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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November 16, 2011 Start: 1:00 p.m. Recess: 1:43 p.m.

HELD AT: Council Chambers

City Hall

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

Gary Sloman

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Joe Lynch

Attorney

Nixon Peabody

Ted Weinstein

Director of Bronx Planning

NYC Department of Housing Preservation and Development

Jacqueline Alexander

Assistant Commissioner

Division of Property Disposition and Finance

NYC Department of Housing Preservation and Development

2	CHAIRPERSON LEVIN: Okay. Good
3	afternoon everybody. Welcome to the Subcommittee
4	on Planning, Dispositions and Concessions. I'm
5	Council Member Stephen Levin, chair of this
6	Subcommittee. I am joined today on my right by
7	Council Member Sara Gonzalez of Brooklyn; on my
8	left, Council Member Peter Koo of Queens and

Council Member Inez Dickens of Manhattan.

We have a number of items on the agenda today. We're going to move swiftly. The first item is 20125186 HAR, Richmond Gardens in Staten Island Community District 1. I'm going to ask... Richmond Gardens and 20125187 HAR Fairway Gardens, both in Community District 1 of Staten Island. That is in the district represented by Council Member Debbie Rose. Testifying on these two items we have Assistant Commissioner Carol Clark and Gary Sloman [phonetic] of HPD; welcome, and Joe Lynch [phonetic] of Nixon Peabody [phonetic]. Commissioner Clark?

## ASSISTANT COMMISSIONER CLARK:

Thank you, Mr. Chairman and members of the

Committee. I'm Carol Clark, Assistant

Commissioner at HPD. As you noted, I am joined by

2	Gary Sloman from our division of housing
3	supervision and the attorney who represents the
4	HDFC, which is the sponsor in this project. The
5	pre-considered L.U. consists of the exemption area
6	of a low-income development known as Richmond
7	Gardens. The project currently receives a partial
8	tax exemption. The project also consists of an
9	exemption area located at Fairway Gardens and
10	together, both of these properties are going to be
11	acquired and rehabbed by the sponsor and this will
12	provide 219 residential units for low-income
13	families. The Council Member is in enthusiastic
14	support of this project. Thank you. Who is the
15	sponsor?
16	ASSISTANT COMMISSIONER CLARK: It
17	is Fairway Richmond HDFC.
18	CHAIRPERSON LEVIN: Can you give a
19	little bit maybe just a history of the site and
20	explain to us just kind of how we've gotten to
21	where we are today?
22	ASSISTANT COMMISSIONER CLARK: I'd
23	like Mr. Lynch to respond to that if you don't

CHAIRPERSON LEVIN: [Interposing]

mind, Mr. Chairman--

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2 If you could identify yourself for the record...

JOE LYNCH: Hi. Joe Lynch from 3 4 Nixon Peabody. Good afternoon. These are two 5 existing properties. One is what you call a mod rehab property; one is a Section 8 property, which 6 means they basically have 100% project based rental subsidies. They were built approximately 9 in the late '70s, I believe and they've had the same owner; however, the buildings have been kept 10 11 up in good shape, but after 20-30 years plus the 12 buildings needed substantial work. This is when 13 the sponsor stepped in and is going to purchase 14 the buildings from the owner now and through HFA, 15 state bonds and low-income housing tax credits, we 16 can get the proper amount of financing and the 17 proper amount of low-income housing tax credit 18 equity. In order to rehab the properties, they 19 will be in unit renovations -- in place unit 20 renovations for the residents. There will be no 21 displacement of tenants, and there will be no rent 22 increase for the residents as well since there's a mod rehab contract and there's a Section 8 23 24 contract and the existing waiting list will be 25 kept in place. This has all been briefed by

JOE LYNCH: [Interposing] Yes, yes.

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upgrading the infrastructures--the elevators and all those trash rooms and all those places?

