SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS

AND DISPOSITIONS 1

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS

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October 11, 2023 Start: 11:17 a.m. Recess: 11:44 a.m.

HELD AT: 250 BROADWAY - COMMITTEE ROOM, 16TH

FLOOR

B E F O R E: Farrah N. Louis, Chairperson

COUNCIL MEMBERS:

Carmen N. De La Rosa

Oswald Feliz

Christopher Marte

Sandy Nurse Sandra Ung Inna Vernikov

APPEARANCES

Nina Psoncack, Deputy Director of Affordable Neighborhood Cooperative Programs at New York City Department of Housing Preservation and Development

Stephen Erdman, Executive Director of Homeownership and Shared Equity at New York City Department of Housing Preservation and Development

Amhara Hernandez, Brooklyn Borough Planner at New York City Department of Housing Preservation and Development

Meredith McNair, Community Planner, Cypress Hills Local Development Corporation

Chien Dao Glasgow, RKTB Architects

Rosa Kelly, Executive Director of Government Affairs at New York City Department of Housing Preservation and Development

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cooperation.

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS SERGEANT-AT-ARMS: This is a microphone check for the Subcommittee on Landmarks, Public Sitings and Dispositions located on the 16th Floor, recorded by Nazly Paytuvi on October 11, 2023. SERGEANT-AT-ARMS: Good morning and welcome to the New York City hybrid hearing on the Subcommittee on Landmarks, Public Sitings and Dispositions. Please silence all electronic devices. At no time, please do not approach the dais. If you have any questions, please raise your and one of us, the Sergeant-at-Arms, will kindly assist you. Thank you very much for your kind

Chair, we are ready to begin.

CHAIRPERSON LOUIS: [GAVEL] Good morning. I am Council Member Farrah Louis, Chair of the Subcommittee on Landmarks, Public Sitings and Dispositions. This meeting is being held in hybrid format.

I am joined today by my Colleagues, Council Members De La Rosa, Ung, and Nurse.

Before we begin today's agenda, I will remind members of the public who wish to testify

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2 remotely that we ask you to register online, and you 3 may do that now by visiting

www.council.nyc.gov/landuse to sign up. If you have
already registered but have not yet signed into Zoom,
please do so now and remain signed in until you have
testified.

For anyone wishing to submit written testimony on the items being heard today, we ask that you please send it via email to landusetestimony@council.nyc.gov. Please indicate the LU number and/or project name in the subject line of your email.

Today, we will hold public hearings on six individual landmark designations in various locations of the Bronx, Manhattan, and Queens as well as a request for disposition approval for an HPD site in Manhattan.

I now open the public hearing on the Preconsidered LU item under application number G 230036 XAM, an HPD proposal related to the 506 West 135th Street, ANCP Project, in Council Member Abreu's District in Manhattan. We are joined today by representatives of HPD including Nina Psoncack, sorry, how do you pronounce it?

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COMMITTEE COUNSEL: Do you affirm to tell the truth, the whole truth, and nothing but the truth in your testimony before this Subcommittee and in answers to all Council Member questions?

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DEPUTY DIRECTOR PSONCACK: I do.

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EXECUTIVE DIRECTOR ERDMAN: I do.

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COMMITTEE COUNSEL: Thank you.

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DEPUTY DIRECTOR PSONCACK: Hi. Good

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morning, everyone. My name is Nina Psoncack. I'm the

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Deputy Director for the ANCP program, and I'll be

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speaking today about the 506 West 135th Street

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Cluster.

HPD is seeking UDAAP approval and an

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Article ${\tt XI}$ exemption to facilitate the rehabilitation

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of three multi-family buildings. They're located at

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506 West 135th Street, 131 West 136th Street, and 507

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West 138th Street. These are City-owned, occupied,

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multi-family properties that were originally managed

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by the Tenant Interim Lease Program. They'll be

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rehabilitated in collaboration with sponsor, Mutual

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Housing Association of New York, or MHANY, and the

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architect for these three buildings will be RKTB

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Architects.

