

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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March 5, 2013
Start: 1:29 p.m.
Recess: 1:45 p.m.

HELD AT: Council Chambers
City Hall

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

COUNCIL MEMBERS:
Council Member Charles Barron
Council Member Inez E. Dickens
Council Member Peter A. Koo

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

Chris Gonzalez
Assistant Commissioner of Government Affairs
Department of Housing, Preservation and Development

Kim Darga
Director, Multifamily Preservation Loan Program
Department of Housing, Preservation and Development

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[gavel]

CHAIRPERSON LEVIN: Good afternoon, welcome to the Subcommittee on Planning, Dispositions and Concessions. I am Council Member Stephen Levin, Chair of the Subcommittee, and I'm joined this afternoon by my colleagues on the Subcommittee, Charles Barron of Brooklyn, Peter Koo of Queens, Inez Dickens of Manhattan. We have two items on the agenda today. And we will start with Land Use No. 774, that's 20135345 HAM. That is 272 Manhattan Avenue in Manhattan. And that is in Community District No. 10, block 1846/31, multifamily preservation loan. This in the district of Committee Member Inez Dickens. And we will have Chris Gonzalez of HPD, Assistant Commissioner, to testify on this item. And Council Member Dickens, do you want to speak on the item?

COUNCIL MEMBER DICKENS: Well, after - - thank you.

CHAIRPERSON LEVIN: Okay.
Commissioner?

CHRIS GONZALEZ: Good afternoon, Members of the Committee, Chair. I am Chris

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2 Gonzalez, Assistant Commissioner of Government
3 Affairs at HPD, and I am joined by Kimberly Darga,
4 HPD's Director of Multifamily Preservation Loan
5 Program. Land Use Item 774 consists of the
6 proposed disposition of one city owned property
7 located at 272 Manhattan Avenue. This project
8 will also be developed under HPD's Multifamily
9 Preservation Loan Program. The sponsor proposes
10 to rehabilitate the, to rehabilitate 272 Manhattan
11 Avenue, containing approximately 56 residential
12 units, for low and middle income families.
13 Currently, there are nine occupied units and 47
14 vacancies. When completed, the project will
15 provide homeownership opportunities for the
16 existing tenants, while the vacant units will be
17 rented to middle income families. Council Member
18 Dickens has been briefed and we believe supports
19 this project.

20 CHAIRPERSON LEVIN: Council Member
21 Dickens first, Council Member Barron, just
22 because--[background comments]

23 COUNCIL MEMBER DICKENS: Good
24 afternoon and thank you, Chair Levin, for allowing
25 me to speak on this behalf. I support this, it's

1
2 been one awful seven years. 272 Manhattan Avenue,
3 we allowed that property to go downhill.

4 Occupied, with residents and families, who lived
5 under decrepit conditions. And it results in only
6 nine families are still remaining in a building as
7 large as this one is, that there will be 56 units.

8 I've been working with the families, even the ones
9 that left, because they couldn't take it any

10 longer. HPD is fully aware that I've been

11 fighting with them, arguing with them, that

12 something had to be done. Several developers were

13 brought in. Nothing ever came about to protect

14 these residents. The residents and I worked

15 together and finally, they came up with a

16 recommended two developers to work together, so

17 that the entire building would be rehabbed, the

18 families that stayed there to make this beautiful

19 building on Manhattan Ave, and it is really

20 beautiful, and I hope that some of the

21 architectural things that are there will be

22 preserved and returned to that building, 'cause

23 sometimes, you know, they're removed and taken

24 elsewhere. So I hope that they will be returned.

25 This is a historic district, and these families

1 will be able to purchase their units for \$1.
2 Those families that stayed, those that stayed
3 there, can buy their units for \$1. And it's
4 important because they fought, and they lived
5 under no water, we're not even talking about hot
6 water, we're talking about no water. And I'm
7 proud of them, because it hurts when you have
8 families that have to live under the conditions
9 that they lived under, and at times HPD knows I
10 fought with them so hard because I felt like they
11 were being deserted. The families felt they were
12 being deserted. I thank the Land Use staff, I
13 thank Amy and Gail because they stood by my side,
14 to fight, that these families should be able to
15 buy their units for a dollar. And so, I support
16 this. I support that there's a coalition of two
17 developers working together, because one couldn't
18 have--they never could come up with one that the
19 families that lived there considered would look
20 after their needs. These two developers are. I'm
21 going to stay on top of this because this is a
22 beautiful building, it's an absolutely gorgeous
23 building, and I intend for this building to
24 remain, or to return to its grandeur. So, yes, I
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ask my colleagues to support this. Thank you.