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JOE LYNCH: Absolutely and not only

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piece of city-owned land to facilitate the development of a supportive housing building essentially on private land. An organization has a building and next to it is their parking lot on land that they own. This is situated on a dead end street, a cul de sac. And so you have the parking lot next to their existing building. want to build a new building on the parking lot through our supportive housing program. Unfortunately for reasons that we cannot be able to figure out, back in the 1950s when the dead end street was created pursuant to an urban renewal plan, the tax lot [phonetic] that formally existed remained and so you have a tax lot that belongs to the city under the jurisdiction of HPD approximately 2/3 of which is in the bed of the street, but the other 1/3 is actually on the sidewalk in front of their parking lot, and so in order for them to build on their parking lot, they couldn't currently build on their parking lot because there is this tax lot, this piece of cityowned land right in front--the driveway into their parking lot. There's no frontage. There's a lot there. So this is for the purpose of selling them

1	SUBCOMM PLANNING, DISPOSITIONS, CONCESSIONS 13
2	one person on the community board who voted no.
3	CHAIRPERSON LEVIN: So you said 65
4	units, 36 for the formerly homeless I'm sorry,
5	the remainder was?
6	TED WEINSTEIN: 29 will be general
7	population, which is pretty common in our
8	supportive housing programs. Usually about 60% of
9	formerly homeless, special needs and then 40% are
10	general population.
11	CHAIRPERSON LEVIN: Market rate
12	or?
13	TED WEINSTEIN: No, people up to
14	60% of area median income.
15	CHAIRPERSON LEVIN: And those units
16	would also be supported by NY NY 3 or
17	TED WEINSTEIN: [Interposing] No,
18	those are just general population that they would
19	market, they would advertize and screen
20	applications that come in.
21	CHAIRPERSON LEVIN: Standard
22	affordable housing
23	TED WEINSTEIN: Right.
24	CHAIRPERSON LEVIN: Do any of my
25	colleagues have any questions on this item?

galleries. They're in an old building, a

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commercial building and the decision had been made some time back that the best thing would be to sell them the building rather than have them continue to rent it from the City and have the City be responsible for making repairs. We're going to sell them the building. The Department of Cultural Affairs is providing funding for renovation. The disposition authority for the sale of that property has previously gone through ULEP [phonetic] and was approved by the Council. It was realized soon after that though that the sidewalk adjacent to it--there's a demapped [phonetic] that runs in along the side of the building, and the sidewalk between the building and that demapped street was presumed that that sidewalk was going with the building, when in fact legally, it's part of the demapped street, and so the purpose of this ULEP now is simply for the purpose of - - the disposition authority to convey to them that strip of sidewalk, 7 feet wide by 150 feet long right next to the building. It will accommodate the rear exit, the second means of egress for them to have... and yes, Council Member Rivera has been briefed and is totally in

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2 support of doing - - .

CHAIRPERSON LEVIN: - - kind of difficult for any other type of use for a 7 foot by 150 foot sidewalk. Has the funding been allocated already--the capital funding by DCA? Is there any other funding that's been--

TED WEINSTEIN: [Interposing] Well, they've been raising funds themselves and I checked with DCA and they need to rebid for the contractor to actually do the work, so they're hoping that will happen early in the next calendar year, so that the work itself can start in the late spring. Once the work is completed, then we'll complete the sale of the property to the organization.

CHAIRPERSON LEVIN: Okay. I don't believe that I have any further questions. Do any of my colleagues have any questions on this particular item? Okay. Seeing none, thank you very much, Mr. Weinstein. I appreciate the testimony. We will move on to Land Use No. 497. These are third party transfers—one third party transfer. It's 20125124 HAM in Manhattan Community District 9. That's in the district

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represented by Council Member Jackson. Testifying on this item is Assistant Commissioner Carol Clark and Jacqueline Alexander of HPD.

## ASSISTANT COMMISSIONER CLARK:

Thank you, Mr. Chairman. As you noted, I am Carol Clark, Assistant Commission of HPD. Jacqueline Alexander is the Assistant Commissioner of HPD's Division of Property Disposition and Finance. L.U.s No. 497 and 498 consist of the proposed transfer of properties under HPD's third party transfer program. The Commissioner of Finance included the parcels in final judgments of foreclosure known as - - actions No. Manhattan 48 and 49. These judgments authorize the Commissioner of Finance to execute and deliver deeds to a transferee, Neighborhood Restore HDFC, selected by the Commissioner of HPD. Today we are before the Council seeking approval of the transfer and disposition of the property and related tax exemptions. Council Member Dickens, Mendez and Jackson have been briefed and have indicated their support. Thank you.

