and so I think the key piece is this is part of a  
4 larger project, is that correct?

5 LACEY TAUBER: Yes.

6 CHAIRPERSON KALLOS: If you can please  
7 pull up the slide that has the affordability mix. In  
8 this committee we use a lot of words like AMI and  
9 percentages, what does 130 percent of AMI translate  
10 into as far as income in dollars and cents for a  
11 single individual?

12 LACEY TAUBER: For a single individual  
13 its 21,930.

14 CHAIRPERSON KALLOS: 130 percent of AMI?

15 LACEY TAUBER: Oh, sorry, I thought you  
16 said 30 percent, 130 percent is 95,030.

17 CHAIRPERSON KALLOS: Does HPD believe  
18 that people earning 95,000 dollars a year are  
19 desperately need... in need of affordable housing on  
20 East 125<sup>th</sup> Street?

21 LACEY TAUBER: In terms of this  
22 affordability mix this was something that was agreed  
23 to in the points of agreement when this project was  
24 originally proposed with the community so it's  
25 something that's gone through kind of extensive

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community process and also the Council Member is supportive of this project so...

CHAIRPERSON KALLOS: How long ago was... how long ago was this... were the points of agreement agreed to?

LACEY TAUBER: 2008.

CHAIRPERSON KALLOS: So, ten years, is it possible that ten years ago 130 percent of AMI was far lower than 95,000 dollars a year?

LACEY TAUBER: I mean it tends to go up with the median income in the city.

CHAIRPERSON KALLOS: Which, which has... there's been an extortionary economy with... is that correct, so, so that its gone up and now are these units' part of a larger project?

LACEY TAUBER: Yes.

CHAIRPERSON KALLOS: And so, are these meant cross subsidize other units?

LACEY TAUBER: I, I can't speak to that... exactly how that would work directly but I can tell you what we have in mind for the second part of this project is going to be an ELLA which is our extremely low and low income affordability term sheet and the

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third phase has affordable homeownership as well as  
an affordable rental component.

CHAIRPERSON KALLOS: So, we have EDC  
available, we have other folks from HPD, are the  
market rate units here meant to cross sub... the market  
rate and I'm going to call 95,000 dollars a... what,  
what is the rental for a one bedroom for the 130  
percent of AMI rate?

LACEY TAUBER: 2,487.

CHAIRPERSON KALLOS: 2,487 dollars for a  
one bedroom in New York City on 125<sup>th</sup> Street, what is  
the, the market rate for a one bedroom on 125<sup>th</sup>  
Street?

LACEY TAUBER: You had a slide about that  
in your... in your presentation. Do you want to talk  
about your comps...

STEPHEN HAYES: This... sure, this... what we  
did is we put together a slide of some comparable  
developments and the second column which is in green  
is the rental for the 130 percent AMI and the other  
examples are of market rate rents.

CHAIRPERSON KALLOS: So, I'm looking at  
your slide and a one bedroom is 2,480, 2,487 for 130

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percent of AMI and at 245 East 124<sup>th</sup> Street there are  
one bedroom for 2,627 dollars a month.

STEPHEN HAYES: I'm sorry, which address  
is that?

CHAIRPERSON KALLOS: 245 East 124<sup>th</sup>...  
[cross-talk]

STEPHEN HAYES: Oh, right... [cross-talk]

CHAIRPERSON KALLOS: ...Street... [cross-  
talk]

STEPHEN HAYES: ...yeah. Yes, 2,627  
dollars.

CHAIRPERSON KALLOS: It, it seems that  
these 130 percent AMI units are, are actually pretty  
much at market rate, there might be a couple of  
percentage points below but in actuality they appear  
to be market rate, perhaps a, a five or four percent  
discount.

STEPHEN HAYES: I don't have the  
discount... the percentage I think maybe Matt did you  
have the... [cross-talk]

CHAIRPERSON KALLOS: I'm, I'm not asking  
I'm just... [cross-talk]

STEPHEN HAYES: Oh, okay... [cross-talk]

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CHAIRPERSON KALLOS: ...saying with...

[cross-talk]

STEPHEN HAYES: Yeah, I... it's... the...  
right, the, the one... that's the lowest of the comps  
exactly, the 130 percent AMI is listed, I mean they  
are what they are.

CHAIRPERSON KALLOS: And then there's 134  
at market rate, how much do you intend to charge for  
them, I, I see you have a range here for one bedroom  
from 2,627 a month up to 4,650 dollars a month, so  
are these one bedrooms going to be 4,650 dollar a  
month one bedrooms on 125<sup>th</sup> Street?

STEPHEN HAYES: The, the... on... the market  
rate for the one bedroom is 2,599 dollars.

CHAIRPERSON KALLOS: Is that... [cross-  
talk]]

STEPHEN HAYES: That's correct.

CHAIRPERSON KALLOS: Is that part of a  
regulatory agreement that it cannot go above 2,600  
dollars because a lot of folks would tell you one...  
that's a lot of money for a one bedroom?

LACEY TAUBER: I'm just going...

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DAN MORAN: All units... all units in the building will be rent stabilized but the market rate units will not be rent restricted.

CHAIRPERSON KALLOS: Okay, so... [cross-talk]

DAN MORAN: Otherwise they would not be market rate.

CHAIRPERSON KALLOS: So, if you have a vacant unit is... can... could you ever rent it for 4,650 dollars a month?

DAN MORAN: Depending on how the rent stabilization laws are applied to a unit that becomes vacant, they could, yes.

CHAIRPERSON KALLOS: Okay.

DAN MORAN: But HPD is subsidizing the affordable units not the market rate units.