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Upon construction and co-operative conversion, each of these properties will be conveyed to a newly formed Housing Development Fund Corporation, or HDFC Co-op, thus creating new homeownership opportunities for low- and moderate-income households. Flip to the next slide.

Like I said, these properties will be rehabbed through ANCP. Our program finances the gut renovation of City-owned properties that have been managed by the TIL Program. In terms of financing, we anticipate that the construction for this project will be financed mostly with City subsidy. State grant funding will also be available through the Affordable Homeownership, AHC program, and a private lender will be selected to finance part of the construction loan. At co-op conversion, the HDP financing will convert to a no-interest 40-year enforcement mortgage, and we use this to ensure that co-op boards comply with affordability restrictions set in HPD's regulatory agreement. After 40 years, co-op stakeholders can opt to pay off the HPD mortgage and exit the regulatory agreement. We anticipate that the private construction loan on this project will be fully paid through the sales proceeds

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from apartment sales, meaning there will not be any 2 3 private permanent debt for the buildings in this 4 cluster. In terms of the requirements to successfully convert to a co-op, 80 percent of the existing residents of each building will need to attend co-op 6 7 trainings, remain current on rent payments throughout construction, and, finally, sign purchase agreements 8 to confirm their commitment to becoming owners. Flip to the next slide. 10

Made up of three buildings, and, once completed, the three buildings will generate 63 new homeownership units, 48 of those units are occupied by long-time residents, and they'll need to be temporarily relocated during construction. 15 of the units are vacant, and they'll be sold to first-time homeowners through Housing Connect. There are no commercial spaces in this cluster, and, as you can see in this bottom table here, most of the rehabbed units will be two- and three-bedroom apartments with a handful of four-bedroom units and one one-bedroom apartment.

Moving on to the next slide.

Our sponsor on this project is MHANY. MHANY is a non-profit sponsor, and they were

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designated from our prequalified RFQ list. As project sponsor, they'll oversee construction, work with residents on securing their temporary relocation apartments, and they'll assist residents in meeting their co-op conversion requirements such as attending trainings. MHANY will also continue to manage the properties for the first year after construction is completed. MHANY will not have an ownership stake in this project as Restoring Communities HDFC serves as interim owner during construction. MHANY recently completed another ANCP project at West 161st Street. Some photos of that project are shown here. They have experience with ANCP projects, and they've been very engaged in explaining program details to all the residents and what residents can expect at every step of the project.

Moving on to the scope of work, these three buildings will go through gut renovations.

They'll receive all new efficient building systems, modern safety features, façade improvements, and new apartment interiors among other things. ANC projects also follow UFAS accessibility guidelines so 5 percent of units at each building will be accessible for mobility-impaired households and 2 percent will

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have improvements for hearing and visually impaired households. Our program requires that 80 percent of residents sign off on proposed layouts of their apartments so, since the start of this project, RKTB Architects have been engaged with residents, meeting with them to review their unit layouts at each building and also presenting residents with a couple of options for in-unit materials and common area designs.

Speaking more about affordability restrictions, in terms of sales prices, this is on the next slide, the 48 existing households in this project will purchase their units for a maximum of 2,500 dollars with many of the households qualifying for a lower purchase price of 250 dollars. Existing households will not be applying for personal home mortgages. 15 new households that will be selected through the housing lottery, these will be qualifying households so in order to be approved to purchase they'll have to meet income and asset restrictions and they will have to be first-time homeowners. Purchase prices will be set so that a family earning 80 to 100 percent of AMI won't be paying more than a third of their income toward housing cost. Housing

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cost for new purchasers would include their personal mortgage payments, monthly co-op maintenance, and utilities. At the bottom of this slide, we show current household incomes at 80 to 100 percent AMI for a family of three.

Moving on to the next slide on the monthly maintenance payments, the monthly maintenance charges will be the same for existing and new households. They vary only based on apartment size. Maintenance will be set at a level affordable to 40 percent of AMI households which equates to about 1,000 to 1,500 dollars a month. Maintenance payments will go to each co-op to cover operating expenses and fund healthy reserves. For this project, since we anticipate there won't be any private permanent debt, maintenance collected will not go toward monthly debt service payments. For existing households earning below 40 percent AMI, Section 8 vouchers are available to cover a portion of the maintenance so that their housing cost do not exceed a third of their income. Per the regulatory agreement and to ensure the long-term financial health of each co-op, the boards will be responsible for increasing the maintenance annually by 2 percent.