CHAIRPERSON LEVIN: I apologize. I just had the one item. They're separated into two

1	SUBCOMM PLANNING, DISPOSITIONS, CONCESSIONS 18
2	items. So Land Use No. 498 is 20125125 HAM, and
3	those are a number ofI believe four different
4	pieces of property in Manhattan Community
5	Districts 3, 9, 10 and 11, and those are in
6	Council Districts represented by Council Member
7	Mendez, Jackson, Dickens and Mark-Viverito.
8	ASSISTANT COMMISSIONER CLARK:
9	Thank you, Mr. Chairman, for the clarification.
10	CHAIRPERSON LEVIN: These
11	properties how did they fall into foreclosure?
12	Could you speak to a little bit about the history
13	of these properties?
14	ASSISTANT COMMISSIONER CLARK: The
15	third party transfer program, and its history?
16	CHAIRPERSON LEVIN: Not necessarily
17	the program, but these particular properties.
18	ASSISTANT COMMISSIONER CLARK:
19	Jackie, do you want to answer that question?
20	CHAIRPERSON LEVIN: Please identify
21	yourself.
22	JACQUELINE ALEXANDER: Good
23	afternoon, Jacqueline Alexander from HPD. These
24	properties qualified under the third party
25	transfer program for a variety of reasons. One,

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given the number of BNC [phonetic] violations tha	ιt
made them qualify under the third party transfer	_
- action, as well as owing more than \$1,000 in ER	ŀΡ
liens and municipal arrears. So when the action	
started several years agothese are from our	
earlierthis action took a little bit of period	
of time, so these actions are about four years	
old. At that point, the buildings qualified.	
They were identified as being statutorily	
distressed, and they were pulled from the tax lie	n
sale, or at the time the tax lien sale was being	
put together, these third party transfer actions	
were being pulled together. It's a qualification	L
based on BNC violations, ERP [phonetic] liens, as	;
well as municipal arrears on the properties.	

CHAIRPERSON LEVIN: And you mentioned related tax exemptions that were being transferred as well. What are the existing tax exemptions?

ASSISTANT COMMISSIONER CLARK: Part of the third party transfer includes tax exemptions as noted on the agenda and that's part of the reason why we're here seeking the related tax exemptions that are UDAP [phonetic] tax

exemptions that go with a third party transfer ofproperties.

CHAIRPERSON LEVIN: Do any of my colleagues have any questions. Council Member Dickens, do you have a statement?

COUNCIL MEMBER DICKENS: It's not a question; it's really a statement. I've worked very hard with Jackie and with Carol on the third party transfers in my district to ensure that its equitable in the RFPs [phonetic] and RFQs [phonetic] to ensure that whether its third party transfers or other programs, that MWBEs [phonetic] are included in the notification of there being RFPs or RFQs and so they worked very hard with me because in my district when I looked at it, it was not inclusive and they were open to making sure that MWBEs were notified where they hadn't been before. Thank you.

#### [crosstalk]

CHAIRPERSON LEVIN: Thank you. I just want to mention that we've been joined by Council Member Rosie Mendez and Council Member Charles Barron. Council Member Mendez is from Manhattan. Council Member Barron is from

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Thank you, Ms. Alexander. I believe that Carol 2 Clark--I'm going to ask her to stay for the 3 4 remaining item on the agenda, and that is Land Use 5 467 and 499. Excuse me, just 467, not 499. 467 is 20125065 HAK. That's in Community Board 6 7 District 5 in Brooklyn, and that's in the council district represented by Council Member Erik Dilan. 9 This is an asset control area item, and I will ask Assistant Commissioner Carol Clark to testify. 10

### ASSISTANT COMMISSIONER CLARK:

Thank you, Mr. Chairman. I'm joined by Artemis Shea Pearson [phonetic] from HPD on this testimony. As you know, I'm Assistant Commissioner, and the L.U. 467 consists of two vacant properties located at 386 Miller Avenue and 2406 Pacific Street. They're to be developed under the asset control area program. HPD and the Federal Department of Housing and Urban Development are undertaking this initiative to revitalize neighborhoods by brining vacant homes back into use while creating affordable home ownership opportunities for low and moderate income families. Homes acquired by HUD as a result of mortgage foreclosures are sold to a not

