

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS

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September 21, 2010

Start: 01:20 pm

Recess: 01:50 pm

HELD AT: Committee Room  
250 Broadway, 16th Floor

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

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

## A P P E A R A N C E S

Carol Clark  
Assistant Commissioner  
NYC Housing Preservation and Development

Terry Arroyo  
Director of Land Use  
NYC Housing Preservation and Development

2 CHAIRPERSON LEVIN: Good afternoon.  
3 Welcome to the Subcommittee on Dispositions,  
4 Concessions and Planning. I am Council Member  
5 Stephen Levin, Chair. I am joined today, to my  
6 right, by Council Member Inez Dickens of Manhattan  
7 and Council Member Peter Koo of Queens.

8 We have five items on the agenda  
9 today. We'll start it off with Land Use #157.  
10 That's application 200115017 HAK. It's 996 East  
11 49th Street in Brooklyn in Council District Number  
12 45, represented by Council Member Jumaane Williams  
13 and Community Board District 17.

14 This is a tenant ownership program  
15 item. Testifying today will be Assistant  
16 Commissioner from New York City Department of  
17 Housing Preservation and Development Carol Clark.  
18 Ms. Clark?

19 CAROL CLARK: Good afternoon, Mr.  
20 Chairman and members of the committee. I'm joined  
21 by Terry Arroyo who is HPD's Director of Land Use.  
22 As you noted, Mr. Chairman, the first item is LU  
23 157, which consists of the proposed disposition of  
24 one occupied city-owned building. It's located at  
25 996 East 46th Street and it's being disposed

2 through HPD's Tenant Ownership program.

3 Under this program, the city will  
4 sell the structure to the existing residential  
5 tenant whose name is Yolanda Velasquez. It  
6 contains two dwelling units. Council Member  
7 Williams has been briefed and indicated his  
8 support.

9 CHAIRPERSON LEVIN: Ms. Velasquez  
10 lives in one of the units. The other unit will be  
11 a rental?

12 CAROL CLARK: That's correct.  
13 There is another tenant in that space that she  
14 will rent to. By the way, Ms. Velasquez has been  
15 a residential tenant in this property since  
16 January of 1980.

17 CHAIRPERSON LEVIN: Very good. I  
18 do not have any further questions on this item.  
19 Do any of my colleagues have any questions on this  
20 particular item? Barring none, we'll move on to  
21 Land Use Item 158, application number 200115018  
22 HAK. That's 1812 St. John's Place and 474  
23 Saratoga Avenue in Brooklyn. That is in Council  
24 District 41, which is represented by Council  
25 Member Darlene Mealy, Community Board District 16.

2 It is a New Foundations program development  
3 consisting of 12 dwelling units. Testifying on  
4 this item as well is Assistant Commissioner Carol  
5 Clark from HPD. Ms. Clark?

6 CAROL CLARK: Thank you, Mr.  
7 Chairman. LU 158 consists of the proposed  
8 disposition of two vacant city-owned lots located,  
9 as you noted, at 1812 St. John's Place and 474  
10 Saratoga Avenue, for development under HPD's New  
11 Foundations program. The sponsor, Habitat for  
12 Humanity New York City, will construct three four-  
13 unit buildings containing a total of 12  
14 condominiums for sale to eligible purchasers.  
15 Council Member Mealy has been briefed and has  
16 indicated her support of this project.

17 CHAIRPERSON LEVIN: Commissioner,  
18 can you tell us what the income guidelines will be  
19 for the 12 units as proposed?

20 CAROL CLARK: Yes. The estimated  
21 income targets are between 80 and 100 percent of  
22 the area median income, which means for a family  
23 of four, they would earn approximately \$63,000 to  
24 \$79,000 per year in order to qualify for this  
25 program.

2 CHAIRPERSON LEVIN: These are home  
3 ownership opportunities. The advertising for  
4 these units or these condominiums, has that been  
5 going out in the local press, the borough-wide  
6 press?

7 CAROL CLARK: Yes. There will be  
8 an aggressive lottery process for the marketing of  
9 these properties, which will be the standard HPD  
10 procedure, when they're completed.

11 CHAIRPERSON LEVIN: Habitat is  
12 already geared up and ready to go, as soon as the  
13 disposition?

14 CAROL CLARK: Habitat is very much  
15 geared up and ready to go. They have some federal  
16 monies, \$2.3 million in Neighborhood Stabilization  
17 program monies that are a part of the funding  
18 sources here. So they're very eager to get  
19 started and delighted to be before this committee  
20 today.