CHAIRPERSON KALLOS: Do you believe based on the group of rentals that you... rent, rent rates that you have here that it is possible that these market rate units would have a gentrifying effect on this community?

LACEY TAUBER: I mean I think you have to think of this project in terms of the project as a whole... [cross-talk]

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CHAIRPERSON KALLOS: Okay, so let's...

[cross-talk]

LACEY TAUBER: ...but I mean except that for a question like that you would have to look at this project as a whole. Today we are here to talk about parcel B West... sorry, were you going to say something? Okay, I thought you were going to talk. I'm sorry, I lost my train of thought.

CHAIRPERSON KALLOS: You, you were referring to the project as a whole so I want to speak specifically to the homeownership units, you referred to the points of agreement, Council Member Ayala has also referred me to the points of agreement, she indicated that under the points of agreement we were looking at something like 300 homeownership units which has since been reduced to 166 homeownership units and at the same time this property is still receiving about 50 percent.. this piece of the project is receiving quite a, a windfall to have subsidized a point of agreement that appears to be departed from so what were the points of agreements for the home ownership piece were they in fact 300 and changed to 166, what are the correct numbers?

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LACEY TAUBER: I don't have that in front of me, it was 300 and something to 151 but that's something that we're actively talking about with her right now and, and it's a different phase of the project and it's a... it's kind of a ways out and that's one of the, the challenges... [cross-talk]

CHAIRPERSON KALLOS: We, we are... [cross-talk]

LACEY TAUBER: ...as far as giving a hard number commitment but it's something that we're actively looking at right now.

CHAIRPERSON KALLOS: Is it consistent to refer to a ten-year-old points of agreement document for saying that we should have 130 percent AMI units for people making 95,000 dollars a year and market rate units for people making perhaps more and holding to that ten-year-old document in one place but then not moving forward with making 300 homeownership opportunities available?

LACEY TAUBER: I think the challenge that we're facing there has to do with how... you know the way that we finance affordable home ownership has changed but as I said its something that we're actively talking about with the Council Member and we



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haven't come to a final conclusion on what those numbers are going to look like yet but again that's for a phase that's further out.

CHAIRPERSON KALLOS: For consistencies sake I think that is only fair that if you are holding the project to one point of agreement that another part of the project which is receiving subsidy from this project be included, I support my colleague on this and if HPD is seeking a positive vote on this amount of market rate housing on East 125<sup>th</sup> Street and housing that is... I don't know many people who would tell me a 2,400 dollar a month one bedroom was affordable, that, that is a lot of market rate and I believe the term you use is moderate income affordable housing so, I, I support our local member on this and at this... if, if HPD would like this project to move forward we do expect to see that 300 units of homeownership opportunities that are affordable to, to be honored. I had some other questions. With regard to this project are there any... with regard to this project according to your testimony did you use imminent domain?

LACEY TAUBER: Yes.

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CHAIRPERSON KALLOS: There have been other occasions before this committee where there were vacant lots adjacent to affordable housing developments that were not developed, why was imminent domain used here versus in other places?

LACEY TAUBER: Right, I think you can see from, you know the timeline that we gave you for this project that imminent domain is no small undertaking, it is a very time consuming and an expensive process and I think, you know the, the city felt that it was appropriate to do that in this case because of the transformative nature of this project and just the amount of benefits that, you know that we're able to provide to the community here, you know this is a whole entire block that's going to be developed with affordable housing, community facilities, a supermarket, publicly accessible open space and so I think just the, the judgment there is that the time and the expense were worth it for the outcome and I think sometimes in these smaller projects it's... it makes more sense to proceed with the projects that we can do in a timely and cost effective manner.

CHAIRPERSON KALLOS: When did the imminent domain process begin?

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LACEY TAUBER: I believe it was 2007, is that... I have it... I have it right here hold on... oh, you, you printed it out, I have it on my phone..

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CHAIRPERSON KALLOS: So, it was commenced in 2007, when was the project approved?

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LACEY TAUBER: 2008.

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CHAIRPERSON KALLOS: And when did the litigation begin?

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LACEY TAUBER: Actually, the projects commenced in, in 2007, sorry, the approvals were received in 2008.

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CHAIRPERSON KALLOS: So, the approval to move forward with the change in land use happened..

[cross-talk]

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LACEY TAUBER: Actually, sorry, no..

[cross-talk]

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CHAIRPERSON KALLOS: ...in 2008... [cross-talk]

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LACEY TAUBER: ...it started in 2007, project approval in 2008, the public scoping.. well the public scoping for the project which included acquisition of parcels for urban renewal purposes started in 2007 and those approvals were received in 2008 which allowed that process to proceed.

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CHAIRPERSON KALLOS: And did EDC or HPD offer the residents fair market value?

MOLLY ANDERSON: I'm sorry, I don't think that we can get that information at this time, I don't have that information at this time.

CHAIRPERSON KALLOS: After... do you know whether offering an existing land holder fair market value for their property is a precondition to bringing an imminent domain procedure law case?

MOLLY ANDERSON: I believe that I cannot speak to the specifics of that, that was handled through our, our council at city law and if, if... it was part of... yeah, I, I don't have the information on that at this time.

CHAIRPERSON KALLOS: Okay, so there was an imminent... so, according to... [cross-talk]

LACEY TAUBER: I mean I think... [cross-talk]

CHAIRPERSON KALLOS: ...records we received... [cross-talk]

LACEY TAUBER: ...we can confirm that... [cross-talk]

CHAIRPERSON KALLOS: ...from... [cross-talk]

SUBCOMMITTEE ON PLANNING, DISPOSITIONS  
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LACEY TAUBER: ...the imminent domain procedure law was followed in this... in this situation.

CHAIRPERSON KALLOS: And in order to... so when did the imminent domain procedure begin?

