

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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May 3, 2011
Start: 1:00 pm
Recess: N/A

HELD AT: Committee Room
250 Broadway - 16th Fl.

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

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

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

Carol Clark
Assistant Commissioner
NYC Department of Housing Preservation and Development

Jackie Alexander
Assistant Commissioner for Property Disposition and
Finance
NYC Department of Housing Preservation and Development

Danise Malqui
Project Manager
Pratt Area Community Council

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CHAIRPERSON LEVIN: Good afternoon. Welcome to the Subcommittee on Planning, Dispositions and Concessions. Council Member Stephen Levin, chair of the Subcommittee. I am joined this afternoon by two of my colleagues; Council Member Sara Gonzalez of Brooklyn, Council Member Peter Koo of Queens. We have five items on the agenda today. We have just been joined by Council Member Charles Barron from Brooklyn as well, so we have Brooklyn in the house.

We're going to start this afternoon with Land Use No. 346. It's 20115546 HAM. Neighborhood redevelopment program 110 West 114th Street, 241 West 137th Street, 271 West 150th Street and 2049 Fifth Avenue in Manhattan. That's in Community Board Districts 10 and 11 in Manhattan in Council District No. 9. Council Member Inez Dickens represents that council district. Testifying on this item, we have Carol Clark, Assistant Commissioner at HPD and Jacqueline Alexander as well. Commissioner Clark?

CAROL CLARK: Thank you, Mr. Chairman and members of the Committee. L.U. 346 consists of the proposed disposition of four

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2 occupied City-owned buildings located as you noted
3 at 110 West 114th Street, 241 West 137th Street, 271
4 West 150th Street and 2049 Fifth Avenue in
5 Manhattan through HPD's neighborhood redevelopment
6 program. Under this program, qualified community-
7 based not for profit organizations are selected to
8 rehabilitate City-owned properties. West Harlem
9 Group Assistance, Inc., the proposed sponsor, will
10 rehabilitate these multiple dwellings to provide
11 49 rental units and 1 superintendent unit.
12 Council Member Dickens has reviewed the project
13 and indicated her support.

14 CHAIRPERSON LEVIN: Do any of my
15 colleagues have any questions on this particular
16 item? Right now the families are currently in the
17 buildings? As the rehabilitation takes place, can
18 you take us through what happens with-

19 CAROL CLARK: Jackie Alexander, the
20 assistant commissioner for property disposition
21 and finance will respond.

22 JACQUELINE ALEXANDER: Currently
23 the buildings are occupied. Construction is
24 scheduled to start this fall. Upon construction,
25 the buildings will be vacated. Residents will be

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2 relocated temporarily to housing within the
3 community, and then upon completion, they would be
4 returning to one of the four buildings within the
5 cluster.

6 CHAIRPERSON LEVIN: Thank you.

7 COUNCIL MEMBER BARRON: Does
8 anything change in terms of what they have to pay
9 out?

10 JACQUELINE ALEXANDER: The
11 residents right now they're probably paying HPD's
12 rent, which is a little bit lower. At the end of
13 the day, the tenant residents would be paying no
14 more than 30% of their income, which is typical to
15 all of our programs. This program will be funded
16 through low-income housing tax credits, so there
17 is affordability levels that are built in here to
18 make sure that the rents are affordable to the
19 residents.

20 COUNCIL MEMBER BARRON: Thank you.

21 CHAIRPERSON LEVIN: And every
22 resident is guaranteed an apartment back in the
23 new complex once it's ready?

24 CAROL CLARK: Yes, all the legal
25 tenants will be able to return. That's correct.

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2 CHAIRPERSON LEVIN: Are there
3 illegal tenants?

4 CAROL CLARK: I'm not aware of any
5 illegal tenants.

6 CHAIRPERSON LEVIN: Okay. I don't
7 think I have any further... in my notes, it's going
8 to take 24 months from closing to completion. Is
9 that correct?