CHAIRPERSON LEVIN: Thank you,
Council Member Dickens. Council Member Barron.

COUNCIL MEMBER BARRON:
Congratulations. You know, I know that must be
very difficult, 'cause we've had buildings where,
you know, families left because it couldn't be
rehabbed when it needed to be. So that means that
those nine would be, those would be condos or--

COUNCIL MEMBER DICKENS: [off mic]
They're going to own it.

COUNCIL MEMBER BARRON: They own it
'cause it'll be condos. So what are you saying is
low and what are you saying is middle in terms of
the AMI?

CHRIS GONZALEZ: So the nine
condominium units, as the Council Member said,
will be sold for a dollar, and the maintenance
payments will be set at 40 percent of area median
income. And for the middle income units, they
will be affordable to--

COUNCIL MEMBER BARRON: When you
say the maintenance, that's the common charges?

CHRIS GONZALEZ: Yes.

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COUNCIL MEMBER BARRON: Right.

CHRIS GONZALEZ: The middle income units will be afford--for the nine--affordable, up to 165 percent of AMI.

COUNCIL MEMBER BARRON: And what about the low income? You said low and middle.

CHRIS GONZALEZ: The low income units are the--

COUNCIL MEMBER BARRON: Just the nine?

CHRIS GONZALEZ: --existing tenants, yeah.

COUNCIL MEMBER BARRON: So the other 40--Okay, so the other 50-somewhat will be 150 some odd, 60 percent of the AMI?

CHRIS GONZALEZ: Yes.

COUNCIL MEMBER DICKENS: The other 40 whatever.

CHRIS GONZALEZ: 40, yes, it's the remaining 47 rental units, will be affordable up to 165.

COUNCIL MEMBER BARRON: Isn't that kind of high, on there?

COUNCIL MEMBER DICKENS: Those, now

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2 those nine units, those nine units will remain at
3 the 40 percent AMI to make them affordable and the
4 other units really will be subsidizing the--

5 CHRIS GONZALEZ: Yes.

6 COUNCIL MEMBER DICKENS: You didn't
7 say that.

8 CHRIS GONZALEZ: I apologize.

9 CHAIRPERSON LEVIN: Council Member
10 Koo.

11 COUNCIL MEMBER KOO: My question is
12 that I guess I'm fishing, how many units are being
13 sold at, for one dollar? Nine?

14 CHRIS GONZALEZ: It'd be nine, nine
15 units.

16 COUNCIL MEMBER KOO: Out of 56.

17 CHRIS GONZALEZ: So the nine
18 existing tenants will be able to purchase their
19 units for \$1.

20 COUNCIL MEMBER KOO: And what kind
21 of deeds they will receive? They will, they have
22 the same deed like other people? I mean--the
23 deeds they receive. - -

24 CHRIS GONZALEZ: Yeah.

25 COUNCIL MEMBER KOO: I mean, you

1
2 say - - suppose that they, they buy the property,
3 it's only for one dollar, for apartment, can they
4 resell it?

5 KIM DARGA: I can answer that. My
6 name is Kim Darga, I'm the Director of the
7 Multifamily Preservation Loan Program. And good
8 afternoon. The existing, the nine existing
9 tenants will be able to purchase condominium units
10 upon completion of the rehab. There will be
11 ongoing restrictions. So the existing owner, upon
12 the sale of the pro--or the new owner upon the
13 sale of the property, will enter into a regulatory
14 agreement, and there will be an enforcement
15 mortgage, as well. So, they, the enforcement
16 mortgage will actually evaporate over time, so the
17 longer the existing tenants, eventually owners,
18 stay in their property, the more they can
19 potentially sell the property for. But it does
20 evaporate over time. So, if they sell the first
21 year, they essentially have no proceeds; if they
22 stay five years, it's a nominal amount, and it
23 goes up over time.

