

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS, CONCESSIONS

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November 10, 2010

Start: 1:25pm

Recess: 1:50pm

HELD AT: Council Chambers
City Hall

B E F O R E:
STEPHEN LEVIN
Chairperson

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

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

Carol Clark
Assistant Commissioner
Housing Preservation and Development

Sal Debolla
Executive Director
Restored Homes

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CHAIRPERSON LEVIN: Good afternoon.

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Welcome to Sub-committee on Planning, Dispositions

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and Concessions. My name is Stephen Levin,

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Council Member of the 33rd district and Chair of

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the sub-committee. I'm joined by a few of my

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colleagues, Council Member Sara Gonzalez from

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Brooklyn, Council Member Peter Koo from Queens and

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Council Member Charles Barron from Brooklyn.

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We have several items on the agenda

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today and we're going to just gavel it here. I

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know there are a number of members in the audience

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that are here regarding the Providence House

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application. That item will not be voted on

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today. If you wish to stay to hear the rest of

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the items, you're more than welcome to but we will

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not be voting on Providence House application

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today, and those are Land Use numbers 146 and 147.

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We will probably be voting on that item on Monday

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morning, this coming Monday 9:30 am so that is

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most likely when we'll reconvene for that item.

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We do have, though, four items on

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the agenda today. We will be hearing from

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representatives from HPD and Historic Homes on

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those. The first one is a pre-considered Land Use

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2 number, it is a third party transfer 20115224HAM
3 at 70 East 127th Street. That is, again, third
4 party transfer in Manhattan community district 11,
5 that is the Council district of our colleague Inez
6 Dickens. Here to testify on that item is Carol
7 Clark. This is the commissioner of HPD. Ms.
8 Clark.

9 CAROL CLARK: Thank you, Mr.
10 Chairman and members of the Committee. The pre-
11 considered item consists of the proposed transfer
12 of 70 East 127th Street, HPD's third party
13 transfer program item. The Commissioner of
14 Finance included this parcel in a final judgment
15 of foreclosure known as interim action number 38.
16 This judgment authorized the Commissioner of
17 Finance to execute and deliver the deed to a
18 transferee, Neighborhood Restore, HDFC, which was
19 selected by HPD.

20 For this property the developer is
21 Catspaw Construction Corporation. HPD seeks
22 Council approval of the transfer and disposition
23 of the property and related tax exemptions.
24 Council Member Dickens has been briefed and
25 indicated her support. My name is Carol Clark,

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I'm an Assistant Commissioner at HPD.

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CHAIRPERSON LEVIN: Thank you.

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Gale Benjamin, Director of - - Division. [off

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mic] Reminding me of my job. Commissioner, can

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you tell us a little bit about the history of this

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parcel and how it fell into the foreclosure?

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MS. CLARK: The property is part of

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the 2007 Round 8 third party transfer program. It

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was litigation was brought as a result of a

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bankruptcy settlement and the final judgment was

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entered in the earlier part of 2010 so the

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property is back in the third party transfer

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program.

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CHAIRPERSON LEVIN: So it was once

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in third party transfer before?

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MS. CLARK: It started in the Round

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8, which was in 2007, and then litigation was

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brought that took it out of consideration for what

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we call third party transfer. But once that

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litigation was resolved it went back in.

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CHAIRPERSON LEVIN: I see. There

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are currently tenants in the building?

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MS. CLARK: Yes, there are

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currently tenants in the building.

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CHAIRPERSON LEVIN: And how many units?

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MS. CLARK: The total number of units is 17.

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CHAIRPERSON LEVIN: So we're moving forward. These units will be affordable to those that are currently residing in the building?

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MS. CLARK: That's correct. The people who are current residents of the building will be relocated by Catspaw to properties in their community while the rehabilitation is undertaken and then they will be moved back to that building at 70 East 127th Street once it is completed.

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CHAIRPERSON LEVIN: To what extent is the renovation?

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MS. CLARK: It's a gut rehab.

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CHAIRPERSON LEVIN: Lastly, when they are relocated, what portion or proportion of their income will be going towards rent at that point?

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MS. CLARK: None of them will exceed 30% of their income being paid in rent when they are relocated back to the renovated building

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at 70 East 127th Street.

CHAIRPERSON LEVIN: Do any of my colleagues have any questions on this item? Okay. Thank you very much, Ms. Clark. We have another third party transfer pre-considered Land Use 20115225HAR, that's 423 Forest Avenue. That is in Community Board District 1 in Staten Island, Council district 49, that's the district represented by Council Member Debbie Rose. Commissioner Clark will be delivering testimony on this item as well.