KEVIN PARRIS: 2009.

CHAIRPERSON KALLOS: And when did the imminent domain case end?

LACEY TAUBER: Earlier this year, I mean there was... there were a number of different pieces of this but the whole entire process concluded earlier this year.

CHAIRPERSON KALLOS: So, my, my understanding based on records previously provided is that the, the underlying case, the, the overarching case against the land owners concluded in 2011 and that following 2011 it took three years to identify the funding to cover the cost of those proceedings and then from 2014 to 2017 the city engaged in condemnation and removing the tenants which carried through until earlier this year, is that... I, I see nodding but the, the record requires language to be used.

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KEVIN PARRIS: Based on the timeline,  
sure that's correct.

CHAIRPERSON KALLOS: Is that your reading  
of it?

LACEY TAUBER: There was an additional  
litigation in 2014, yes, so there was another  
litigation in... from 2014 to 20, 2017 so there were  
three court cases as we provided that added to the  
timeline here.

CHAIRPERSON KALLOS: So, I, I... will HPD  
and EDC and the law department provide the full  
detailed information on what happened here so we can  
ensure that anyone who lost their property that all  
the processes were followed and that public... the  
notice was provided and that people were paid fair  
market value in accordance with the United States  
constitution?

LACEY TAUBER: We will provide you some  
documentation that shows that the law was followed.

CHAIRPERSON KALLOS: Okay because based  
on the fact that you were telling that it wasn't one  
imminent domain proceeding but three gives me concern  
because generally when you're... I'm, I'm an attorney,  
when you sue people you sue everybody, so you have

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2 all parties and interests, so you can handle  
3 everything at once instead of having to come back  
4 multiple times and was HPD aware that I was going to  
5 have questions about the imminent domain procedure?

6 LACEY TAUBER: That's why we provided you  
7 with the timeline in advance.

8 CHAIRPERSON KALLOS: I, I appreciate it,  
9 we received the timeline two... less than two hours  
10 before this hearing which meant that we were not able  
11 to provide you with any meaningful follow up and...  
12 [cross-talk]

13 LACEY TAUBER: I understand.. [cross-talk]

14 CHAIRPERSON KALLOS: ...if you're not  
15 providing the information with enough time for follow  
16 up you should definitely bring the appropriate  
17 people. The question I have is just as a person of  
18 the Jewish faith during the holiday of Passover, some  
19 call it Easter, we ask manish tena hulila [phonetic],  
20 what is the difference of this evening? So, this has  
21 taken ten years, there are other projects that HPD  
22 has come before this committee on... that have been  
23 stalled for ten years, is that correct?

24 LACEY TAUBER: It has... [cross-talk]]

25 CHAIRPERSON KALLOS: And... [cross-talk]

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LACEY TAUBER: Yeah.

CHAIRPERSON KALLOS: ...in that time could the vacant lots adjacent to the development sites have also undergone the same lengthy and costly process for the sake of affordable housing?

LACEY TAUBER: I mean I think... there are various reasons that you've seen project delays, I, I think adding imminent domain on top of that, you know could have potentially delayed these projects even further and cost more money, I mean I'm, I'm not really sure how I can answer that question differently but I think, you know as an affordable housing agency we have to be really conscious of, you know doing things in a cost effective way so that we can provide as much... as much affordable housing as possible because that's our goal and our mandate.

CHAIRPERSON KALLOS: Is the man... isn't the mandate to build a target of 300,000... sorry, build or preserve 300,000 units?

LACEY TAUBER: Right.

CHAIRPERSON KALLOS: How are we going to do that if we're leaving vacant lots next to existing affordable housing developments?



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LACEY TAUBER: We're going to do that in  
3 a... all of the ways that we're doing that right now.

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CHAIRPERSON KALLOS: So, what's going to  
happen to the vacant lots like what we saw two weeks  
ago where it's... there's a vacant lot sitting right  
next to an affordable housing development, is that  
just going to sit there vacant?

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LACEY TAUBER: I mean I can... [cross-talk]

CHAIRPERSON KALLOS: ...for another ten

years... [cross-talk]

LACEY TAUBER: ...say if, if that situation  
is the case we almost always I think encourage the  
development team to reach out to the owners of those  
properties from the very start of these projects,  
right and sometimes they're able to acquire those  
properties in a way that is cost effective and  
efficient sometimes they're not but it... we don't  
ignore it, you know we are... we are thinking about  
that.

CHAIRPERSON KALLOS: If you have... so, so  
the, the building that was previously heard before I  
was here was how many units?

LACEY TAUBER: I'm not working on that  
project, I'm sorry, how many units, 15... [cross-talk]

SUBCOMMITTEE ON PLANNING, DISPOSITIONS

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CHAIRPERSON KALLOS: I believe it was  
eight units.

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LACEY TAUBER: Eight...

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CHAIRPERSON KALLOS: And...

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[off mic dialogue]

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LACEY TAUBER: Oh yeah, eight units was  
the one from... that was voted on today.

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CHAIRPERSON KALLOS: So, the project...

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[cross-talk]

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LACEY TAUBER: The one that we discussed...

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[cross-talk]

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CHAIRPERSON KALLOS: ...we voted on...

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[cross-talk]

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LACEY TAUBER: ...earlier... [cross-talk]

16

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CHAIRPERSON KALLOS: ...today has... [cross-  
talk]

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LACEY TAUBER: ...hold on I can get... I can  
get... [cross-talk]

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CHAIRPERSON KALLOS: No, no, it's okay  
let's, let's just do the one that we just voted, so  
it was eight units but it's an... it was adjacent... we  
just voted on it, it was eight units but it was  
adjacent to an empty lot and it was a project that  
had been stalled for I believe a similar length of

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2 time and with eight units that building didn't get an  
3 elevator, if it had a larger lot could it not have  
4 had more units, could it not have had an elevator and  
5 been more quality affordable housing than what they  
6 were able to put into such a small lot so doesn't it  
7 stand to reason that we should imminent domain  
8 whenever we can't put vacant properties together to  
9 build more and better affordable housing?