21 CHAIRPERSON LEVIN: Is there any  
22 state funding as well or is it purely federal?

23 CAROL CLARK: There a construction  
24 loan of \$1.5 million, city capital money at about  
25 \$240,000, borough president Reso A money at 290,

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2 some funds which were reallocated from another  
3 project of about \$500,000 and equity that Habitat  
4 is putting in at \$425,000.

5 CHAIRPERSON LEVIN: Great. Do any  
6 of my colleagues have any follow-up question? I  
7 think I saw Council Member Dickens' hand up first.

8 COUNCIL MEMBER KOO: Okay.

9 COUNCIL MEMBER DICKENS: No, that's  
10 all right, go ahead.

11 COUNCIL MEMBER KOO: How much is  
12 the selling price for these condominiums?

13 CAROL CLARK: The selling price for  
14 these condominiums is a range from \$154,000 to  
15 \$170,000. Of the 12, four of them are two-bedroom  
16 units and eight are three-bedroom units.

17 CHAIRPERSON LEVIN: Council Member  
18 Dickens?

19 COUNCIL MEMBER DICKENS: Thank you,  
20 Mr. Chair. Carol, I know that for the AMI we use  
21 the HUD guidelines. Is there any way in the  
22 future that we can begin to change that so that we  
23 use the actual area median income, the actual  
24 rather than based upon HUD's AMI? Is there any  
25 way that we can sometimes do that or does that

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2 require legislation? I'm grateful to the home  
3 ownership. I like that for the communities. But  
4 that's just a question I'm asking and maybe I need  
5 to ask Gail.

6 CAROL CLARK: You can ask Gail  
7 Benjamin, the director of land use, and perhaps  
8 she could pose the question to the commissioner at  
9 HPD. But I'm happy to take it back to the  
10 commissioner. It's a good question. I'm not  
11 ready with the answer but we'd be happy to explore  
12 it for you.

13 COUNCIL MEMBER DICKENS: I wish you  
14 would, just to see if in certain instances. Maybe  
15 no in 100 percent, but that we could use the AMI.  
16 There was one exception that was done on a  
17 rezoning some years ago where the actual AMI was  
18 done for the area rather than based upon HUD. It  
19 would actually reduce the income limits if it's  
20 done that way. If you could look into that and  
21 just see, that's what I was asking.

22 CAROL CLARK: We will look into  
23 that. I will.

24 COUNCIL MEMBER DICKENS: Thank you  
25 so much.



2 CHAIRPERSON LEVIN: Council Member,  
3 I could tell you that I've actually worked on the  
4 issue. In the past I met with the regional  
5 director of HUD, several years back. It's my  
6 understanding that it would require some changes  
7 at HUD. But you're right.

8 Just to note, as we look at AMIs  
9 through HUD, for the New York metropolitan area  
10 which includes Westchester, Nassau and Suffolk  
11 County, Union County in New Jersey, Essex County  
12 in New Jersey, some of the wealthier counties, and  
13 northern Bergen County as well.

14 Even city-wide, but then more  
15 accurately if you were to look at AMIs in specific  
16 counties in New York City, you would find that you  
17 would get a more accurate picture of what the AMIs  
18 are in various communities.

19 COUNCIL MEMBER DICKENS: Thank you,  
20 Mr. Chair. I really didn't mean to change the  
21 federal legislation so much as the city  
22 legislation and how we do business. The feds, if  
23 they choose to leave it that way, I'm not a  
24 congressperson yet.

25 CHAIRPERSON LEVIN: Fair enough.

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2 Seeing no other questions on this particular item,  
3 we will move on to Land Use number 174, that's  
4 application number 20115132 HAX. That is in the  
5 Council District 15, represented by Council Member  
6 Joel Rivera in Community Board District 5 in the  
7 Bronx. This is an Asset Control Area program  
8 consisting of two dwelling units at 2103 Tiebout  
9 Avenue in the Bronx. Testifying is Assistant  
10 Commissioner of HPD, Carol Clark.

11 CAROL CLARK: Thank you, Mr.  
12 Chairman. LU 174 consists of a vacant one-family  
13 home, located at 2103 Tiebout Avenue to be  
14 developed, as you noted, under the Asset Control  
15 Area program, or the ACA program as we call it.

