

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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June 4, 2013  
Start: 1:23 p.m.  
Recess: 1:46 p.m.

HELD AT: Council Chambers  
City Hall

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

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

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

Christopher Gonzalez  
Assistant Commissioner  
New York City Department of Housing, Preservation and  
Development

Jacqueline Alexander  
Assistant Commissioner  
New York City Department of Housing, Preservation and  
Development

Anna Frantz  
Director of Rehabilitation Loan Programs  
New York City Department of Housing, Preservation and  
Development

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2 CHAIRPERSON LEVIN: Good afternoon.  
3 Sorry for the delay. I was across the street at  
4 an Education budget hearing, but I want to thank  
5 everyone for being with us this afternoon. I want  
6 to thank everyone for being here today. Welcome  
7 to the Subcommittee on Planning, Dispositions and  
8 Concessions. I am Council Member Stephen Levin,  
9 chair of this Subcommittee. I am joined this  
10 afternoon by my colleagues on the Subcommittee,  
11 Council Member Charles Barron of Brooklyn, Council  
12 Member Peter Koo of Queens, Council Member Sara  
13 Gonzalez of Brooklyn, and we have a number of  
14 items on the agenda this afternoon, so we will get  
15 going here. First item, Land Use number 811, The  
16 Heights, 150<sup>th</sup> Street in Manhattan Community  
17 District number 9, 20135527HAM. Testifying on  
18 this item is Christopher Gonzalez and Kimberly  
19 Darga [phonetic] of HPD.

20 ASSISTANT COMMISSIONER GONZALEZ:

21 Good afternoon, Chair Levin, members of the  
22 Subcommittee. I am Christopher Gonzalez,  
23 assistant commissioner of HPD's Office of  
24 Government Affairs. I am joined by Kimberly  
25 Darga, HPD's director of multi-family preservation

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2 loan programs. Land Use item 811 consists of the  
3 proposed disposition of two city-owned buildings  
4 located at 1772 Amsterdam Avenue and 801-05 St.  
5 Nicholas Avenue, also known as the Heights, 150<sup>th</sup>  
6 Street. Under HPD's multi-family preservation  
7 loan program, the sponsor proposed to rehabilitate  
8 the subject properties to create approximately 51  
9 affordable residential properties or units. The  
10 sponsor will also combine the two properties with  
11 a privately owned parcel in order to create a  
12 total of 67 residential units. Council Member  
13 Jackson has been briefed and has indicated his  
14 support. I can take any questions you have.

15 CHAIRPERSON LEVIN: Do any of my  
16 colleagues have questions? Council Member Barron?

17 COUNCIL MEMBER BARRON: [off mic]

18 ASSISTANT COMMISSIONER GONZALEZ:  
19 These units will be affordable to families at or  
20 below 60 percent of area median income, of AMI.

21 COUNCIL MEMBER BARRON: No further  
22 questions.

23 CHAIRPERSON LEVIN: Okay. Thank  
24 you very much, Council Member Barron. Anyone else  
25 have any questions on this item? Seeing none, we

1  
2 will move on to the next item, Land Use number  
3 813, 508 West 134<sup>th</sup> Street in Manhattan Community  
4 District number 9, 20135530HAM. Testifying on  
5 this item Christopher Gonzalez and Jacqueline  
6 Alexander of HPD.

7 ASSISTANT COMMISSIONER GONZALEZ:

8 Good afternoon, Chair Levin, members of the  
9 subcommittee. I am Chris Gonzalez, assistant  
10 commissioner at HPD, and I am joined by Jacqueline  
11 Alexander, assistant commissioner for property  
12 disposition and finance. Land Use item 813  
13 consists of the proposed disposition of city-owned  
14 building located at 508 West 134<sup>th</sup> Street through  
15 HPD's affordable neighborhood cooperative program,  
16 also known as ANCP. Under ANCP buildings in the  
17 tenant interim lease, TIL, pipeline [phonetic] on  
18 track to undergo rehabilitation and cooperative  
19 conversation are conveyed to a non for profit  
20 organization, Restoring Communities HDFC to  
21 oversee the process. Once the rehab is completed  
22 by developers selected through a competitive  
23 process cooperative HDFCs formed by the tenants  
24 take control of their building. Apartments are  
25 sold to existing residents for 2500. The

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2 maintenance levels are set up to 60 percent of  
3 AMI. 508 West 134<sup>th</sup> Street contains a total of 15  
4 housing units of which 11 are occupied. The  
5 remaining four vacant units will be offered for  
6 sale the households with incomes up to 120 percent  
7 of AMI, which will be used to lower the debt on  
8 the building. Council Member Jackson has  
9 indicated his support.

10 CHAIRPERSON LEVIN: Any of my  
11 colleagues have any questions on this item?  
12 Council Member Barron?

13 COUNCIL MEMBER BARRON: First I  
14 want to ask you, I don't know if you would have  
15 the information on this on the prior one and this  
16 one, how much of a tax break are they getting in  
17 terms of numbers tax exemption--how much would  
18 that be? Do you have an idea?

