

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 22, 2012
Start: 1:31pm
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HELD AT: Council Chambers
City Hall

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

COUNCIL MEMBERS:
Council Member Maria del Carmen Arroyo
Council Member Charles Barron
Council Member Inez E. Dickens
Council Member Sara M. Gonzalez
Council Member Peter A. Koo

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

Carol Clarke
Assistant Commissioner for Land Use and Governmental
Affairs
Department of Housing Preservation and Development

Ted Weinstein
Director of Bronx Planning
Department of Housing Preservation and Development

Arline Parks
Chair, Land Use Economic Development Committee
Community Board One, The Bronx

Matt Feldman
Vice President
Douglaston Development

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[pause, gavel]

CHAIRPERSON LEVIN: Good afternoon, welcome to the Subcommittee on Planning, Dispositions and Concessions. I'm Council Member Stephen Levin, Chair of the Subcommittee. Joined this afternoon by Committee Member Sara Gonzalez of Brooklyn; Council Member Maria del Carmen Arroyo of The Bronx; and Council Member, Committee Member Peter Koo of Queens; we should be joined shortly by Council Inez, and Committee Member Inez Dickens of Manhattan. We have two items on the agenda today. The first item, Land Use No. 608 and 609, Crossroads Plaza in The Bronx. Testifying on this item today is--I'm sorry, that's Bronx Community District One, C 120164 HAX, testifying this afternoon on this item, Assistant Commissioner Carol Clarke, Bronx, HPD Bronx Planning; Director Ted Weinstein; Arline Parks, of Community Board One in The Bronx; and Matt Feldman, of Douglaston Development. Commissioner Clarke.

CAROL CLARKE: Thank you, Mr. Chairman, and Members of the Committee, and Council Member Arroyo. As you noted, I'm Carol

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2 Clarke, Assistant Commissioner for Land Use and
3 Governmental Affairs at HPD. Ted Weinstein, who
4 is the Director of Bronx Planning for the Agency
5 is going to present out testimony today, and then
6 we'll all be available to answer any questions you
7 might have.

8 TED WEINSTEIN: Good afternoon,
9 Council Members. This is a very interesting and
10 important site for us that we've been focusing on
11 for many, many years. It consists of three city
12 owned lots, the middle one of which is a demapped
13 street, but which is in fact a tax lot.
14 Originally, it was a renewal site, as a signal
15 site. And we've been looking for, for many years
16 there was originally a proposal to build on it.
17 We actually went through ULURP back in 2000, to do
18 a commercial building, but then as the housing
19 market was improving, and the economy was
20 improving, and the South Bronx was improving, it
21 made more sense that we don't do an
22 underutilization of the site, and then we spoke to
23 the people who were partners in the development
24 team at that time, about instead doing residential
25 development, which they agreed. Eventually, it

1 evolved into the project that we have before us
2 now. We've, it'll consist of three buildings,
3 there will be the actions are, disposition of the
4 City owned properties and a rezoning, for, which
5 would cover two of the buildings. It'll be done
6 in phases. There will be, the project as a whole
7 will be mixed income. The, it's gone through the
8 ULURP process, the community board approved it,
9 and Arline, who's Chair of the Housing and Land
10 Use Committee of Community Board One will speak on
11 it. The community board, her committee approved
12 it 16 to 1, and then the Board as a whole approved
13 it 19 to 3. The Borough President approved it.
14 And the City Planning Commission approved it. So,
15 it's a project, it's the intersection of three
16 large streets: 149th Street, it's about the
17 eastern end, 149th Street is a main commercial
18 strip that runs across the South Bronx, this is
19 the eastern end of it; and it's where it meets
20 Southern Boulevard, another major commercial
21 strip; and the beginning of Prospect Avenue,
22 another strip. And so, it's a very visible, very
23 important location, it'll bring more vitality to
24 that area, not only in the residences, the three
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2 buildings the, the plan is for a total of
3 approximately 428 units, plus about 36,000 square
4 feet of commercial space on the first floor,
5 community facility space in the first building.
6 And so it's something that will greatly revitalize
7 and just bring new life to, to that area. I'll be
8 happy to answer questions, and then like I said,
9 Arline and--I do have to say before introducing
10 Arline that it's, I regularly attend the housing
11 Land Use Committee of Community Board One, and
12 it's always a pleasure coming to this Committee
13 under her Chairmanship. Okay.