1	SUBCOMM PLANNING, DISPOSITIONS, CONCESSIONS 24
2	ASSISTANT COMMISSIONER CLARK: It's
3	a tax exemption, Council Member Barron.
4	COUNCIL MEMBER BARRON:
5	[Interposing] Tax exemption.
6	ASSISTANT COMMISSIONER CLARK:
7	Right.
8	COUNCIL MEMBER BARRON: And 115% of
9	the AMI?
10	ASSISTANT COMMISSIONER CLARK: Yes,
11	there's a range in this program. The asset
12	control area programit's a national program, and
13	we've presented many of them here at the
14	Subcommittee.
15	COUNCIL MEMBER BARRON:
16	[Interposing] They must have slipped by me.
17	ASSISTANT COMMISSIONER CLARK:
18	There have been about 50 over the course of the
19	last 18 months, and this is about the 50th one.
20	COUNCIL MEMBER BARRON: Even if
21	it's 1,000
22	ASSISTANT COMMISSIONER CLARK:
23	[Interposing] Pardon me. It's a range which goes
24	up to 115% of the area median income, but it
25	starts at 80, so it's between approximately 65 to

1	SUBCOMM PLANNING, DISPOSITIONS, CONCESSIONS 25
2	94.
3	COUNCIL MEMBER BARRON: I'm
4	familiar with range, but if I'm a developer, and I
5	have a range, I'm going on the high side, so
6	that's ridiculous. Do you know the median income
7	for east New York?
8	ASSISTANT COMMISSIONER CLARK:
9	Well, these are targeted in a federal program,
10	Council Member Barron, which is guaranteed to go
11	to
12	COUNCIL MEMBER BARRON:
13	[Interposing] Are you saying it can't be lower?
14	ASSISTANT COMMISSIONER CLARK:
15	Right, it's a federal program. It goes to
16	moderate income families by virtue of the fact
17	that it's a program operated by the federal
18	Department of Housing and Urban Development.
19	COUNCIL MEMBER BARRON: Right, but
20	are you saying that it has to be in that range?
21	ASSISTANT COMMISSIONER CLARK: Yes,
22	sir. That's the way this national program
23	operates.
24	COUNCIL MEMBER BARRON: So by law
25	it has to be 80 to 115%?

1	SUBCOMM PLANNING, DISPOSITIONS, CONCESSIONS 26
2	ASSISTANT COMMISSIONER CLARK: That
3	is the range to which the program is adhered.
4	Yes.
5	COUNCIL MEMBER BARRON: There's
6	nothingcould you just say 80?
7	ASSISTANT COMMISSIONER CLARK: We
8	can certainly take back and have a discussion. I
9	know Council Member Dilan was enthusiastically in
10	support, and it's in his district, but we can
11	certainly have a discussion with Restored Homes.
12	[crosstalk]
13	COUNCIL MEMBER BARRON: By law, you
14	could have just 80% of AMI?
15	ASSISTANT COMMISSIONER CLARK: Yes,
16	it could be
17	COUNCIL MEMBER BARRON:
18	[Interposing] So the law is not forcing you to go
19	up to 115?
20	ASSISTANT COMMISSIONER CLARK: No,
21	that's right. It's a range. You're entirely
22	correct, Council Member Barron.
23	COUNCIL MEMBER BARRON: You could
24	say since this is east New York and our AMI is
25	like 28,000, 30,000 for the area 'cause even 80%

1	SUBCOMM PLANNING, DISPOSITIONS, CONCESSIONS 28
2	these items I recommend an aye vote on all items.
3	COUNSEL: Chair Levin?
4	CHAIRPERSON LEVIN: I vote aye on
5	all.
6	COUNSEL: Council Member Barron?
7	COUNCIL MEMBER BARRON: I vote no
8	one L.U. 467 and aye on all.
9	COUNSEL: Council Member Gonzalez?
10	COUNCIL MEMBER GONZALEZ: Aye on
11	all.
12	COUNSEL: Council Member Dickens?
13	COUNCIL MEMBER DICKENS: Aye.
14	COUNSEL: Council Member Koo?
15	COUNCIL MEMBER KOO: I vote aye on
16	all.
17	COUNSEL: By a vote of five in the
18	affirmative, none in the negative, no abstentions,
19	pre-considered L.U. 20125186 and L.U. 201250187
20	HAR, L.U. 447, 448, 497 and 498 are approved and
21	referred to the full Land Use Committee by a vote
22	of four in the affirmative, one in the negative.
23	L.U. 467 is approved and referred to the full Land
24	Use Committee.
25	CHAIRPERSON LEVIN: Thank you very

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.

	Kimberley Uhlig
Signature	0 0
Date	12/1/11