MS. CLARK: The item of the proposed transfer. I'm Carol Clark, Assistant Commissioner of HPD of 423 Forest Avenue under HPD's third party transfer program is before you today. As in the previous item, the Commissioner of Finance has included this parcel in a final judgment of foreclosure. This one is known as interim action number 38. It authorized the Commissioner of Finance to execute and deliver the deed to a transferee, Neighborhood Restore HDFC, that was selected by HPD. For this property the ultimate developer will be Prisiline [phonetic] Management Corporation.

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2 HPD is here before the Council
3 today seeking approval of the transfer and
4 disposition of the property as well as related tax
5 exemptions. Council Member Rose has been briefed
6 and has indicated her support.

7 CHAIRPERSON LEVIN: This, the same
8 questions as on the last item there. How many
9 units is this building?

10 MS. CLARK: This is one building
11 with two rental units.

12 CHAIRPERSON LEVIN: And those
13 current tenants will be relocated while there's
14 rehabilitation going on?

15 MS. CLARK: The building is
16 currently vacant.

17 CHAIRPERSON LEVIN: Oh, okay. And
18 upon tenancy, the prospective tenants will also
19 pay no more than 30% of their income towards their
20 rent?

21 MS. CLARK: That is correct.

22 CHAIRPERSON LEVIN: Do any of my
23 colleagues have any questions on this item?
24 Seeing none, we'll move on to the next two items.
25 These are two asset control area items, Land Use

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2 number 208, that is non-ULURP number 20115156HAK.
3 It's 760 Jefferson Avenue in Brooklyn. It's in
4 Community District 3 in Brooklyn. That's Council
5 district 41, which is represented by Council
6 Member Darlene Mealy. Testifying on this item we
7 have Assistant Commissioner Carol Clark of HPD and
8 Sal Debolla, Executive Director of Restored House.

9 MS. CLARK: Thank you. LU 208
10 consists of a vacant two family home located, as
11 you noted, at 760 Jefferson Avenue to be developed
12 under the asset control area program. HPD and the
13 federal Department of Housing and Urban
14 Development are undertaking this initiative known
15 as the ACA program to revitalize neighborhoods by
16 bringing vacant homes back in use while creating
17 affordable home ownership opportunities for low
18 and moderate income families.

19 Homes acquired by HUD as a result
20 of mortgage foreclosures are sold to a non profit
21 sponsor, Restored Homes HDHC for rehabilitation
22 and subsequent sale to qualified purchasers. In
23 collaboration with HPD, Restored Homes oversees
24 the rehabs and conducts the marketing process to
25 identify income eligible purchasers. Today, HPD

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2 seeks the Council's approval of a tax exemption to
3 enhance the affordability of the project for the
4 eligible purchaser. Council Member Mealy has
5 reviewed the project and indicated her support.

6 CHAIRPERSON LEVIN: Thank you very
7 much. What is the target income guidelines for
8 prospective home buyers?

9 MS. CLARK: The estimated income is
10 80% of the area median income for a family of
11 four, which translates to a range of \$63,360 a
12 year to 115% of the area median income, which
13 translates to a family of four to just over
14 \$91,000 a year.

15 CHAIRPERSON LEVIN: A max of 115%
16 AMI.

17 MS. CLARK: That's correct.

18 CHAIRPERSON LEVIN: Can you give me
19 a little bit of the history of the building and
20 how it came to be vacant?

21 MS. CLARK: I think I'll ask Sal
22 Dabolla, Executive Director of Restored Homes to
23 respond to that question.

24 SAL DABOLLA: Sal Dabolla,
25 Executive Director of Restored Homes. The

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2 property at 760 Jefferson Avenue was one of a
3 number of properties that we purchased through the
4 asset control area program. This was an FHA
5 foreclosed home that come into HUD's inventory.
6 HUD sold us the building through the ACA program
7 where we purchased, renovated it. Actually the
8 home has been sold and has a family living in this
9 home. We sold the home in July so there's a
10 couple with two children living in the home now.

11 CHAIRPERSON LEVIN: Just for our
12 own edification here, was the AMI of those
13 purchasers was at the higher end or the lower end
14 of the scale?

15 MR. DEBOLLA: It was within the
16 range. I actually was just realizing I didn't
17 have that information with me. As I was
18 testifying I was trying to get an answer but I
19 didn't hear back from anybody. I don't have that
20 info right now but I can get back to you on that
21 but it would have been within the rang of 80% to
22 115% of AMI.