14 ARLINE PARKS: Good afternoon,
15 everyone. Thanks for having me here today. My
16 name is Arline Parks, and I am the Chair of the
17 Land Use Economic Development Committee for
18 Community Board Number One in The Bronx, New York.
19 I have served in this capacity since 1997, and I
20 am a lifelong resident of the Monthaven section of
21 The Bronx. On behalf of Community Board Number
22 One, I'm here today to provide a statement of
23 support on behalf of the Crossroad Plaza new
24 housing development initiative. The location of
25 the site--I'm sorry, the location of the vacant

lots to be developed by Crossroads Plaza Partners is a vitally important development initiative as the site is situated on three main avenues on 149th Street, Prospect Avenue, Southern Boulevard and Union Avenue. This area consists of a mixture of commercial and residential uses: to the north of the site across 149th Street is PS 25 Elementary School; along Southern Boulevard at 149th Street, are midrise, residential buildings, as well as two of the major retail commercial strips of the South Bronx, one of which is the hub located at 3rd Avenue and 149th Street. The development site that's being proposed today here for development is easily accessible by public transportation, the Number One Six subway line, and by the bus BX17 and BX number 19. The proposed development site consists of vacant land, which includes a former vacant gas station, and from 1968 to the present, a period of 44 years. The site has been unsightly, unsanitary, and has caused the physical blight and decay in the neighborhood, but also in the surrounding area. This has resulted in an impediment to sound redevelopment for the area and the surrounding

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2 area. And since 1968, these properties were part
3 of an urban renewal site through the Model Cities
4 plan. In 1970, the plan was revised into the
5 South Bronx Neighborhood Development Program, and
6 in 1996, various sites, including this site, were
7 spun off into a new separate Monthaven east urban
8 renewal plan. These plans were approved by the
9 City Planning Commission, and the Board of
10 Estimate, and in each of these actions, the
11 intended use of this site was always residential
12 or commercial development. That's a very
13 important, very key point. All of the development
14 plans for the site were presented to and approved
15 by Community Board One repeatedly, started in 1997
16 for commercial use, and later in 2010, 2011 and
17 February 2012, for residential mixed use
18 development. Finally, on February 23, 2012, after
19 a duly held ULURP public hearing, Community Board
20 One voted to recommend approval of the ULURP and
21 the project. The basis of the Community Board
22 One's vote to approve the project is as follows:
23 one, the need to remove 44 years of blight, decay,
24 substandard and unsanitary conditions in the
25 neighborhood; two, the project would be a

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2 substantial residential and economic development
3 initiative as the project would create affordable,
4 much needed affordable housing for low income
5 families, which would consist of three residential
6 mixed use buildings, with a total of 428 apartment
7 units; commercial space, which would include
8 designated ground floor commercial to be utilized
9 by the Easter Seals Child Development Center for
10 children with special needs. This program is
11 greatly needed to service this population of
12 children in our district. It would create 155
13 much needed parking spaces for that area. And
14 finally, it would create permanent jobs and foster
15 further economic development throughout the
16 neighborhood. So, in conclusion, Community Board
17 One strongly supports this initiative and urges
18 the Subcommittee on Planning, Dispositions and
19 Concessions to approve all applications for the
20 development of the Crossroads Plaza. And thank
21 you for allowing me to come and give you the
22 testimony today.

23 CHAIRPERSON LEVIN: Thank you, Ms.
24 Parks. Mr. Feldman, do you have anything that you
25 want to add?

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2 MATT FELDMAN: Well, I can't
3 describe the project any better than Ms. Parks
4 did, so I'll just add that Douglaston Development,
5 the designated developer for this project, has
6 developed affordable housing in this city for over
7 30 years, successfully. And we most recently
8 completed a very similar project to this at 3254
9 White Plains Road in The Bronx.

10 CHAIRPERSON LEVIN: Thank you. And
11 obviously I'm a, I'm aware of the work that you've
12 done in affordable housing in the
13 Williamsburg/Greenpoint Waterfront. We've been
14 joined by Council Member and Committee Member
15 Charles Barron, but I wanted to ask Council Member
16 Maria del Carmen Arroyo if she has anything that
17 she wants to add about the development.