24 COUNCIL MEMBER KOO: So there are
25 some restrictions.

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2 KIM DARGA: Yes.

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COUNCIL MEMBER KOO: Okay, thank

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you.

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COUNCIL MEMBER DICKENS: Also, what

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is the city doing? Are they giving this building,

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272, to--Manhattan Avenue--to the developers? Or

8

are they purchasing it?

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KIM DARGA: The developer, which is

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a joint venture, between Central Development and

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Artemis Construction, will purchase the property

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for \$1.75 million.

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COUNCIL MEMBER DICKENS: So,

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they're not going to get a subsidy for the

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purchase price.

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KIM DARGA: No. HPD, the city, is

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putting no additional subsidy into the project.

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COUNCIL MEMBER DICKENS: Can the

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City Council get some of that, by the way?

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[laughter]

21

CHAIRPERSON LEVIN: Actually, I was

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going to ask where the proceeds of that sale are

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going to go? Are they general fund, or--?

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KIM DARGA: Yeah, it goes to the

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general fund.

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2 CHAIRPERSON LEVIN: Okay, so--And
3 so, just to be clear, so the homeownership units,
4 they're going to be condos, individual condos, or
5 are they one single condo, how's that, the
6 structure going to work there?

7 KIM DARGA: There will actually be
8 ten condos, so one will be a sponsor owned condos,
9 and those, the 47 rental units will make up that
10 condo. And then, the nine existing tenants will
11 each purchase their own condominium unit within
12 the project, as well. And that'll be, that
13 property, so they'll be under two different
14 ownership, or condominium associations,
15 essentially.

16 CHAIRPERSON LEVIN: Okay, so then
17 the nine units will form a condominium
18 association.

19 KIM DARGA: Yes, exactly.

20 CHAIRPERSON LEVIN: And then the,
21 in terms of real dollars, what are we looking at
22 in terms of the maintenance charges? So it's 40
23 percent of AMI, what does that mean in terms of
24 real dollars?

25 KIM DARGA: Two bedroom is \$675 a

1
2 month. Three bedroom, \$800 a month.

3 CHAIRPERSON LEVIN: Okay. Okay,
4 does anyone have any further questions on this
5 item? Okay, seeing none, we will close out this
6 item. Thank you very much for your testimony.
7 And we are hearing one more item, that's Land Use
8 No. 773, 27 Albany Avenue, that's 20135344 HAK.
9 That is Brooklyn Community District No. 3, in the
10 district represented by Council Member Al Vann,
11 that's district no. 36. Here to testify on this
12 item is Chris Gonzalez, Assistant Commissioner at
13 HPD, and Jack Hammer, the Director of Brooklyn
14 Planning.

15 CHRIS GONZALEZ: Good afternoon,
16 I'm Christopher Gonzalez, Assistant Commissioner
17 of Government Affairs, at HPD. I'm joined by Jack
18 Hammer, HPD's Director of Brooklyn Planning. Land
19 Use Item 773 consists of an amendment to an
20 Article 5 housing development known as Albany
21 Crossing Apartments, located at 27 Albany Avenue.
22 Under the Private Housing Finance Law, a plan and
23 project for the development of 92 residential
24 dwellings and open space, was approved by the
25 Board of Estimate on September 27th, 1979. On

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2 July 29, 2009, the City Council approved the sale
3 of the open space portion from Albany Crossings
4 Apartments, LP, to a new owner, Bedford Stuyvesant
5 South, LLC. Subsequently, the vacant lot was
6 conveyed to BSRC Neighborhood Home, HDFC, who
7 proposes to construct a new multiple dwelling
8 containing approximately 50 units of affordable
9 housing for low and moderate income families and
10 25 accessory parking spaces. Approximately 24
11 percent of the units will be available to persons
12 at 80 percent of AMI, and the remaining will be
13 affordable to persons at 130 to 165 percent of
14 AMI. HPD is currently seeking Council approval to
15 delete the open space portion from the plan and
16 project, in order to permit the new project to
17 proceed. Council Member Vann has indicated his
18 support.