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Finally, where we are at with this project, we're in predevelopment. We're on track to close on the construction loan in this fiscal year so before July 1st. Most of the design approvals are complete, and we've been engaging with residents closely and continue to do so here is a timeline of our resident engagement so far. MHANY is currently finalizing general contractor selection and private construction lender selection, and in the coming months we'll be seeking OMB and HPD Credit Committee approvals.

Thank you all for your consideration of this project, and we can open it up to questions. Thanks.

CHAIRPERSON LOUIS: Thank you. I'd like to recognize if any of my Colleagues have any questions.

I do have, it's not a question, just a comment, we had the pleasure of coming to a walk-through, thank you, I think Rosa organized that a few months ago, and I think the key issue that we had was mobility in one of the buildings, there was stairs but there was a mobility unit which didn't make any sense so, as you guys are designing, constructing,

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and confirming the project, you may want to consider putting a ramp if the building needs it.

The applicant panel is now excused.

Counsel, are there any members of the public who wish to testify?

COMMITTEE COUNSEL: Just as a reminder for anyone with us in the room today wishing to testify on this item, please come forward, fill out a speaker card and submit it to the Sergeants.

Okay, it appears we have no one seeking to testify with us today, and we do not have anyone registered online to testify, Madam Chair.

CHAIRPERSON LOUIS: Being that there are no members of the public who wish to testify regarding 506 West 135th Street ANCP proposal under application number G 230036 XAM, the public hearing on this item is now closed.

I now open the public hearing on two related items under application G 230037 NUK and G 230038 XAK for the Linden Gardens proposal which relates to a property in Council Member Nurse's District and Council Member Barron's District in Brooklyn.

We are joined today by project team
representatives including Amhara Hernandez, Brooklyn
Borough Planner at HPD, Meredith McNair, Community
Planner for Cypress Hills Local Development
Corporation, and Chien Dao Glasgow from RKTB
Architects, and are available for questions as needed
we'll also have Luz Torres, Project Manager Division
of New Construction and Finance at HPD and Ryan
Moroz, Director of the Open Door Program at HPD, and
Rosa Kelly, Executive Director of Government Affairs
at HPD.

I will remind anyone wishing to testify remotely if you have not done so already, you must register online, and you may do that now by visiting the Council's website at www.council.nyc.gov/landuse.

Counsel, would you please administer the affirmation?

COMMITTEE COUNSEL: Panelists, as you settle in, when ready please state your name for the record and raise your right hand.

22 AMHARA HERNANDEZ: Amhara Hernandez.

MEREDITH MCNAIR: Meredith McNair.

CHIEN DAO GLASGOW: Chien Dao Glasgow.

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COMMITTEE COUNSEL: Do you affirm to tell the truth, the whole truth, and nothing but the truth in your testimony before this Subcommittee and in answer to all Council Member questions?

AMHARA HERNANDEZ: Yes.

MEREDITH MCNAIR: Yes.

CHIEN DAO GLASGOW: I do.

COMMITTEE COUNSEL: Thank you.

CHAIRPERSON LOUIS: You may begin.

AMHARA HERNANDEZ: Good morning. Thank you for giving us the opportunity to present to you today on the proposed project, Linden Gardens.

My name is Amhara Hernandez. I'm a

Borough Planner for HPD. I'm joined today by Meredith

McNair, Community Planner of Cypress Hills Local

Development Corporation and Chien Dao, Project

Architect of RKTB Architects. We can go to the next slide.