16 HPD and the Federal Department of  
17 Housing and Urban Development, or HUD, are  
18 undertaking this initiative to revitalize the  
19 neighborhoods by bringing vacant homes back into  
20 use while creating affordable home ownership  
21 opportunities for low and moderate income  
22 families. Homes acquired by HUD as a result of  
23 mortgage foreclosures are sold to a not-for-  
24 profit, Restored Homes HDFC, for rehab and sale to  
25 qualified purchasers. In collaboration with HPD,

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2 Restored Homes oversees the rehab and conducts the  
3 marketing process.

4 Today, HPD is before the Council  
5 seeking an approval of a tax exemption to enhance  
6 the affordability of the project for the eligible  
7 purchasers. Council Member Rivera has reviewed  
8 the project and indicated is support.

9 CHAIRPERSON LEVIN: Thank you,  
10 Commissioner. Can you fill us in a little bit  
11 more on what the tax exemption is going to look  
12 like or consist of?

13 CAROL CLARK: Yes, it's a ten-year  
14 tax exemption. It, in fact, is made available to  
15 the eligible purchasers. They need to be in an  
16 income range of between 80 percent of the area  
17 median income and 115 percent of the area median  
18 income for a family of four, which is between  
19 approximately \$63,000 and \$91,000 a year in  
20 income.

21 CHAIRPERSON LEVIN: The home is  
22 currently vacant?

23 CAROL CLARK: That's right, it's  
24 currently vacant and not in great shape, needing  
25 rehabilitation.

2 CHAIRPERSON LEVIN: The monies are  
3 on standby, ready to go to restore the home is  
4 that correct?

5 CAROL CLARK: That's correct.  
6 Restored Homes has the funding in order to proceed  
7 with this rehabilitation.

8 CHAIRPERSON LEVIN: Do either of my  
9 colleagues have any questions on this particular  
10 item? Seeing none, we'll move on to our second to  
11 last item for today. It's Land Use number 211,  
12 that's application number 20115159 HAR, at 238 Van  
13 Buren Street in Staten Island. It's Council  
14 District 49, represented by Council Member Debbie  
15 Rose, Community Board District 1 in Staten Island.  
16 This is an Asset Control Area program item as  
17 well. Testifying on this item is Assistant  
18 Commissioner Carol Clark from HPD.

19 CAROL CLARK: Thank you, Mr.  
20 Chairman. LU 211 consists of a vacant one-family  
21 home located, as you noted, at 238 Van Buren  
22 Street. Again, this is to be developed through  
23 the ACA program which, as you heard, HPD and HUD  
24 are pursuing in order to revitalize neighborhoods  
25 by bringing vacant homes back into use and

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2 creating home ownership opportunities.

3 Restored Homes will rehab and sell  
4 the property to qualified purchasers working with  
5 HPD. We are here, again, seeking an approval of a  
6 tax exemption to enhance the affordability for the  
7 project for those eligible purchasers. Again,  
8 Council Member Rose has reviewed the project and  
9 indicated her support.

10 CHAIRPERSON LEVIN: Thank you,  
11 Commissioner. One question I do have, and this  
12 pertains to the previous item as well, with regard  
13 to the tax exemption, being that it is a ten-year  
14 exemption and no more, as we approach that ten-  
15 year mark, does HPD have an agenda in order to  
16 prepare the homeowners for when they do have to  
17 start paying taxes?

18 CAROL CLARK: In order to counsel  
19 the homeowners to make them aware that that tax  
20 increase will come in after the ten-year period of  
21 the exemption, yes we do that. Over the ten-year  
22 period, it's a five-year full tax exemption.  
23 Then, as you may recall, it's prorated in a  
24 decreasing and equivalent amounts for the second  
25 period of the five years.

2 CHAIRPERSON LEVIN: Does HPD  
3 counsel these homeowners to hold an escrow account  
4 or in some way begin to account for the taxes they  
5 will have to start paying after the five-year  
6 mark?

7 CAROL CLARK: Mr. Chairman, I'm  
8 going to have to ask program staff and get back to  
9 you on that. Sal D'Avola, the executive director  
10 of Restored Homes HDFC, couldn't be with us today.  
11 He had a board meeting. But I will get back to  
12 you on that and let you know.

13 CHAIRPERSON LEVIN: Thank you. Do  
14 either of my colleagues have any questions on this  
15 particular item? Council Member Dickens?