10 LACEY TAUBER: I mean again I think that  
11 it is a long and costly process and it's a judgment  
12 call that gets made on a case by case basis as to  
13 whether, you know that process would in fact lead to  
14 the outcome of, you know more and more cost-effective  
15 affordable housing.

16 CHAIRPERSON KALLOS: I... and I guess the,  
17 the question here is why did you choose to do it here  
18 versus not there?

19 LACEY TAUBER: Right and I think as I  
20 said this was an opportunity to... you know this is  
21 again like a whole... a whole city block, the  
22 transformational nature of a project like that is  
23 very different from a small lot next to a small site.

24 CHAIRPERSON KALLOS: We, we will continue  
25 to disagree, this is going to bring a, a supermarket

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to this area the city which is currently a food  
desert, is that correct?

LACEY TAUBER: Correct.

CHAIRPERSON KALLOS: Is that in the  
regulatory agreement that if a landlord is not able  
to find a supermarket or chooses to change will that...  
what will happen?

LACEY TAUBER: The lease has already been  
signed with a supermarket.

CHAIRPERSON KALLOS: Is there a  
restriction or covenant on the lease that restricts  
it only to supermarket use?

LACEY TAUBER: No.

DAN MORAN: It's a lease with a  
supermarket provider.

CHAIRPERSON KALLOS: I need you to speak  
into the mic... [cross-talk]

LACEY TAUBER: It's a lease with a  
supermarket provider.

CHAIRPERSON KALLOS: How long is the  
lease with the supermarket provider?

LACEY TAUBER: Ten years. You can... you  
can use that mic. You got to turn... press the button.  
Alright.

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DAN MORAN: Ten years.

CHAIRPERSON KALLOS: And in ten years can the developer replace that supermarket which is desperately needed in the community with a, a... something that is a, a check cashing company which is not needed in that community?

DAN MORAN: It's a 45,000 square foot space so it's really suited for a large retailer like a supermarket points of agreement... [cross-talk]

CHAIRPERSON KALLOS: Is there any restriction on use, could it be converted into a, a liquor licensed establishment?

DAN MORAN: Yes, we do not permit that, any HPD financed program is subject to an H... project that's subject to an HPD regulatory agreement is prohibited from selling liquor on the premises.

CHAIRPERSON KALLOS: Vape?

DAN MORAN: I don't know if we've added that...

CHAIRPERSON KALLOS: I guess what, what I'm trying to get on there's a whole host of uses that are not welcome in that community or any community, are you willing to add a restrictive covenant to the space that restricts it only for

SUBCOMMITTEE ON PLANNING, DISPOSITIONS  
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2 being used as a supermarket with that going through  
3 the community board approval and giving the community  
4 board an actually a binding vote?

5

DAN MORAN: We can look into it.

6

CHAIRPERSON KALLOS: I, I will tell you  
7 that EDC has put in similar covenants on leases, I  
8 have seen them, I have read them and you... would you  
9 also put in a covenant that if you change the use  
10 from a supermarket it must go through community board  
11 approval?

12

DAN MORAN: We could... [cross-talk]

13

LACEY TAUBER: We can look into it.

14

CHAIRPERSON KALLOS: Okay, I have an... I  
15 have an EDC space in my district that was supposed to  
16 be a supermarket and its been vacant and we're  
17 working with... in good faith with EDC to actually turn  
18 it into a, a, a use that is suitable to the community  
19 so I, I would just say that that is something that we  
20 as land use should require as part of it, it should  
21 be a part of restrictive covenant but that is  
22 definitely good news. I'm just checking the  
23 presentation materials to see if the litany of  
24 questions that I ask every developer was already  
25 answered. I do not see that it was... [cross-talk]

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LACEY TAUBER: There is a... there's a  
3 slide toward the end, here we can pull that up... there  
4 you go.

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CHAIRPERSON KALLOS: I see the MWBE  
6 question... [cross-talk]

7

LACEY TAUBER: Yeah... [cross-talk]

8

CHAIRPERSON KALLOS: ...that was read into  
9 the record and this will be scanned and available.  
10 Okay, I do not see the project cost. I'm going to run  
11 through the project cost, hard costs, soft costs and  
12 all sorts of pay structures and how you tend to treat  
13 people. What is the project cost?

14

LACEY TAUBER: Well that's a good... total  
15 development cost is approximately 214 million, hard  
16 costs anticipated around 154 million, soft costs  
17 around 44 million.

18

CHAIRPERSON KALLOS: And all the units  
19 being built will be rental?

20

DAN MORAN: Yes...

21

LACEY TAUBER: Correct.

22

CHAIRPERSON KALLOS: With regards... this  
23 consists of ten lots; how many lots does this consist  
24 of and what is the combined square footage of the  
25 lots? I have ten lots at 463... [cross-talk]

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LACEY TAUBER: Oh, you know what that's...

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[cross-talk]

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CHAIRPERSON KALLOS: ...thousand square

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feet... [cross-talk]

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LACEY TAUBER: ...in the testimony, one

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second...

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CHAIRPERSON KALLOS: We will skip that

9

then because you've already testified for it... [cross-

10

talk]

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LACEY TAUBER: Yep... [cross-talk]

12

CHAIRPERSON KALLOS: You are seeking an

13

Article XI, you've indicated that... [cross-talk]

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LACEY TAUBER: Ten lots, that's correct...