The proposed Linden Gardens project is comprised small scattered sites currently on vacant underutilized lots in East New York. The project sponsors are MHANY Management, Inc. and Cypress Hills Local Development Corp, and they were designated through the HPD NIHOP/NCP RFQ that was released in

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2016. The goal of this RFQ was to develop some of our 2 3 difficult sites that are smaller, irregular and to contextually infill buildings, and this project aims 4 to do that to beautify the neighborhoods by filling those gaps and furthering neighborhood safety and 6 security and improving the overall streetscape. This 7 8 project would include the construction of 12 new buildings with approximately 37 affordable cooperative homeownership units developed under HPD's 10 11 Open Door Program, and the requested project 12 approvals include UDAA designation and project 13 approval and disposition of 10 City-owned lots and an 14 Article XI tax exemption of 12 sites, 10 of which are 15 City-owned and two that are privately owned. Go to 16 the next slide, please.

As briefly discussed in the previous slide, the project sponsors are MHANY and Cypress Hills so I'm just going to pass it off to Meredith to talk a bit about their development team and their partnership.

MEREDITH MCNAIR: Cypress Hills Local

Development Corporation has been serving the Cypress

Hills East New York community for 40 years now. We

serve about 10,000 residents every year through a

variety of services for youth, career and education programs, college success, community organizing, housing, counseling, and affordable housing development. We've developed about 800 units in the neighborhood. We are partnering with MHANY Management, another non-profit developer that's been around for nearly 40 years. They originated in East New York and Brownsville and now develop deeply affordable housing citywide. They are also a HUD-certified first-time home-buyer and foreclosure prevention counselor. Thank you.

AMHARA HERNANDEZ: Next slide, please.

Linden Gardens is going to be 12 development sites as part of the project, and it's in Brooklyn Community

District 5. When you're looking at the map, you'll see that four sites are located in City Council

District 37, eight sites are located in City Council

District 42, and the cluster sites fall within R5,

R5B, and R6 zoning districts. Next slide, please.

The 12 new construction buildings offer approximately 37 affordable cooperative units to the area, and they would consist of a range of one-, two-, three-, and four-bedroom units, and, when you look at the project renderings on the side of the slide,

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they are two- to four-stories tall. Each building will have two to four affordable units, and the project will also include a partnership with the Interboro CLT. Next slide, please.

The current proposed unit mix for the entire project includes 15 units at 60 percent AMI, 14 units at 70 percent AMI, and 8 units at 80 percent AMI. As the slide notes, approximately 79 percent of units would be affordable to households earning up to 70 percent AMI, which would include a 3 percent household with an annual income up to a little over 88,000. Approximately 41 percent of those units would be affordable to households earning up to 60 percent AMI, which would include a three-person household with an annual income up to a little over 76,000. In addition to the deep affordability being offered by the project, over 80 percent of the total units would be family-sized units, two-, three-, and fourbedrooms, and 16 percent would offer three to four bedrooms. Next slide, please.

On this slide, we see a chart that you can see the percentage of units that fall within the HPD sales price ranges compared to market comparisons of the same size in the area. This project is

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offering homeownership well under market sales prices 2 3 in the area, offering families wealth-building 4 opportunities while still maintaining affordability to subsequent buyers. All units would be bound by 5 regulatory agreement at the time of closing that 6 7 would dictated the level and length of affordability. All units will be marketed through HPD's Housing 8 Connect 2.0, and people will be able to apply through that site as well. In addition, there would be a 50 10 11 percent preference for local community residents 12 living in ZIP codes that make up the Community 13 District. This proposed development is very unique. 14 Our team is very excited for the affordable 15 homeownership opportunities that would be brought to the area with this project. 16 17 Thank you for your time and 18

consideration. I'll turn it back to you.

CHAIRPERSON LOUIS: Thank you. I'm going to call Council Member Nurse now.

COUNCIL MEMBER NURSE: Thanks, Chair. Just wanted to express my overall support for this project. We love MHANY. Thanks for the work you do in our District and in the 42nd and really excited about this.

Separate from that, I'm really excited
about the affordability opportunity, the Land Trust
opportunity, and the opportunity to pull this out of
the private market, these land parcels, so definitely
supportive at large. I still remain deeply
disappointed about the lack of three bedrooms in most
projects that come across my desk because the reality
of the families in my District are we need to be able
to put children of different sexes in different rooms
by law so this really restricts the number of
families that I think for four units that have three
bedrooms, two that have four. I say this to every
project so it's not personal. It's just I'm
evangelical at this point and just hoping we can ramp
up those numbers in the future, but overall
supportive of the project. Thank you, Chair.
CHAIRPERSON LOUIS: Thank you, Council
Member.