19 ASSISTANT COMMISSIONER ALEXANDER:  
20 We don't have that information--

21 CHAIRPERSON LEVIN: [interposing  
22 Sorry. Can you identify yourself for the record  
23 please?

24 ASSISTANT COMMISSIONER ALEXANDER:  
25 Jacqueline Alexander, assistant commissioner at

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2 HPD. We do do an underwriting analysis, but we  
3 don't have that information with us, but these  
4 projects will receive an Article 11 tax exemption.

5 COUNCIL MEMBER BARRON: Right. I  
6 am just trying to get a sense of--'cause every  
7 time we see tax exemption, there is money taken  
8 out of our - - and I just wanted to see how much  
9 accumulating over a period of time--how much from  
10 the - -

11 ASSISTANT COMMISSIONER ALEXANDER:  
12 Well, the idea is that we are trying to make these  
13 affordable to the existing residents and to be a  
14 source of affordable homeownership opportunities  
15 for the community, so that is why for the existing  
16 residents, they are only paying \$2500 and we are  
17 maintaining an affordability by keeping  
18 maintenance levels up to 60 percent of AMI, so it  
19 is really trying to make it affordable. If we had  
20 taxes that were included within that they had to  
21 pay additional taxes, then it would become  
22 unaffordable for the existing people of the  
23 community.

24 COUNCIL MEMBER BARRON: And the  
25 120, that 120 AMI?

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2 ASSISTANT COMMISSIONER ALEXANDER:

3 It is up to 120 AMI, so it allows us flexibility  
4 in terms of setting sales prices that are  
5 appropriate for that neighborhood and then the  
6 flexibility to have a variety of income groups--  
7 this is moderate income, so we have existing  
8 residents who are being [phonetic] \$2500, and  
9 their incomes are typically lower, so our existing  
10 residents' incomes vary from 30 percent AMI up to  
11 50 percent of AMI, so this provides a little bit  
12 more diversity within the building, but also it is  
13 an affordable product for those who want to move  
14 into affordable cooperatives.

15 COUNCIL MEMBER BARRON: 120 of AMI  
16 is what, about \$100,000?

17 ASSISTANT COMMISSIONER ALEXANDER:  
18 It is \$103,080 for a family of four.

19 COUNCIL MEMBER BARRON: And how  
20 many units would go for that?

21 ASSISTANT COMMISSIONER ALEXANDER:  
22 Only four.

23 COUNCIL MEMBER BARRON: Four? And  
24 the other units?

25 ASSISTANT COMMISSIONER ALEXANDER:



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2 The other units are all being sold to existing  
3 residents for 2500.

4 COUNCIL MEMBER BARRON: 2500?

5 ASSISTANT COMMISSIONER ALEXANDER:

6 Yes.

7 COUNCIL MEMBER BARRON: And that  
8 would be up to the 60 percent of the AMI?

9 ASSISTANT COMMISSIONER ALEXANDER:

10 There is no income--what the existing residents  
11 that are part of our interim [phonetic] buildings,  
12 we do not subject them to income caps, so it is  
13 just \$2500 and the maintenance levels would be set  
14 at 60 percent of AMI.

15 COUNCIL MEMBER BARRON: The  
16 maintenance levels--

17 ASSISTANT COMMISSIONER ALEXANDER:

18 [interposing] That is correct.

19 COUNCIL MEMBER BARRON: And how  
20 many of those units--

21 ASSISTANT COMMISSIONER ALEXANDER:

22 There are 11 occupied units in the building.

23 COUNCIL MEMBER BARRON: 11 and then  
24 the 4--

25 ASSISTANT COMMISSIONER ALEXANDER:

11 of the 15 are occupied and will be purchasing for \$2500.

COUNCIL MEMBER BARRON: And then the other four?

ASSISTANT COMMISSIONER ALEXANDER: The other four will be for moderate income families.

CHAIRPERSON LEVIN: What happens if somebody who is an existing resident doesn't buy, what happens to that unit? Does that then go to the 120 percent or is that - - ?

ASSISTANT COMMISSIONER ALEXANDER: They stay within the building; they just become a renter of the HDFC, and they would be subject to rent stabilization rules of any resident, so they would be a renter of the HDFC if they choose not to purchase.

CHAIRPERSON LEVIN: What if they move out?

ASSISTANT COMMISSIONER ALEXANDER: If they move out, then that unit must be sold. We want to make sure that all units are sold, so that it maintains the viability of the HDFC long-term.

CHAIRPERSON LEVIN: Is it sold to

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somebody up to 120 percent AMI?

ASSISTANT COMMISSIONER ALEXANDER:

It could be. Yes. That is the maximum cap is up to 120 percent of AMI.