18 COUNCIL MEMBER ARROYO: Thank you,
19 Mr. Chair, and for allowing me to speak as I'm not
20 a member of the Subcommittee. But I have a really
21 great interest in these proceedings. I think one
22 of the, the things that Ms. Parks left out in her
23 testimony was the very unpleasant experience that
24 was had at the community board meeting in February
25 when the Committee, when the Board was hearing

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2 this land use application, and the unpleasant
3 things that happened with a group of folks that
4 went in and tried to occupy Community Board One.
5 [laughs] And they came to the wrong community to
6 do that, in my opinion. We have a history of long
7 serving members, we have one member here, Linda
8 Duke, who's in the audience, who I spoke to
9 individually after the meeting to get their
10 impression of the opposition that was being raised
11 about the project. And these very seasoned, and
12 very wise individuals were able to take this fluff
13 away from the, the action that they needed to, to
14 deliberate on, and wholeheartedly recommended that
15 I be supportive of this project. Arline has
16 articulated the number of years that the site has
17 gone through the different processes, and it is
18 without a doubt an area that needs very serious
19 and very deliberate redevelopment. So, Arline, to
20 you and Members of, of the Board, I thank you for
21 your diligence, for your staying the course and
22 making sure that that development that gets
23 accomplished here is one that makes sense for our
24 community, and one that takes into account some
25 issues that I was concerned with, and I'll address

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2 those questions to the developer. But I want to
3 thank you and Linda for coming down and providing
4 testimony. It's important for us to hear our
5 community's perspective of the things that HPD
6 worked so hard to do; although, we kind of believe
7 that they always have their heart in the right
8 place, but you help us to solidify our faith in
9 the projects that come before us. Douglaston, my
10 question to you about the number of units, and
11 I've made a very, very strong commitment to making
12 sure that we can provide units to families that
13 are below the 60/40 percent AMI. I'm not
14 impressed with, you know, you're going to X number
15 of units at 60 percent AMI. That leaves out a
16 very significant number of families in my
17 district. In particular, single heads of
18 households who would never raise to the level of
19 income that 60 percent AMI would require. And
20 we've had conversations. Can you tell me what
21 work you've done to address that concern.

22 MATT FELDMAN: Yes, Councilwoman.
23 Since you first raised these concerns, we've had
24 further discussions with HPD, and we were able to
25 add a number of units in the first building

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2 that'll be set aside for households earning up to
3 40 percent of AMI. The second and third
4 buildings, since they were further along in the
5 planning process, will be tailored only to 40 and
6 60 at this time.

7 COUNCIL MEMBER ARROYO: So, and for
8 the record, and I know HPD, you guys have a heart
9 attack every time I say, the units that are set
10 aside in those income bands need to be set aside
11 for community residents. We don't need to bring
12 families from outside of our community to benefit
13 from the work that this Council and HPD is doing.
14 We have many families that see all of the
15 development that has gone on in the district. My
16 district increased in population by 15 percent
17 when compared to the last census. And every
18 single parent, single parent that comes into my
19 office looking for housing, cannot afford to live
20 in the units that are being developed. And we
21 need to change that, so my, my request here is
22 that the 40 percent AMI units be set aside within
23 your 50 percent set aside for community residents.
24 Don't tell me you can't do it, find a way to get
25 it done. Thank you, Mr. Chair.

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2 CHAIRPERSON LEVIN: Thank you very
3 much, Council Member Arroyo. I think Council
4 Member Barron has a question.

5 COUNCIL MEMBER BARRON: I just want
6 to be clear, too, on the, what is the AMI of the
7 neighborhood?

8 TED WEINSTEIN: The AMI of the
9 neighborhood is, is certainly lower than what this
10 first building would be.

11 COUNCIL MEMBER BARRON: What is the
12 area?

13 TED WEINSTEIN: It's this
14 particular census tract, had in the, the 2005-2009
15 census study that was done, had an average of
16 about \$33,000.

17 COUNCIL MEMBER BARRON: Right.
18 \$33,000.

19 TED WEINSTEIN: At that time.

20 COUNCIL MEMBER BARRON: And then,
21 40 to 60 percent, what percentage of the 428 units
22 will be 60 percent and below the AMI?

23 TED WEINSTEIN: Well, as this first
24 building, which is the only one that has, you
25 know, definite structure set up yet, in terms of

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2 funding, this first building was intended to be
3 mostly like a lower mod, or more like an 80
4 percent. But that was changed to put in some 60
5 percent and some 40 percent units. The next
6 building, after these discussions with the Council
7 Member, the next building will definitely be
8 intended to be majority lower income.