15

[cross-talk]

16

CHAIRPERSON KALLOS: ...this is 90... that

17

there will be a tax abatement of 135.6 million

18

cumulatively with a net present value of 36.4 million

19

or 90,000 dollars per dwelling unit, are you

20

receiving any additional HPD subsidies?

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DAN MORAN: Yes, HPD is providing subsidy

22

through our mixed middle-income program.

23

CHAIRPERSON KALLOS: And what is that...

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what is that subsidy?

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DAN MORAN: The subsidy amount is still being negotiated with the development team, the term sheet maximum for a project of this type is 95,000 dollars per dwelling unit.

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CHAIRPERSON KALLOS: In a previous hearing I learned that you're allowed to go beyond the maximums, is that something that you're allowed to do under the mixed middle income?

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DAN MORAN: When required but in return for providing over term sheet subsidy we always require some sort of additional commitment from the developer.

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CHAIRPERSON KALLOS: So, the maximum is 95,000, you have not negotiated it, but it could go higher, is there any additional HPD subsidy?

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DAN MORAN: I think there's Reso A funding provided by the Council Member and that is... that's the extent of the subsidy.

20

21

CHAIRPERSON KALLOS: Do you know how much the Reso A funding is from the local member?

22

23

DAN MORAN: I believe it's six million... three million...

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LACEY TAUBER: Three million.

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DAN MORAN: Three million.

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CHAIRPERSON KALLOS: Three million dollars in Reso... in, in capital funding from the local member?

DAN MORAN: Is it all from the local member?

CHAIRPERSON KALLOS: Or the Council as a whole, wow, okay, that is quite a lot. Are there... is there an HPD... is there any HPD financing being provided to the lender... sorry, to the builder?

DAN MORAN: The M2 subsidy I mentioned previously.

CHAIRPERSON KALLOS: So, it's 95,000... that's a... that's in financing?

DAN MORAN: It would be a loan.

CHAIRPERSON KALLOS: Okay and how... what will the... will there be any interest on that loan?

DAN MORAN: The developer does not pay interest, but interest accrues, defers and accrues and is due at the end of the loan term.

LACEY TAUBER: That's one way that we encourage folks to resign their regulatory agreement.

CHAIRPERSON KALLOS: Has anyone ever actually chosen to pay off the loan versus resign?

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LACEY TAUBER: It's the new-ish way of doing things so we haven't actually come up on the end of any of those regulatory agreements yet to, to find that out.

6

CHAIRPERSON KALLOS: So, given that the intent is to resign when it is resigned does that 95,000 plus interest carry over or does it just get waived, what is the intents and... [cross-talk]

10

DAN MORAN: It wouldn't... [cross-talk]

11

CHAIRPERSON KALLOS: ...purpose... [cross-talk]

12

13

DAN MORAN: ...be waived, again this is something that we haven't had to treat yet, but it would either be refinanced or extended due to, you know or alongside... [cross-talk]

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CHAIRPERSON KALLOS: Some, some might argue that this is actually a cost not necessarily... and what is the city's... how much... what is the interest rate that the city borrows it at, the 95,000?

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DAN MORAN: Well we lend city capital dollars which are, you know tax dollars, I don't know that we're borrowing the money per se...

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CHAIRPERSON KALLOS: If... so, the expense budget comes from our annual income, the capital budget is a budget that we borrow every year so if it is coming from city capital budget that that means we... that is money we are... we are... people are loaning to us which means the city is paying interest on it.

LACEY TAUBER: I don't have the answer for that... [cross-talk]

DAN MORAN: Yeah, I don't know the... [cross-talk]

LACEY TAUBER: ...right now... [cross-talk]

DAN MORAN: ...details to that.

CHAIRPERSON KALLOS: But you share that answer.

DAN MORAN: Excuse me?

CHAIRPERSON KALLOS: But you shared the answer on what our cost is to borrow that money.

DAN MORAN: You mean across the entire city how much it costs to have... to generate city capital dollars?

CHAIRPERSON KALLOS: There are different trounces of, of city capital... [cross-talk]

DAN MORAN: Uh-huh... [cross-talk]

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CHAIRPERSON KALLOS: ...there's different types of city capital that is when we go out to fundraise and so I'm asking at what rate the city is borrowing this money and what the terms are for the investors so the investor puts in and they get a guaranteed rate of return and that's how we maintain our bond holding, different bonds have different rates so I'm curious about the rates for the M3 bonds?

DAN MORAN: M2, its... we can... we can...

[cross-talk]

LACEY TAUBER: Yeah, we'll get back to you... [cross-talk]

DAN MORAN: ...certainly ask if that...

[cross-talk]

CHAIRPERSON KALLOS: Sorry, the M2...

[cross-talk]

DAN MORAN: ...information is available.

CHAIRPERSON KALLOS: I promise it's available, it's something I argue with the OMB director about every single year because they have different estimates on the cost of capital and as a result, we argue about it. Is there any financing from HDC being made available?

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DAN MORAN: Yes, HDC is providing bonds  
and corporate reserve subsidy.

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CHAIRPERSON KALLOS: And how much are  
those?

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7

DAN MORAN: The corporate reserve subsidy  
is 15 million, is that correct? The bonds are I'm not  
sure the total amount of and it's still, you know  
subject to negotiations so...

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CHAIRPERSON KALLOS: Are there low-income  
housing tax credits on this project?

12

DAN MORAN: There are.

13

CHAIRPERSON KALLOS: And how much there?

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DAN MORAN: I believe that that number is  
also subject to review and to finalization.

16

CHAIRPERSON KALLOS: Any federal funds in  
this project?