Are there any other of our Colleagues that have questions on this project?

Thank you. The applicant panel is now excused.

Counsel, are there any members of the public who wish to testify on this item.

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COMMITTEE COUNSEL: Once again, for anyone in the room with us today wishing to testify on this item, please step forward, fill out a speaker card, and submit it to the Sergeant-at-Arms.

We'll just check with the online registrations to make sure that no one is logged on there either.

Okay, it appears we have no witnesses signed up to testify either in person or online, Chair.

CHAIRPERSON LOUIS: Thank you. Being that there are no members of the public who wish to testify regarding the two Preconsidered LU items relating the Linden Gardens proposal, the public hearing is now closed.

I now open the public hearing on

Preconsidered LU item under application number G

230024 CCK to correct a previously adopted resolution

related to the Livonia4 project in Council Member

Barron's District. To summarize this request, we are

joined today by Rosa Kelly of HPD.

I will remind anyone wishing to testify remotely if you have not already done so you must

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register online, and you may do that now by visiting Council's website at www.council.nyc.gov/landuse.

Counsel, would you please administer the affirmation?

COMMITTEE COUNSEL: Please raise your right hand and state your name for the record.

EXECUTIVE DIRECTOR KELLY: Rosa Kelly.

COMMITTEE COUNSEL: Do you affirm to tell the truth, the whole truth, and nothing but the truth in your testimony before the Subcommittee and in answer to all Council Member questions?

EXECUTIVE DIRECTOR KELLY: Yes.

COMMITTEE COUNSEL: Thank you.

CHAIRPERSON LOUIS: Thank you. You may

EXECUTIVE DIRECTOR KELLY: Good morning,

everyone. On December 7, 2022, the City Council

approved Resolution number 433, approving the UDAAP

designation and disposition for property in

connection with the Livonia4 project. The project

summary as a part of that approved Resolution

indicated that Lots 17, 18, 19, 21, 23, 24, 26, 27,

and 124 constituted a disposition area. While the

project area of the disposition area plus a privately

owned lot blocked 3811 Lot 25, the Resolution

inadvertently failed to make the distinction between

the publicly owned lots and the privately owned lot

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so, as such, HPD respectfully requests the technical correction of this Resolution to make that distinction.

CHAIRPERSON LOUIS: Thank you. Do any of

my Colleagues have any questions, concerns?

Thank you very much.

This applicant panel is now excused.

Counsel, are there any members of the public who wish to testify on this item?

COMMITTEE COUNSEL: If there's anyone with us in the room today wishing to testify, please see a Sergeant-at-Arms, fill out a speaker card.

Madam Chair, we have no one signed up online, and it appears we have no one in the room to testify on this item.

CHAIRPERSON LOUIS: Being there are no members of the public who wish to testify regarding Preconsidered LU number application G 230035 CCK for the Livonia4 technical correction request, the public hearing on this item is now closed.

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Now, we will vote on a number of LPC designations that were heard last month along with the HPD item related to Livonia4 that was just heard today.

I'll take this last opportunity to recognize any of my Colleagues that have any questions or remarks.

As a reminder, LPC designations include

Fire Alarm Telegraph Bureau Bronx Central Office,

Bronx Opera House, and Firehouse for Engine Company

88 and Ladder Company 88, all three of these are

being located in the Bronx under LUs 267, 268, and

269, as well as 935 St. Nicholas Avenue and the Hotel

Cecil and Minton's Playhouse, both of which are

located in Manhattan under LUs 270 and 271, and the

John Birks, aka "Dizzy", Gillespie residence which is

located in Queens under LU 272.

Any questions, comments, or concerns from my Colleagues?

I now call for a vote to approve the Preconsidered HPD item heard today regarding the previously approved Livonia4 project under application number G 230035 CCK along with LUs 267 through 272 for the six individual LPC designations.

today.

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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 October 19, 2023