9 COUNCIL MEMBER BARRON: So what
10 percentage of this first building?

11 TED WEINSTEIN: The first building
12 is going to be a high percentage at 80 percent.
13 And then the next building--

14 COUNCIL MEMBER BARRON: And why is
15 that when you have \$33,000 as the AMI of the
16 neighborhood, why would you do that?

17 TED WEINSTEIN: Because the intent
18 of this complex was to have a mixed income, it's
19 something that the community board themselves had
20 asked for, the borough president asked for. And
21 between the three buildings, there will be, it's
22 to provide a variety of opportunities for people
23 who are in the neighborhood--

24 COUNCIL MEMBER BARRON: All right,
25 but see, you know what happens in our

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2 neighborhoods, and I think y'all know this
3 historically, I have the same situation in my
4 neighborhood. There are some people in our
5 neighborhood that make \$60,000-\$70,000-\$80,000 and
6 they can't get in when we make it only to those
7 making 60 percent below, at \$30,000-\$40,000-
8 \$50,000. But the percentage of those that are
9 making \$80,000 and \$100,000 in our neighborhoods,
10 very small. Okay, very, very small, so what the
11 developers often do is have a higher percentage
12 for that number, than they do for the actual
13 income number in our neighborhoods that can really
14 have the majority of the people getting this. So
15 we wind up, that's a, a incremental way of
16 gentrifying our neighborhoods, because then people
17 from the outside come in, and oftentimes, you
18 know, the very people that lived there all their
19 lives and struggled in these neighborhoods, are
20 not able to afford to get the new units coming in
21 because of the way this is structured.

22 TED WEINSTEIN: Council Member, if
23 I may, there's no question that the great
24 majority of buildings that have been built through
25 our programs, have been for households no more

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than 60 percent or even lower.

COUNCIL MEMBER BARRON: Right.

Right.

TED WEINSTEIN: The interest is also to provide some opportunity for a mixture, like--

COUNCIL MEMBER BARRON: Yeah, some, but not the majority, shouldn't be there.

TED WEINSTEIN: Well--

COUNCIL MEMBER BARRON: At the higher level.

TED WEINSTEIN: --in any particular building, there might be, but again, in terms of total, and there's been a tremendous amount of development in the South Bronx and District One, the great majority of those buildings have been no more than 60 percent AMI, and continue to be.

COUNCIL MEMBER BARRON: I'm talking about this particular project here.

TED WEINSTEIN: This particular, well, but in order to create that diversity and create some opportunity for others, it has to be someplace. This complex, when it's finished, these three buildings, will be a mixture. So, the

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2 first building will be slightly higher, the next
3 building will be lower.

4 COUNCIL MEMBER BARRON: Well, so
5 that I can, so that we can make it simple, 'cause
6 "mixture," general terms like that, what, when
7 it's all said and done, what will be the
8 percentage of the AMI that's 60 and below, when
9 it's all said and done. Understanding it'll be
10 mixed.

11 TED WEINSTEIN: Well, the next
12 building will definitely be--

13 COUNCIL MEMBER BARRON: No, when
14 it's all said and done--the three buildings.

15 TED WEINSTEIN: I understand.
16 It's--

17 COUNCIL MEMBER BARRON: It was your
18 intent, I understand it's not built yet, and it'll
19 be negotiated--

20 TED WEINSTEIN: The reason I'm
21 hesitant is because the third building is sometime
22 off yet in the future, and it'll depend on, on the
23 economy, on the market, on our budget, as well.
24 So, I can say that the intent is that it certainly
25 will be a mix; the next building, the second

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2 building, without question, the intent is that
3 that will be a majority, no more than 60 percent.
4 It'll counterbalance this building.

5 COUNCIL MEMBER BARRON: This
6 building, the percentage is what, again, at 60--

7 TED WEINSTEIN: The majority is at
8 80 percent.

9 COUNCIL MEMBER BARRON: What's the
10 majority? What percentage?

11 TED WEINSTEIN: Approximately 90
12 percent.

13 COUNCIL MEMBER BARRON: See, look
14 at that, 90 percent--75 percent?

15 TED WEINSTEIN: Oh, I'm sorry, 75
16 percent.

17 COUNCIL MEMBER BARRON: 75 percent
18 is at 80 percent of the AMI. [background comment
19 I know, it's 100 percent down here, if they had 70
20 percent, but you're talking about \$60,000-\$70,000
21 is 80 percent of the AMI, about \$60 something?