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DAN MORAN: No.

19

CHAIRPERSON KALLOS: Any state funds in  
this project?

21

DAN MORAN: No.

22

CHAIRPERSON KALLOS: Developer private  
funds and developer equity?

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STEPHEN HAYES: I don't know the answer  
to that, but my colleague can answer.

25

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MATT IACOPETTA: There's 20 million  
dollars in economic equity and 16 million dollars in  
tax credit equity.

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LACEY TAUBER: Can you just repeat that  
for the...

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STEPHEN HAYES: Into the mic.

8

CHAIRPERSON KALLOS: Can you say it  
again.

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MATT IACOPETTA: Sorry, I'll repeat it  
in... there's approximately 20 million dollars in  
economic equity coming from the developer as well as  
16 million dollars in tax credit equity.

14

CHAIRPERSON KALLOS: By economic equity  
you mean money, cash when you say that?

16

MATT IACOPETTA: All for cash.

17

DAN MORAN: He means developer equity.

18

CHAIRPERSON KALLOS: No, I, I got it, but  
I heard economic equity and I was assuming it was  
cash, but I wanted to make sure that... good. Just,  
just for reference I asked this at every single  
hearing so to the extent HPD would consider including  
it in their testimony it would save us and everyone  
watching it on T.V. a, a lot more time, what was the

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2 original FAR on this development site and what will  
3 the FAR be?

4 LACEY TAUBER: The zoning was changed in  
5 2008, the... [cross-talk]

6 DAN MORAN: To accommodate this... [cross-  
7 talk]

8 LACEY TAUBER: ...that, that... [cross-talk]

9 DAN MORAN: ...development... [cross-talk]

10 LACEY TAUBER: ...approval happened... do we  
11 have the... do we have that with us? Sorry, we can...  
12 [cross-talk]

13 KEVIN PARRIS: Yeah, we can get that...  
14 [cross-talk]

15 LACEY TAUBER: ...reference the original  
16 approvals.

17 CHAIRPERSON KALLOS: Will you provide  
18 what the difference in value between the floor area  
19 is that was generated? The goal here is we want to  
20 find out all in how much money is the city putting  
21 in, how much tax payer dollars are going in, what are  
22 the total costs to the city so that as we look at  
23 each development we can see how much is it costing to  
24 put up a market rate unit that the city is  
25 subsidizing on 125<sup>th</sup> Street and how much is it to do



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the same thing in the Bronx and what are the tools that we use and how much does the developer need to do it in, in all these pieces. Is it... mandatory inclusionary housing being applied on this?

DAN MORAN: The rezoning to this project predated the mandatory inclusionary housing programs so it does not apply, there's no inclusionary housing.

CHAIRPERSON KALLOS: Okay, let's get to the fun part which should be really easy, the Mayor signs an executive order stating that commercial spaces of certain sizes through... that receive city funds require that people are paid a wage commensurate with the local community, that they have certain benefits such as health and what have you, will the commercial space such as the supermarket and others be required to abide by this executive order?

LACEY TAUBER: We actually have our legal team looking into that right now.

CHAIRPERSON KALLOS: Okay, to the developer do you believe that the tenants in your building should be paying the people who work in this supermarket more than just the minimum wage and that those folks deserve to be paid a wage that they can

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2 live and afford to live in your building and have  
3 health insurance and be able to retire one day?

4

STEPHEN HAYES: Of course.

5

6 CHAIRPERSON KALLOS: Will you agree to  
7 pass those terms on to your tenants and would EDC  
8 agree regardless of whether or not this executive  
9 order applies that this should apply to this building  
10 given the serious amount of millions of dollars in  
11 tax payer dollars going into this project?

12

13 STEPHEN HAYES: I need to.. I do want to  
14 mention, and you probably noticed it that the, the  
15 grocer is a union grocer.. [cross-talk]

16

17 CHAIRPERSON KALLOS: I'm not allowed to  
18 ask if it's a union grocer, I'm only allowed.. [cross-  
19 talk]

20

STEPHEN HAYES: Okay.. [cross-talk]

21

22 CHAIRPERSON KALLOS: ...to ask about...  
23 [cross-talk]

24

25 STEPHEN HAYES: Oh, right, right,  
understand that.. [cross-talk]

26

27 CHAIRPERSON KALLOS: ...whether or not  
28 we're treating people fairly. And, and what do you  
29 call... what are... so, and part of those terms you  
30 believe that they will have health insurance and have

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2 a, a rate that is negotiated as a wage rate that is  
3 commensurate with the neighborhood?

4 STEPHEN HAYES: I believe so.

5 CHAIRPERSON KALLOS: Okay and is there a  
6 commitment for all of the commercial spaces to have  
7 similar agreements?

8 STEPHEN HAYES: I'm not sure if there's  
9 going... the other retail pieces.

10 CHAIRPERSON KALLOS: How much other  
11 retail is there, I believe it's 60,000 so 35,000 for  
12 the... so that still leaves out 25,000... [cross-talk]

13 DAN MORAN: 40... 45,000, the grocer is  
14 45,000 square feet so the remaining... [cross-talk]

15 CHAIRPERSON KALLOS: 15,000... [cross-talk]

16 DAN MORAN: 15,000 will be broken up into  
17 smaller spaces and may or may not... [cross-talk]

18 CHAIRPERSON KALLOS: These, these service  
19 workers same question?

20 STEPHEN HAYES: The service workers  
21 within the building?

22 CHAIRPERSON KALLOS: Yeah.

23 STEPHEN HAYES: Yeah, they're going to be  
24 paid at a... at or above a living wage and health  
25 insurance will be provided.