16 COUNCIL MEMBER DICKENS: Carol, as  
17 part of the program, do you educate the homeowners  
18 on certiorari? Is that done? That should be  
19 something that we should do so that they know that  
20 they can file for that each January so that when  
21 the taxes does kick in.

22 CAROL CLARK: I don't know that we  
23 actually do that kind of counseling on certiorari  
24 but I think that it's something I'll take back and  
25 talk with the colleagues.

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2 COUNCIL MEMBER DICKENS: I think  
3 that would be great if that were incorporated so  
4 that they would know how and when it's done and  
5 maybe be familiar with the paperwork and the same  
6 thing, really, for the Mitchell Lama. They don't  
7 understand that they could have filed annually.  
8 So that when the taxes kick in, they're so high  
9 they don't know what happened.

10 CAROL CLARK: Right.

11 COUNCIL MEMBER DICKENS: They run  
12 into trouble.

13 CAROL CLARK: That's an excellent  
14 suggestion. I'll bring that back to my  
15 colleagues.

16 CHAIRPERSON LEVIN: Any further  
17 questions? We have been joined by my friend and  
18 colleague from Brooklyn, Council Member Sara  
19 Gonzalez. We have one more item on the agenda  
20 today. That's Land Use number 212, application  
21 number 20115160 HAR. This is in the Council  
22 District 49, represented by Council Member Debbie  
23 Rose as well in Staten Island, Community Board  
24 District 1 in Staten Island, also an Asset Control  
25 program. This consists of six addresses: 146

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2 North Burgher Avenue, 36 Hill Street, 38A Thelma  
3 Court, 56 Bond Street, 53 Larkin Street and 96  
4 Maple Avenue in Staten Island. We have testifying  
5 once more, on this item, Assistant Commissioner  
6 Carol Clark. Commissioner?

7 CAROL CLARK: Thank you, Mr.  
8 Chairman. LU 212 does consist of five vacant one-  
9 family homes located, as you noted, at 146 North  
10 Burgher Avenue, 36 Hill Street, 38A Thelma Court,  
11 56 Bond Street and 53 Larkin Street, plus one  
12 vacant two-family home which is located at 96  
13 Maple Avenue. As you said, these will be  
14 developed under the Asset Control Area program.  
15 We've reviewed already how this program operates  
16 with cooperation between Restored Homes, HUD and  
17 HPD.

18 Today, of course, we're here seeing  
19 the Council's approval of a tax exemption to  
20 enhance the affordability of the project for the  
21 eligible purchasers. Council Member Rose has  
22 reviewed this and indicated her strong support.  
23 Thank you.

24 CHAIRPERSON LEVIN: Thank you very  
25 much, Commissioner. The development of these



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properties will be Restored Homes as well?

CAROL CLARK: Yes, that's correct.

CHAIRPERSON LEVIN: With the same income guidelines as noted before?

CAROL CLARK: That's correct.

CHAIRPERSON LEVIN: I have no further questions on these particular development sites and this particular item. Do any of my colleagues have any questions on this particular item? Seeing none, we will close out this particular item and I will ask counsel to the subcommittee, Carol Shine, to call the roll. I recommend an aye vote on all items.

CAROL SHINE: Carol Shine, Counsel to the committee. Chair Levin?

CHAIRPERSON LEVIN: Aye.

CAROL SHINE: Council Member Gonzalez?

COUNCIL MEMBER GONZALEZ: Aye.

CAROL SHINE: Council Member Dickens?

COUNCIL MEMBER DICKENS: Aye.

CAROL SHINE: Council Member Koo?

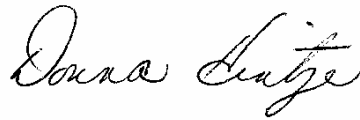
COUNCIL MEMBER KOO: Aye.

2 CAROL SHINE: By a vote of four in  
3 the affirmative, none in the negative and no  
4 abstentions, the aforementioned items are approved  
5 and referred to the full committee.

6 CHAIRPERSON LEVIN: Thank you very  
7 much, Counsel. Thank you very much, Commissioner  
8 and Terry. Thank you, colleagues. This hearing  
9 is hereby adjourned.

C E R T I F I C A T E

I, Donna Hintze certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature \_\_\_\_\_

Date October 6, 2010 \_\_\_\_\_