22 TED WEINSTEIN: 80 percent for a
23 family of four is \$66,000.

24 COUNCIL MEMBER BARRON: \$66,000, so
25 80 percent of these units go to families that are

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2 twice as high as the AMI of the neighborhood,
3 twice as high. Well, you know, I can't go with
4 that, that's, we should do it the flip, it should
5 be flipped. You should go by the percentage of
6 those that are making, what is the percentage of
7 those in the neighborhood making \$66,000? What
8 percentage of the people in the neighborhood make
9 \$66,000?

10 TED WEINSTEIN: This particular
11 census tract in that American Community survey,
12 2005 to 2009, 10 percent of this census tract were
13 people over \$75,000.

14 COUNCIL MEMBER BARRON: Right, so
15 that's ten percent, you see where I'm trying to
16 say to you. How could ten percent afford that,
17 and 75-80 percent of the project is for the ten
18 percent. That doesn't make sense. That just
19 doesn't make sense to me. That doesn't make
20 sense. Anyway, I'm finished.

21 CHAIRPERSON LEVIN: Thank you,
22 Council Member Barron. I, Council Member Arroyo,
23 do you have anything you want to add, or--? It's
24 my question, and I'll keep it brief, is funding
25 structure, how, how are, how is this project

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2 financed? Are there, is it HUD dollars, HPD
3 dollars, DHCR dollars, where is it coming from?
4 Sorry.

5 TED WEINSTEIN: It'll essentially
6 be HDC and HPD funding.

7 CHAIRPERSON LEVIN: Okay, and how
8 much, how much HPD funding is coming in?

9 TED WEINSTEIN: Do you have the
10 exact numbers? I don't. [background comment,
11 pause] About \$10 million of HPD money, right.

12 CHAIRPERSON LEVIN: And that covers
13 the entire pro--the affordable, the affordable
14 units for the entire project.

15 TED WEINSTEIN: [background
16 comments] But that's also HDC. Yeah. So do you
17 have a number for HDC? [background comments]

18 CHAIRPERSON LEVIN: Sorry if you,
19 sorry, man.

20 MATT FELDMAN: The first phase
21 financing is in place, scheduled to close in June.
22 So, we're better able to address that building.
23 The first building will be in HDC re-hop, which is
24 recycled tax exempt bonds, there'll be \$14 million
25 of bonds, approximately \$11 million of HDC

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2 subsidy, approximately \$11 million of HPD subsidy,
3 and \$8 million--

4 CHAIRPERSON LEVIN: I'm sorry, how
5 much HDC subsidy?

6 MATT FELDMAN: HDC, there's \$14
7 million of bonds--

8 CHAIRPERSON LEVIN: 14 bonds.

9 MATT FELDMAN: --and \$11 million of
10 their subsidy.

11 COUNCIL MEMBER BARRON: [off mic]
12 They should have free housing with all of that.

13 MATT FELDMAN: HPD will put in
14 another \$11 and the developer's equity for the
15 first building will be \$8 million. The second
16 building is scheduled as of now, though that's
17 subject to change based on the City's budget
18 cycle, to be a Lamp building, which will be 60--
19 only up to 60 percent of AMI. And that will be
20 bonds and tax credits.

21 CHAIRPERSON LEVIN: And then,
22 sorry, and then the third, or that's still - -

23 MATT FELDMAN: [interposing] The
24 third building, right, is based on HPD's funding
25 available in 2015 fiscal year.

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2 CHAIRPERSON LEVIN: Okay. All
3 right, thanks. Council Member Barron?

4 COUNCIL MEMBER BARRON: Just wanted
5 the board person to understand, you know, why I
6 vote the way I vote. Because, you know, they have
7 all of those millions of dollars and it's called
8 "welfare," they call it cute, subsidies, but it's
9 welfare for these developers, free money. When we
10 get the free money, we're on welfare; when they
11 get the free money, they're on something cute
12 called subsidies. Yeah, either we're all on
13 subsidies or we're all on welfare. But see, they
14 get all of that millions of dollars in subsidies
15 and bonds and all of that stuff, they can make,
16 they can make it much lower, and affordable,
17 because they're getting a lot of free money to do
18 this. And they're still talking about 70-80
19 percent will be for the ten percent, and not the
20 90 percent. So, anyway, I just want to let you--

21 CHAIRPERSON LEVIN: Thank you,
22 Council Member Barron. Thank you very much,
23 Council Member Arroyo. Do you have anything you
24 want to add?