10 CAROL CLARK: That's our
11 projection. Yes, that's correct.

12 CHAIRPERSON LEVIN: Okay. I don't
13 have any further questions on this item. Do any
14 of my colleagues have any further questions? Okay.
15 Thank you very much, Assistant Commissioners. We
16 will move on to the next item is Land Use No. 347,
17 which is 20115547 HAM, non - - number, 8 St.
18 Nicholas Terrace in Manhattan. A neighborhood
19 redevelopment program, Community District 9.
20 That's Council District No. 7 represented by
21 Council Member Robert Jackson. On this item,
22 we're going to be joined again by Assistant
23 Commissioners Clark and Alexander from HPD.

24 CAROL CLARK: Thank you, Mr. Chair
25 and members of the Committee. L.U. 347 consists

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2 of the proposed disposition of one occupied city-
3 owned building located at 8 St. Nicholas Terrace
4 in Manhattan through HPD's neighborhood
5 redevelopment program. Again under this program,
6 qualified community-based not for profit
7 organizations are selected to rehab city-owned
8 properties. West Harlem Group Assistance, Inc.,
9 the proposed sponsor, will rehab this multiple
10 dwelling to provide ten rental units. Council
11 Member Jackson has reviewed the project and
12 indicated his support.

13 CHAIRPERSON LEVIN: In terms of
14 what happens with the tenants while the building
15 is being rehabilitated, it's the same as the
16 previous item?

17 CAROL CLARK: Same as the previous
18 item. Currently, seven of the ten units are
19 occupied and occupants will be relocated in the
20 community, while the rehab goes on.

21 CHAIRPERSON LEVIN: Are these at
22 all related—the two items? Are they part of the
23 same—

24 CAROL CLARK: [Interposing] They're
25 part of the same project. They're just two

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2 different items 'cause they're in two different
3 Council - - districts.

4 CHAIRPERSON LEVIN: Got it. Do any
5 of my colleagues have any questions on this one?
6 Okay. Seeing none, we're going to move on to the
7 next item and this Land Use No. 348, non - -
8 number 20115548 HAK. It's 365 Jay Street in
9 Brooklyn. This is in Community district No. 2 and
10 Council District 33, which is represented by me.
11 Assistant Commissioners Carol Clark and Jacqueline
12 Alexander from HPD will testify on this item.

13 CAROL CLARK: Thank you, Mr. Chair
14 and members of the Committee. L.U. 348 consists
15 of the proposed disposition of a city-owned,
16 partially occupied, 18 unit building located at
17 365 Jay Street in downtown Brooklyn. Under HPD's
18 public site finance program, a moderate
19 rehabilitation of the building will preserve 18
20 affordable rental units and approximately 900
21 square feet of community space. HPD is before the
22 Council today to seek approval of the conveyance
23 of the property to the new owner, the Pratt Area
24 Community Council, Inc. Council Member Levin has
25 been briefed and has been indicating his support.

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2 CHAIRPERSON LEVIN: Is there anyone
3 from PACC here today? Would you like to come up
4 and say a few words. Is that okay? You can just
5 introduce yourself and speak a little bit about
6 PACC's interest in this building—maybe a little
7 bit of the history of the building, and where
8 we're going from here.

9 DANISE MALQUI: Okay. Hi. My name
10 is Danise Malqui and I'm the project manager for
11 PACC for this building. I'm here representing Deb
12 Howard, our executive director who couldn't be
13 here and Drew Kiriazides, our housing director.
14 PACC has been working on the project for the past
15 four years. We started off actually as tenant
16 organizers for the building. The building is and
17 was in terrible state. They have a roof that is
18 leaking. It's coming down into units on the top
19 floors. They have a boiler that's not functioning
20 properly. They have a mass rodent problem. The
21 masonry is spalling [phonetic] and so there's
22 scaffolding up in order to protect pedestrians.
23 It's just in terrible, terrible condition.

24 There have been several impediments
25 why the building hasn't been able to move forward

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2 earlier and one just had to do simply with
3 financing. It's a pretty costly building to
4 renovate because it's a landmarked building--both
5 federally and locally. So it is quite costly, but
6 we have now--working in partnership with HPD--been
7 able to leverage \$1.4 million in grants as well as
8 a loan from CPC, so we've brought into the project
9 about \$2 million, so now the financing is a lot
10 more secure. Is there anything else in particular
11 that you wanted to...?