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CHAIRPERSON KALLOS: And, and will they...  
so, health insurance will they get a retirement?

STEPHEN HAYES: I don't know the answer  
to that.

CHAIRPERSON KALLOS: Do you have a  
retirement, do your employees have a retirement?

STEPHEN HAYES: Personally, no but I  
mean... do you mean the members of the partnership, if...  
my members of the partnership I can't speak for all  
of them.

CHAIRPERSON KALLOS: But you as an  
employer do you offer 401K, is there other retirement  
products to your... [cross-talk]

STEPHEN HAYES: We do not... [cross-talk]

CHAIRPERSON KALLOS: ...place?

STEPHEN HAYES: My company, no.

CHAIRPERSON KALLOS: Do you think they  
should?

STEPHEN HAYES: Yes.

CHAIRPERSON KALLOS: Do you think that  
those working in your building should also have  
access to retirement vehicles?

STEPHEN HAYES: Sure.

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CHAIRPERSON KALLOS: Will you commit to  
3 that?

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STEPHEN HAYES: I can't commit to that, I  
mean its... we certainly hope for it and look for it,  
6 yes.

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CHAIRPERSON KALLOS: Okay, that... I... the,  
the easy question is usually just yes or no, I, I  
prefer yeses and then similarly for the people who  
will be building your site, this massive site with,  
with hundreds of units, will they be paid enough so  
that they can afford to live in this affordable  
housing and, and my preference is actually that they  
can just... that, that you're paying them enough so  
that they can live in your market rate units  
otherwise we're just contributing to the affordable  
housing crisis.

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19

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STEPHEN HAYES: Right, I, I am deferring  
to the contractor here, but I assume the answer is  
yes, yes.

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CHAIRPERSON KALLOS: Okay, so the... and so  
the contractor will be paying a wage that is  
commensurate with the area standards, health  
insurance, disability insurance and retirement  
benefits?

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MATT IACOPETTA: I don't believe all the things that you're asking about living wage...

CHAIRPERSON KALLOS: I need somebody to say something on the record who's taken the oath.

STEPHEN HAYES: Yes, the contractor will be paying living wage.

CHAIRPERSON KALLOS: Does living wage mean 15 dollars an hour?

MATT IACOPETTA: [off mic dialogue]

STEPHEN HAYES: Today's living wage is lower than 15 dollars an hour.

CHAIRPERSON KALLOS: The 15 dollar an hour goes into effect on January 1<sup>st</sup>, you do not break ground or close before then this is... if you're paying people minimum wage that that is not living wage. So, I, I would just say that... do you think that people should get paid minimum wage to put up this building and that folks who are just getting paid a minimum... do you think that is appropriate, but would you agree... [cross-talk]

STEPHEN HAYES: Personally?

CHAIRPERSON KALLOS: Yes.

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STEPHEN HAYES: Sure... oh, do I think it's appropriate? I'm sorry, restate the question I'm not sure I understand?

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CHAIRPERSON KALLOS: Do you think that we should pay people more than minimum wage for doing dangerous construction work?

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STEPHEN HAYES: I don't know enough about this to answer that question to be honest, I mean it seems like a good idea but...

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12

CHAIRPERSON KALLOS: Would you go to a doctor who was making 11 dollars an hour?

13

STEPHEN HAYES: No.

14

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CHAIRPERSON KALLOS: Would you... would you trust somebody to do work in your house where you live with your family and, and fix pipes or things that could fall on you at 11 dollars an hour?

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STEPHEN HAYES: I don't... I mean I, I would think no but I don't know what the... [cross-talk]

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CHAIRPERSON KALLOS: So, would you commit to paying people wage rates for people doing expert work?

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STEPHEN HAYES: I'm looking to Frank...

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FRANK DUBINSKY: Can you ask a more  
specific question?

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CHAIRPERSON KALLOS: When you have an  
expert who's got years of experience on the job of  
doing carpentry work or doing sheet metal or tying  
rivets you need to pay people for their expertise,  
would you be... will you commit to paying people what  
the commensurate rate is for the expert work?

10

FRANK DUBINSKY: Yeah, so... [cross-talk]

11

STEPHEN HAYES: Yes...

12

[off mic dialogue]

13

14

CHAIRPERSON KALLOS: Do you want to just  
get sworn in?

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FRANK DUBINSKY: Sure.

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CHAIRPERSON KALLOS: Let's do that. I do  
want to thank the developer for their honesty.

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COMMITTEE CLERK: And so, can you please  
state your name before answering and do you affirm to  
tell the truth, the whole truth and nothing but the  
truth in your testimony before this Subcommittee and  
in answering all Subcommittee Members questions?

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24

FRANK DUBINSKY: Yes, I'm Frank Dubinsky  
from Monadnock Development and the answer is yes.

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COMMITTEE CLERK: Thank you.



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FRANK DUBINSKY: So, to answer your question, a majority of workers on project sites make far above living wage, there are some workers who make at living wage who perform jobs that are not considered expert jobs, so I can't speak to an entire project site.

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CHAIRPERSON KALLOS: I'm, I'm familiar with Monadnock, I, I believe your firm has a... your firm or your subcontractors have threatened to sue me personally and individually... [cross-talk]

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FRANK DUBINSKY: I'm certain we have not.

CHAIRPERSON KALLOS: I'm, I'm certain I have a copy of documents that were served from I believe either you or one of your subcontractors so I, I understand that in certain places you pay people a minimum wage and in other places you pay people a wage commensurate with the area, do you know if this project is one where you're planning the minimum wage or you're paying a commensurate or if you plan to bid out each individual project in something that is typically referred to as open shop?

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FRANK DUBINSKY: This is an open shop project.