23 CHAIRPERSON LEVIN: Thank you. Do
24 any of my colleagues have any questions on this.

25 COUNCIL MEMBER BARRON: What's the

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2 neighborhood--

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CHAIRPERSON LEVIN: Council Member Barron. And we've been joined by Council Member Inez Dickens.

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COUNCIL MEMBER BARRON: What's the neighborhood AMI?

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MR. DEBOLLA: I don't have that information with me Council Member.

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COUNCIL MEMBER BARRON: It's about \$26,000, is it that much Carol? What is it?

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MS. CLARK: It's approximately that much, yes, Council Member Barron.

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COUNCIL MEMBER BARRON: \$26,000 so how do you think that's for the neighborhood if it's in the range of 81% to 115% of AMI?

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MR. DEBOLLA: This homeowner was selected through a lottery and this homeowner was someone who lived in the community and was a community preference.

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COUNCIL MEMBER BARRON: The community preferred that AMI range?

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MR. DEBOLLA: This homeowner came through the community preference program, meaning that they were an existing resident living in the

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2 community when they applied to the program.

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COUNCIL MEMBER BARRON: Only I would vote against something like this but since it's one person and we do have that range that I'm sure that we do have some people around there with that kind of money. But I'm always concerned when you go so far above the neighborhood AMI. That's almost two, three times as much as the neighborhood AMI but so be it.

CHAIRPERSON LEVIN: Thank you Council Member Barron. Do any of my colleagues have any other questions? Okay, we're going to move on to Land Use number 247, that's' 20115272HAQ. That's 164-14 104th Road in Queens, also asset control area in Community district 12 in Queens, Council district 27, which is the Council district represented by Council Member Leroy Comrie who is our Land Use chair. Testifying on this item is Carol Clark, Assistant Commissioner of HPD and Sal Dabolla, Executive Director of Restored Homes. Ms. Clark.

MS. CLARK: Thank you Mr. Chairman and members of the Committee. LU 247 consists of a vacant one family home located, as you noted, at

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2 164-14 104th Road to be developed under the asset
3 control area program. HPD and the federal HUD are
4 undertaking this initiative, the ACA program, as I
5 noted previously, to revitalize neighborhoods and
6 bring vacant homes back into use.

7 Homes acquired by HUD as a result
8 of mortgage foreclosures and then conveyed to
9 Restored Homes for rehabilitation and subsequent
10 sale to qualified purchasers. Council Member
11 Comrie has reviewed this project and indicated his
12 support.

13 CHAIRPERSON LEVIN: Thank you very
14 much. And with this item, the AMI guidelines are
15 the same as the previous?

16 MS. CLARK: Exactly the same, yes.

17 CHAIRPERSON LEVIN: And can you
18 give me a little bit of the history of this site
19 as well.

20 MR. DEBOLLA: Again, through the
21 program this was an FHA foreclosed mortgage that
22 HUD took title to and offered to us through the
23 asset control area program. WE have purchased it.
24 We're in the process of finalizing our scope of
25 work, identify a contractor and we'll be starting

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2 construction shortly. The sales price that we
3 estimated at this point is \$235,000, which is
4 affordable to a family earning about \$56,000,
5 which is 71% of AMI. We're seeking to target
6 families that are below 80% of AMI.

7 CHAIRPERSON LEVIN: So it's a max
8 of 115 but not a minimum of 80?

9 MR. DEBOLLA: Correct.

10 CHAIRPERSON LEVIN: Do any of my
11 colleagues have any questions on this particular
12 item? Seeing none, I will move on and I will ask
13 Carol Shine, counsel to the Committee to call the
14 vote on those four items. Again, Providence House
15 will not be voted on today. That will be voted on
16 on Monday at 9:30, here in this room. But on the
17 other items, the pre-considered Land Use items,
18 the third party transfer and the two asset control
19 area items, Land Use number 208 and 247. I
20 recommend an aye vote on all four. I'll ask
21 counsel to the committee, Carol Shines, please
22 call the roll.

23 CLERK: Carol Shine, counsel to the
24 Committee. Chair Levin.

25 CHAIRPERSON LEVIN: Aye.

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CLERK: Council Member Barron.

COUNCIL MEMBER BARRON: Aye.

CLERK: Council Member Gonzalez.

[off mic]

CLERK: Council Member Dickens.

COUNCIL MEMBER DICKENS: Aye.

CLERK: Council Member Koo.


COUNCIL MEMBER KOO: Aye.

CLERK: By a vote of five in the affirmative, none in the negative and no abstentions the aforementioned items are approved and will be referred to the full committee.

CHAIRPERSON LEVIN: We will be holding this hearing in recess.

C E R T I F I C A T E

I, Amber Gibson, 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 November 30, 2010