12 CHAIRPERSON LEVIN: The tenants
13 that are currently in the building they're going
14 to be guaranteed a spot in the new building?

15 CAROL CLARK: Yes, of course. We
16 guarantee no displacement. It does have a very
17 interesting history. There were some tenants who
18 were displaced from the Metro Tech [phonetic]
19 development, and so they have a court-ordered
20 stipulation and we are of course honoring that
21 stipulation. Their rents will be set between \$300
22 and \$700--that would cover 30% of AMI--that would
23 be below 30% of AMI. Other existing tenants will
24 have rents ranging between \$800 and \$1100
25 depending if it's a one bedroom or a three

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2 bedroom. This is about 60% of AMI. HPD has also
3 said that Section 8 may possibly be available as
4 well for these tenants if they can't afford it.

5 CHAIRPERSON LEVIN: Thank you. I'm
6 very excited about this conveyance and
7 congratulations to PACC for your diligent work and
8 perseverance in this. It's an absolutely
9 beautiful building and it's going to be a great
10 benefit to Brooklyn and to the city of New York to
11 have this project moving forward and establishing
12 a permanency to the splendor of the building. I
13 want to thank HPD and PACC and congratulations to
14 both. Thank you.

15 DANISE MALQUI: Thank you so much.

16 CHAIRPERSON LEVIN: Council Member
17 Barron?

18 COUNCIL MEMBER BARRON: I have a
19 question before you leave. What is the tax
20 exemption on that?

21 CAROL CLARK: It's an Article 11.

22 COUNCIL MEMBER BARRON: Well, I
23 don't know what that means... how much? I mean in
24 terms of numbers—I know what Article 11 is, but
25 what is the amount?

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CAROL CLARK: It's 100% exemption.

COUNCIL MEMBER BARRON: 100% exemption.

CAROL CLARK: And it lasts for 40 years.

COUNCIL MEMBER BARRON: I guess what I try to get at with a lot of the projects that are being exempted, just how much that comes up to in dollars and cents 'cause I'm familiar with the law, but how much does it come up to in dollars and cents?

JACQUELINE ALEXANDER: We do provide that information in our underwriting so we can get that to you if you have any further questions about that, but we do make that part of our process in evaluation of a-

COUNCIL MEMBER BARRON:
[Interposing] So it just never gets here. We don't usually get that. If you could do that on a regular, then I won't have to bother you with this question, but I want to get a sense of just how much the exemptions are 'cause exemptions for affordability I could live with, but exemptions for stuff that's not affordable, I'm going to have

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2 issues with 'cause you know when we're in a
3 crisis, of course they don't want to tax the rich,
4 and they want to cut all of our services, but I
5 don't think we have a spending crisis. We have a
6 revenue crisis and reduction of revenue in our
7 budget and not so much here, but in a lot of
8 things we do. So that's the reason why I ask this
9 question—just to see the kind of breaks developers
10 are getting and what does that mean in terms of
11 hurting us and other places, even though it's
12 helping us in this instance. If you could get
13 that to me, I would appreciate it.

14 CAROL CLARK: Will do.

15 CHAIRPERSON LEVIN: Thank you,
16 Council Member Barron. Any further questions on
17 this item? Council Member Koo?

18 COUNCIL MEMBER KOO: You just
19 mentioned that you have some Metro Tech tenants
20 still living there. How many are there?

21 DANISE MALQUI: I believe it's six.

22 COUNCIL MEMBER KOO: And they pay
23 way below market value rent?

24 DANISE MALQUI: Yes, that's
25 correct.

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2 COUNCIL MEMBER KOO: So how many
3 units are you offering to the public?

4 DANISE MALQUI: There are five
5 vacancies, so those will not be set at market
6 rate, but they will be much higher in order to
7 cross subsidize the lower rents in order to pay
8 the operating fees. There's a total of 18 units
9 with 5 vacancies, so the 5 vacancies will be set
10 at a higher rent. Those rents are going to be
11 between 1500 and 1850.

12 COUNCIL MEMBER KOO: Okay, thank
13 you.

14 CHAIRPERSON LEVIN: Any further
15 questions on this item? Seeing none, we will move
16 on to the next item, but I do want to say that
17 we've been joined by Council Member Inez Dickens
18 and I believe that she wants to make a statement
19 regarding Land Use No. 346. Council Member
20 Dickens?