25 COUNCIL MEMBER ARROYO: I

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2 appreciate Council Member Barron's sentiment and
3 support his position, because I think that's one
4 that we members that represent communities like
5 the one I represent, struggle with every single
6 day. I think the credit that I give to the
7 community board in their deliberate discussion
8 about how do we ensure that the families that live
9 in the community, who would not qualify for the 60
10 percent AMI, he goes, they do earn more money,
11 often are not able to get the units that are being
12 developed, because of their income structure. So,
13 we have the in-between families that we need to
14 accommodate for. And the community board has made
15 a very deliberate decision to bring in the 80
16 percent AMI developments to, and to work with HPD,
17 and to ensure that those units go to families that
18 live in the community, so that they're not
19 families that are earning \$60,000 that we're
20 bringing in from somewhere else in the City, but
21 that we're accommodating the families that live in
22 the community, that do earn that income. And we
23 do have them. And they're my constituents, and I
24 have to respond to their requests and their needs,
25 as well. So, I, I defer to the community board in

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2 their, in their discussion, and their decision,
3 because I agree with the, the sentiment that we
4 have to care for all of the families in our
5 community, not just the ones that are earning 30
6 perc--\$30,000 or less. And many earn less, but
7 there are some that earn more, and we have to make
8 sure that we accommodate for their needs, as well.
9 So, I urge my colleagues to please vote yes on
10 this land use application.

11 ARLINE PARKS: And if I may, point
12 well taken, Councilman Barron. But in our
13 district, we have probably the highest
14 concentration of poverty, of any place in the
15 City. And we have had a mass migration of middle
16 class families who have left the district, who we
17 desperately to attract back to that community, to
18 make the community healthy. And it's not to say
19 that we want to exclude anybody from the housing,
20 but we have a holistic need, if I can use that
21 term, to try to attract and create housing for
22 middle class families. And that's what we've been
23 trying to do at, in our district, for quite some
24 time, is to build housing for families at all
25 levels. So that the neighborhood could be healthy

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2 and the institutions that are in that community
3 can be healthy, because they understand that it's
4 just not poverty housing, but it's housing that,
5 that attracts all demographics. And that's what
6 we were trying to accomplish for many years there.
7 But your point is well taken. And I urge the
8 members of the Council to support the initiative.
9 And if we need to go back to the drawing board and
10 try to see if we can increase the number of units
11 that we make available, then we should do that.
12 But we need to, after 44 years, do something on
13 that site, and the time is now, the financing is
14 here. And I think that we can work on some, a
15 mixture, that could get more housing available
16 for, you know, as many as we need. But we really
17 desperately needed to attract middle class
18 families back to that, to that neighborhood,
19 'cause we're losing more of them. I mean, they're
20 coming back because we're building quality,
21 affordable housing, but we need to continue to do
22 that in order to make that neighborhood whole.
23 Thank you for allowing me to speak and thank you
24 for your support, Councilwoman Arroyo.

25 CHAIRPERSON LEVIN: Thank you very

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2 much, Ms. Parks. And thank you, Commissioner
3 Clarke and Mr. Weinstein and Mr. Feldman, I do
4 appreciate your testimony. I think that this
5 project has a lot of good qualities, hearing about
6 it today. Not the least of which is that the
7 project is, regardless of your definition of
8 affordable, there are no market rate, this is not
9 a cross-subsidized development, there are no
10 luxury units that are part of this, it's 428 units
11 that are affordable to some degree, and I think
12 that that is something that we should be looking
13 to do in other places throughout the City. So, I
14 do want to acknowledge the years of hard work that
15 went into, to getting to this day. So, thank you
16 very much. And with that, we are going to--

17 CAROL CLARKE: Thank you.

18 CHAIRPERSON LEVIN: Oh, you're
19 welcome, thank you. And with that, we're going to
20 close the hearing. And I want to acknowledge,
21 also. Council Member Arroyo, for her diligence and
22 congratulations to you. We are going to close the
23 hearing on this particular item, and move onto our
24 next item, which is 610, that's 20125592 HAM,
25 multifamily preservation loan, in community

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2 district number ten in Manhattan, in Council
3 district represented by Committee Member Inez
4 Dickens. And the addresses are 33-65--sorry, 63-
5 65 West 137th Street, 132 West 133rd Street, 125
6 West 133rd Street, 123 West 133rd Street, 119 West
7 133rd Street, 235-37 West 116th Street, 231 and
8 229 West 121st Street. Testifying on this item
9 is, Assistant Commissioner Carol Clarke of HPD,
10 Kim Darga and Dan Goldbard [phonetic].
11 Commissioner Clarke.