19 CHAIRPERSON LEVIN: Thank you very
20 much, Commissioner Gonzalez. Do any of my
21 colleagues have any questions on this item? Okay.
22 Seeing none, thank you very much for your
23 testimony.

24 CHRIS GONZALEZ: Thank you.

25 CHAIRPERSON LEVIN: And those being

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2 the only two items on the agenda today, I will
3 ask, I'll close the hearing on this item, and I
4 will ask Gail Benjamin, Director of our Land Use
5 Division, to call the roll. I recommend and aye
6 vote on all items.

7 GAIL BENJAMIN: Council Member
8 Levin.

9 CHAIRPERSON LEVIN: Aye on all.

10 GAIL BENJAMIN: Council Member
11 Barron.

12 COUNCIL MEMBER BARRON: May I be
13 excused to explain my vote?

14 CHAIRPERSON LEVIN: Yes.

15 COUNCIL MEMBER BARRON: Normally I
16 would not vote for something with such a high AMI,
17 hundred and what is that, 30-40 percent of the AMI
18 is extremely, 65, lord have mercy. But the nine
19 people that stayed there, and they can get theirs
20 for a dollar, plus the 40 percent for the common
21 charge, 40 percent of AMI for the common charge,
22 I'm going to vote aye on that. On the second one,
23 I think you said 80 percent of the AMI and then
24 130 percent of the AMI, so that will be those
25 making 80 percent is about \$60,000, sixty-

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something thousand.

KIM DARGA: I think 54, maybe.

COUNCIL MEMBER BARRON: You sure?
[background comment] \$68,000. So that's \$68,000,
and then 130 is what?

MALE VOICE: [off mic] It's around
\$110,000.

COUNCIL MEMBER BARRON: Right. I'm
going to vote no on that.

GAIL BENJAMIN: Council Member
Dickens.

COUNCIL MEMBER DICKENS: Aye.

GAIL BENJAMIN: Council Member Koo.

COUNCIL MEMBER KOO: Aye on all.

GAIL BENJAMIN: Okay.

[pause]

COUNCIL MEMBER BARRON: And if I
may, Mr. Chair, just to explain the second vote,
Bedford Stuyvesant is a community that's really
being gentrified. And they lost 14.9 percent of
the black community, and they have an increase of
630 percent whites coming into the neighborhoods.
And it's because of some policies where the area
median--what's the area median income of Bed-Stuy?

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2 It's about \$30,000?

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MALE VOICE: [off mic] Yeah.

4

5 a area neighborhood median income, so that y'all
6 don't think I'm crazy, you have area median income
7 of \$30,000, and then you have a project coming in
8 where low is \$68,000, and then it goes as high as,
9 what, \$100,000. That's how our neighborhoods get
10 gentrified, that's how blacks can no longer afford
11 to live in their own neighborhoods, and whites
12 come in, as what's happening in Bedford Stuyvesant
13 over 600 percent increase in the white population,
14 and a loss of 14.9 percent of the black
15 population. So just to explain my vote.

16

CHAIRPERSON LEVIN: Thank you,

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Council Member Barron.

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19 GAIL BENJAMIN: By a vote of four
20 in the affirmative, zero in the negative, and zero
21 abstentions, LU 774 is adopted; and by a vote of
22 three in the affirmative, one in the negative,
23 zero abstentions, LU 773 is hereby adopted and
referred to the full committee.

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CHAIRPERSON LEVIN: Thank you very

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much, everybody. Thank you very much, Ms.

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Benjamin. And with that, this meeting is closed.

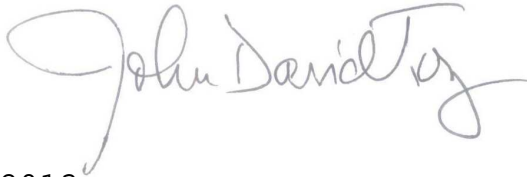
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[gavel]

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 March 20, 2013