21 COUNCIL MEMBER DICKENS: Thank you
22 so much, Chair Levin, for allowing me to speak on
23 this, and I apologize for my lateness. This
24 development is a cluster of four sites in my
25 district and one site in Council Member Robert

1 Jackson's district. Up until about an hour ago, I
2 was about to lay this item over from the calendar,
3 but we were able to get it straight what my
4 concerns were, which was the AMI. After having
5 worked extensively with HPD, West Harlem Group
6 Assistance, the community boards and most
7 importantly, the tenants involved, I am proud to
8 lend my support to this project. The
9 rehabilitation of these buildings through the
10 neighborhood redevelopment program will provide my
11 community with the opportunity to live in
12 affordable, safe and modern apartments. Families
13 will be able to stay in the neighborhood in which
14 they have given so much. I continue to fight to
15 make sure that the people of Harlem, the Upper
16 West Side, Morningside Heights are not forced out
17 of our homes and that affordable housing
18 opportunities are as abundant as possible. This
19 project will created 50 units of affordable
20 housing in the district. There will be 7 studios,
21 18 one bedrooms, 18 two bedrooms and 3 three
22 bedrooms and 4 four bedroom units. Every tenant
23 that currently resides in the buildings will move
24 back into a completely renovated apartment with a
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2 rent that is set at no more than 30% of annual
3 income. Units not occupied by current tenants
4 will be affordable with 75% of the vacant units
5 created by this project available to families
6 making 60% of AMI or below, Council Member Barron.

7 [laughter]

8 COUNCIL MEMBER DICKENS: These
9 apartment buildings will be an example of the type
10 of housing that the residents of Harlem need
11 access to in order to maintain the fabric of our
12 historic community.

13 While I am happy that the residents
14 of every building will have new affordable
15 apartments, I am particularly elated that 2049
16 Fifth Avenue will finally be rehabilitated. This
17 building has had troubles going all the way back
18 to the time when Council Member C. Virginia Fields
19 was the Council Member in District 9 and the
20 problems continued during the tenure of Bill
21 Perkins. I'm proud to say that I was finally able
22 to secure affordable housing for the residents of
23 2049 with rehabilitated new units. West Harlem
24 Group Assistance has committed to working with the
25 residents of 2049 Fifth Avenue on developing a

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2 comprehensive home ownership model. This building
3 has been in the - - program for almost 25 years
4 and languished there, while multiple attempts were
5 made to initiate home ownership. West Harlem
6 Group Assistance will educate the tenants so that
7 at the end of the 15 year compliance period,
8 residents will be offered and afforded the
9 opportunity to own and be prepared to do so.
10 Hopefully, the affordability model that I
11 developed as part of the 125th Street rezoning will
12 finally make home ownership a reality for the
13 residents of 2049 Fifth Avenue. Although I
14 usually fight for affordable home ownership so
15 that my community can stay in the community, in
16 this case, it is more important to me that 2049
17 Fifth Avenue be rehabilitated and be rehabilitated
18 with affordable units for the current residents so
19 that they can stay there.

20 The construction timeline for this
21 project is 18 to 24 months to rehab all five
22 buildings. The project will be done in two phases
23 in order to limit the time that tenants have to
24 spend in temporary apartments. West Harlem Group
25 Assistance will determine which buildings need

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2 repairs the most, and these buildings will be done
3 in phase one. Residents in the building that are
4 part of phase two will not be relocated until
5 phase one residents are moved back in and phase
6 two rehabilitation work is ready to start. No
7 residents will be relocated outside of Community
8 Boards 9, 10 or 11 unless they request to do so,
9 as West Harlem Group Assistance's other buildings
10 are all between 125th Street and 148th Street. West
11 Harlem will work with all the residents to make
12 sure temporary apartments are satisfactory and
13 that families are comfortable in the buildings in
14 which they are relocated. Community Boards 9, 10
15 and 11 have been briefed on this project and are
16 in support of - - plans.