12 CAROL CLARKE: Thank you, Mr.
13 Chairman, and Members of the Committee. I'm Carol
14 Clarke, Assistant Commissioner, HPD, joined as you
15 noted by Kim Darga and by Daniel Goldfarb
16 [phonetic] of Artemis Construction. LU 608, known
17 as the Harlem Cluster, consists of the proposed
18 disposition of eight residential dwellings, of
19 which three are occupied and five are vacant. You
20 noted the addresses of all eight of the buildings,
21 Mr. Chairman. Under the Multifamily Preservation
22 Loan program, the sponsor will undertake the
23 rehabilitation of each of these eight buildings.
24 Upon completion, this project will consist of 100
25 residential units of rental housing, including

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2 five superintendent units and one commercial unit.
3 Council Member Dickens has been briefed and has
4 had extensive dialogue with Artemis Construction
5 regarding this project, and is a supporter of it.
6 Thank you.

7 CHAIRPERSON LEVIN: Council Member
8 Dickens?

9 [pause]

10 COUNCIL MEMBER DICKENS: Thank you.
11 good afternoon, and thank you, Chair Levin, and of
12 course to my colleagues. I have worked with
13 Artemis development to ensure that these 95 units
14 in these ten small buildings that makes up this
15 UDAP cluster will preserve affordability. After
16 weeks of negotiations with the developer, Artemis
17 has agreed to five three bedroom units at 50
18 percent AMI, where previously they had not planned
19 for any of the larger units which would
20 accommodate families; nine two bedroom units, of
21 which four will be at 50 percent AMI; and five at
22 80 percent AMI; and ten additional units that were
23 at 130 percent AMI, down to 100 percent AMI. And
24 although 80 percent AMI and above does not address
25 the housing needs of much of my indigenous

1 community, I do recognize that Artemis has
2 committed to area affordable housing, and I, too,
3 am having a community, or the village of Harlem is
4 in transition, and not only are people from all
5 over the country and the world coming into Harlem,
6 there are also the young people, the children, of
7 the people that raise their family, that went to
8 college, they're now, those children are now
9 adults and returning to the community. And it is
10 important that although they may be making a few
11 dollars more than what the area AMI is, that they
12 have to be able to afford to be able to continue
13 to live in the community, so that they're within
14 walking distance of their parents who are no
15 aging. And we have to cognizant of that. In
16 addition to, to talking about affordability in
17 housing, I have been talking with Artemis about
18 addressing the needs of minority owned
19 subcontractors, being employed and having
20 contracts at that site and at other sites that
21 they may have coming up in the future, because in
22 addition to the affordable housing, we have to get
23 jobs at all of these sites. Which is something
24 that we have not been doing and I've been looking
25

1
2 at the report cards of all of our City agencies
3 and it's woefully lacking in the contracts that
4 the MWBEs are able to get and participate in. The
5 preservation of affordable housing for families is
6 vital. And I'm trying to work out a compromise,
7 both for the housing and for employment
8 opportunities, not just as flag wavers, but as
9 contractors, because we have many licensed
10 contractors, electrical, plumbing, the rest of it,
11 and as well as carpentry, and we're, we're dying,
12 in all of the communities, whether we're talking
13 about Brooklyn, Manhattan, Bronx, Queens or Staten
14 Island. We've taken these units that were
15 completely vacant, in very bad shape, they're,
16 most of them are in brownstones so the buildings
17 are small, and tried to create some type of
18 affordability in an area where the prices, the
19 rents, are rising. And so, although I say this,
20 that in addition to the affordability and the
21 contracting, we've got to begin at the City
22 Council, to look at affordable home ownership.
23 Because that's the only way to avoid displacement
24 is where you can own. But it's got to be
25 affordable home ownership. And I ask my

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2 colleagues for their vote in the affirmative.