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CHAIRPERSON KALLOS: Okay, so that means  
there's no commitment to wage standards, no  
commitment to health insurance, no commitment to  
disability insurance and no commitment to having what  
do you call it, retirement benefits, is that correct?

7

FRANK DUBINSKY: I don't know the answer  
to that, I don't... I don't believe that's correct.

9

CHAIRPERSON KALLOS: So, so, either  
you're doing all those things or you're not so which  
one is it?

12

FRANK DUBINSKY: Well I, I don't... I don't  
know if I agree with that, I think you... sometimes you  
do some of those things and sometimes you do all of  
those things.

16

LACEY TAUBER: We can get back to you on  
the specifics.

18

CHAIRPERSON KALLOS: Okay. Is Monadnock  
an MWBE?

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FRANK DUBINSKY: Monadnock is not an  
MWBE.

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CHAIRPERSON KALLOS: Will you work with  
MWBE subcontractors?

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FRANK DUBINSKY: Absolutely, we do on  
every project.

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CHAIRPERSON KALLOS: Okay, and then for the developer will you be hiring... is the developer an M... you, you are... the developer is not an MWBE, but you do have the utilization plan for approximately 14.6 million dollars, there is a local hiring plan with the 125<sup>th</sup> Street development task force. If somebody is watching at home and just learned that there is a local hire requirement here and somebody can get a job working and building this building on 125<sup>th</sup> Street hopefully for more than the minimum wage, who do they call?

STEPHEN HAYES: There is as you just noted, noted there is an East 125<sup>th</sup> Street development task force which is coordinated by the Council Member's office and the community board 11's office and they can certainly reach out to either of those offices, they... the task force is put together as you just mentioned..

CHAIRPERSON KALLOS: So, they can call Council Member Diana Ayala and you will be able to connect people with jobs at Monadnock or at your site to do work in their local community, is that correct?

STEPHEN HAYES: Correct.

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CHAIRPERSON KALLOS: That is great news and I... that, that's pretty cool. In order to maintain this property as affordable indefinitely beyond... so this is not permanently affordable, it will only be affordable for 40 years and then after 40 years it will have to be renegotiated?

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DAN MORAN: Its actually... all the affordable units, the 67 percent affordable units will be permanently affordable.

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CHAIRPERSON KALLOS: So, in 50 years still affordable?

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DAN MORAN: Yes.

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CHAIRPERSON KALLOS: 100 years?

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DAN MORAN: Permanent.

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CHAIRPERSON KALLOS: Millennia, 1,000 years?

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DAN MORAN: Permanent means permanent.

19

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CHAIRPERSON KALLOS: So, is there something that runs with the deed?

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22

DAN MORAN: Yeah, our regulatory agreements run with the land.

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CHAIRPERSON KALLOS: So, is it a deed restriction?

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DAN MORAN: Of sorts.

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CHAIRPERSON KALLOS: Yay, I would like to see more deed restrictions on, on these projects.

[off mic dialogue]

CHAIRPERSON KALLOS: There are additional questions that HPD has promised to answer along with folks so please make sure to get those to us, please get us the additional details on the imminent domain. For the ten years that this project has been stalled have the properties been paying taxes?

DAN MORAN: Properties would be exempt from taxes when they under city ownership so to the extent that the date of... at which the condemnation took effect and the city took ownership of those lots they would have been tax exempt.

CHAIRPERSON KALLOS: What is the cost in lost tax revenue for the delays on this project?

DAN MORAN: We'd have to calculate that.

CHAIRPERSON KALLOS: Will you provide those?

DAN MORAN: We can look to see what we can pull up together.

CHAIRPERSON KALLOS: That is a new question here forth with moving forward, similarly

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what the cost in affordability years due to the project delay, how many years... [cross-talk]

LACEY TAUBER: What do you mean by that?

CHAIRPERSON KALLOS: How many years of affordable housing did we lose with this ten-year delay?

LACEY TAUBER: About ten years, I don't... what are... I'm not... I'm not sure what you mean, I'm sorry.

CHAIRPERSON KALLOS: The administration does this thing where you say okay, there's 200 units that are a part of this project and it's a 40 year or 100-year deal so therefore it's these many years so in this case it, it's, it's how many units of affordable housing on this, 166?

DAN MORAN: 270.

CHAIRPERSON KALLOS: 270, so, let's just say it's... you're, you're using the 100 year mark or whatever, you would say that this is 27,000 years of affordable housing so my, my question is on the flip, this is what... this was the measurement used in IBO report to determine the affordability garnered by Peter Cooper Stuyvesant town so I'm just trying to quantify both the financial cost of the delay as well

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as the cost in affordable housing unit, units and  
years.

LACEY TAUBER: Okay, that is not a  
calculation that I'm familiar with, but we'll take a  
look.

CHAIRPERSON KALLOS: Okay. I would like  
to remind HPD that there are points of agreement,  
these points of agreement are a decade old, you are  
holding the points of agreement on the terms of the  
affordability of this piece of the project but you  
are not abiding by those same terms for the  
homeownership units then that is important to me, it  
is important to the local member and that this  
project will not move forward as a whole if you are  
not following all of the terms as a whole. I want to  
thank you for answering as many of the questions as  
you did, there are more questions that remain  
outstanding, I'd like to excuse this panel and ask if  
there's any members of the public who wish to  
testify, seeing none I will now close public hearing  
on Land Use Item 240 and the application will be laid  
over except for the fact that we need within the next  
72 hours all of the questions that we asked answered.  
This concludes today's hearing. I'd like to thank the

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Council and Land Use staff for reporting.. preparing  
today's hearing and members of the public and my  
colleagues for attending this meeting and it's hereby  
adjourned.

[gavel]



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 25, 2018