17 I urge my colleagues to support
18 this project and I'm looking forward to the joy
19 that these families will experience when they move
20 back into their buildings and are able to live in
21 modern, safe and most importantly, affordable
22 apartments. I want to thank HPD, particularly
23 Jackie Alexander and Carol Clark. I want to thank
24 - - and the City Council Land Use division staff,
25 particularly Gail Benjamin [phonetic] for the hard

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2 work that all of you did on this project. Thank
3 you.

4 CHAIRPERSON LEVIN: Thank you very
5 much, Council Member Dickens. Congratulations.
6 We're going to move on to the next item, which is
7 Land Use No. 381, non - - number 20115619 HAK.
8 This is 788 Lafayette Avenue, 788A Lafayette
9 Avenue, 790 Lafayette Avenue, 792 Lafayette
10 avenue, 794 Lafayette Avenue, 796 Lafayette Avenue
11 and 123 Van Buren Street in the borough of
12 Brooklyn. This is Community District 3, Council
13 District 36—the Council District represented by
14 Council Member Al Vann. This is a low-income
15 rental program. Testifying on this item Assistant
16 Commissioner Carol Clark and Susan Kenske
17 [phonetic] from HPD. Commissioner Clark?

18 CAROL CLARK: Thank you, Mr. Chair
19 and members of the Committee. L.U. 381 consists
20 of the proposed amendment to a project located as
21 you noted at 788-96 Lafayette Avenue and 123 Van
22 Buren Street and known as Noel Pointer Apartments.
23 The project was approved by this Council on April
24 16th, 2008. The amendment changes the type of
25 housing from a co-operative to rental housing with

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2 an option to convert to a co-operative at the end
3 of a 15 year initial compliance period subject to
4 HPD approval. The project will consist of the
5 proposed construction of one building containing
6 23 rental dwelling units under HPD's low-income
7 rental program. HPD seeks approval of the amended
8 housing type and the approval of an Article 11 tax
9 exemption. Council Member Vann has reviewed the
10 project and indicated his support. Thank you.

11 CHAIRPERSON LEVIN: Thank you very
12 much. I don't have any questions on this item.
13 Do any of my colleagues have any questions on this
14 item? Seeing none, thank you very much. I
15 appreciate it. We're going to close out Land Use
16 Item 381 and we're going to do some third party
17 transfer approvals--no testimony needed on these
18 items, but it is Land Use No. 383. There are six
19 third party transfers to be approved. It's
20 20115650 HAX. These are in Bronx Community
21 Districts 2, 3, 4, 5, 6, 7, 9, 12, Council
22 District's 12, 14, 15, 16, 17, 18 presented by
23 Council Members Seabrook, Cabrera, Rivera, Foster,
24 Arroyo and Palma. No testimony needed on these
25 items, and that closes out the agenda for today.

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2 I'm going to ask counsel to the Committee, Carol
3 Shine, to call the vote on the items that we heard
4 today, and I recommend an aye vote on all. Thank
5 you very much, Commissioners Clark and Alexander.

6 COUNSEL: Chair Levin?

7 CHAIRPERSON LEVIN: Aye on all.

8 COUNSEL: Council Member Barron?

9 COUNCIL MEMBER BARRON: Aye on all.

10 COUNSEL: Council Member Gonzalez?

11 COUNCIL MEMBER GONZALEZ: Aye on

12 all.

13 COUNSEL: Council Member Dickens?

14 COUNCIL MEMBER DICKENS: Aye on

15 all.

16 COUNSEL: Council Member Koo?

17 COUNCIL MEMBER KOO: Aye on all.

18 COUNSEL: By a vote of five in the
19 affirmative, none in the negative and no
20 abstentions, the aforementioned items are approved
21 and referred to the full Committee.

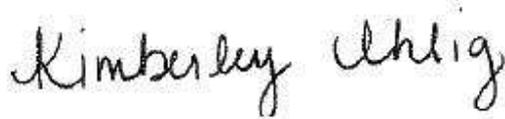
22 CHAIRPERSON LEVIN: This meeting is
23 adjourned.

24 [gavel]

C E R T I F I C A T E

I, Kimberley Uhlig 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

Handwritten signature of Kimberley Uhlig in cursive script.

Date June 22, 2011