3 Thank you.

4 CHAIRPERSON LEVIN: Thank you very
5 much, Council Member Dickens. Do any of my
6 colleagues have any questions on this side of--?
7 Seeing none, we'll close the hearing on this item
8 and move to a vote on the two--Move to the vote
9 on, on both items. I'm going to ask Christian
10 Hilton, Counsel to the Committee, to call the
11 role, and I encourage my colleagues to vote aye on
12 both items.

13 COUNSEL: Chair Levin.

14 CHAIRPERSON LEVIN: Aye on all.

15 COUNSEL: Council Member Barron.

16 COUNCIL MEMBER BARRON: May I be
17 excused to explain my vote?

18 CHAIRPERSON LEVIN: Yes, you may.

19 COUNCIL MEMBER BARRON: I'm going
20 to vote no for these two projects, it's going to
21 pass anyway. But I think that when we're talking
22 about, particularly the black and Latino
23 communities, since 2006, we've lost about 50
24 percent of our wealth, and the reason we lost 50
25 percent of our wealth, is because of the housing

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2 crisis. A lot of our families are in foreclosure.
3 Homeownership is the basis of building wealth. So
4 now, we're coming in with a lot of rentals, and I
5 can see rentals as a transition to getting to
6 homeownership once the banks start opening up
7 again, to loan for the building of homes. Right
8 now, everything is rental. And this is why I
9 think we have to have the rentals at an extremely
10 affordable level. If ten, 20 percent of our
11 community is making \$60,000 and over, then that
12 should be the amount of middle class housing
13 available, ten, 20 percent, not 80 percent.
14 Because when they do that, they're getting this
15 land for a dollar. One dollar, plus subsidies, so
16 they're going to make, you know, big bucks off of
17 this, and we're still going to be in poverty,
18 because of the way it's structured. So, I try,
19 and Commissioner Carol will tell you, and my
20 neighborhood, when we go back at it, it's like 70-
21 80 percent has to be at the 60 to 40 percent,
22 correct?

23 CAROL CLARKE: Yes, sir.

24 COUNCIL MEMBER BARRON: Yes. And
25 then, the ten, 20 percent for those who are making

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2 \$60,000-\$70,000, that's how you keep your
3 community stable and ready for homeownership when
4 the market opens back up, because it will
5 eventually, there'll be some loaning for
6 affordable housing. So, I'm going to vote no on
7 these two projects, and hopefully, if they hear
8 more of this, we can get a better arrangement
9 before we get to the full Council vote, because I
10 think the formula should be better for you and for
11 your community. So I hope you don't get, be made
12 at me, but [laughs] and it's probably going to
13 pass anyway. And you know I love both of you.
14 [laughter] And don't forget to vote for my
15 projects when they come up. [laughter] Don't pay
16 me back, now.

17 [background comment, Council Member
18 Dickens "--the contracting"]

19 COUNCIL MEMBER BARRON: No,
20 contracting is a big problem, you know,
21 contracting is a problem, 'cause even when the
22 builders, when they come in and they, they hire
23 the general contractors, we don't get the
24 subcontracts, we don't get general contracting,
25 and we get miniscule jobs. So, it's always a

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2 major problem unless we put our foot down and use
3 the power that we have here to say, "It's not
4 going to go through unless A, B, C happens," no
5 matter what they tell you on how we need to do
6 this to make the project economically viable. So,
7 I have to respectfully vote no for these two
8 projects.

9 [laughter]

10 COUNSEL: Council Member Gonzalez.

11 COUNCIL MEMBER GONZALEZ: [off mic]

12 Yes.

13 COUNSEL: Council Member Dickens.

14 COUNCIL MEMBER DICKENS: Aye on

15 all. [laughs]

16 COUNSEL: Council Member Koo.

17 COUNCIL MEMBER KOO: Aye on all.

18 COUNSEL: By a vote of, vote of
19 four in the affirmative, one in the negative, and
20 no abstentions, LU 608, 609 and 610 are approved
21 and referred to the full Land Use Committee.

22 [background comment, Council Member
23 Barron, "--positive, positive negative vote"]

24 CHAIRPERSON LEVIN: And I want to
25 thank my colleagues, thank you very much, Council

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Member Arroyo for joining us. And with that, the

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meeting is adjourned.

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[gavel]

5

[background noise, silence]

C E R T I F I C A T E

I, JOHN DAVID TONG 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

A handwritten signature in cursive script that reads "John David Tong". The signature is written in black ink and is positioned to the right of the printed word "Signature".

Date June 8, 2012