CHAIRPERSON LEVIN: So then just

eventually people move out, they own, but maybe the move out over the course of any number of years, the project does eventually go--any vacant unit then goes to 120 percent?

ASSISTANT COMMISSIONER ALEXANDER:

It could. Yes.

CHAIRPERSON LEVIN: Council Member

Barron?

COUNCIL MEMBER BARRON: So why

couldn't we have it in perpetuity and let it not go to 120, let it stay at 60 even if they move out 'cause that guarantees affordability for the unit?

ASSISTANT COMMISSIONER ALEXANDER:

I think one of the challenges that we have with HDFCs is having when units are turning over that they are being sold, and when you are selling them for a lower sales price in order to keep it affordable, you also have keep up with the expenses of the building, so because the building

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2 is going to have debt on it, and existing  
3 residents are paying \$2500 and maintenance levels  
4 are being capped at 60 percent of AMI, these units  
5 need to be able to help sustain the building long-  
6 term, and it keeps it affordable for the rest of  
7 the residents.

8 COUNCIL MEMBER BARRON: I know, but  
9 there is a lot of programs like in the state and  
10 the city that gives this kind of assistance - - I  
11 have some in my district where to avoid that from  
12 happening, they get government assistance, so why  
13 can't that happen instead of taking it out on  
14 tenants? Like different kinds of programs,  
15 subsidies for buildings?

16 ASSISTANT COMMISSIONER GONZALEZ:  
17 Well, I think overall that is the intent of what  
18 we are trying to do here. The assistance maybe  
19 that you are speaking would probably more akin to  
20 a rental model, but this is an affordable home  
21 ownership, so as Assistant Commissioner Alexander  
22 said, we need to make sure that the finances of  
23 the build remain stable therefore, we have folks--  
24 so the value and what people are putting into the  
25 actual building does need to increase to a certain

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2 level, and then if they do choose to sell their  
3 units, then they will see a moderate resale value,  
4 but it will still remain affordable.

5 COUNCIL MEMBER BARRON: What is the  
6 AMI for that area?

7 ASSISTANT COMMISSIONER GONZALEZ:  
8 The AMI for that area--so the average income for  
9 that census track is a little under 20,000.

10 COUNCIL MEMBER BARRON: Okay.

11 CHAIRPERSON LEVIN: Okay. Thank  
12 you very much. No other questions on this item?  
13 Okay. Seeing none, we are going to move on to  
14 Land Use number 839--thank you, Ms. Alexander--  
15 Bronx Community District number 6, 20135674HAX,  
16 East Tremont Portfolio. Testifying on this item,  
17 Christopher Gonzalez of HPD and Anna Frantz  
18 [phonetic] of HPD.

19 ASSISTANT COMMISSIONER GONZALEZ:  
20 Good afternoon Chair Levin, members of the  
21 Subcommittee. I am Chris Gonzalez, assistant  
22 commissioner at HPD. I am joined by Anna Frantz,  
23 HPD's director of rehabilitation loan programs.  
24 Land Use item 839 consists of a proposed tax  
25 exemption for an exemption area located at 1824

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2 and 2028 Washington Avenue, 1991 Bathgate Avenue,  
3 4196 Park Avenue, 4442 and 46 East 176<sup>th</sup> Street,  
4 all known as the East Tremont Portfolio. The  
5 buildings were originally approved for disposition  
6 and tax exemption under HPD's neighborhood  
7 ownership works program, NOW program in 1995. The  
8 sponsor has applied to HPD for rehabilitation  
9 funds and is proposing to convey the exemption  
10 area for a new HDFC. Once rehabilitated, the six  
11 buildings will provide 114 moderate income rental  
12 units. HPD is seeking Council approval to  
13 terminate the prior exemption and replace it with  
14 a new Article 11 tax exemption that will be  
15 coterminous with rehab loan and regulatory  
16 agreement. Council Member Rivera has indicated  
17 his support.

18 CHAIRPERSON LEVIN: Thank you very  
19 much. Council Member Barron?

20 COUNCIL MEMBER BARRON: - - the  
21 affordability for that AMI - - ?

22 ANNA FRANTZ: Hi. I'm Anna Frantz,  
23 director of rehab loan programs here at HPD. So  
24 these buildings are existing occupied building, so  
25 they are tenants in place paying rents that range-

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2 -the majority are below 60 percent AMI with some  
3 that go up to about 80 percent AMI. Vacant rents,  
4 there is about 30 vacant units, which will be set  
5 at 73 percent AMI.

6 COUNCIL MEMBER BARRON: And what is  
7 the local AMI for that catchment area of that...?

8 ANNA FRANTZ: It's about \$28,000.

9 ASSISTANT COMMISSIONER GONZALEZ:  
10 So at 80 percent of AMI is around 68,000 for a  
11 family of four.

12 CHAIRPERSON LEVIN: Do you have any  
13 other questions on this item? Okay. Seeing none,  
14 we are joined by Council Member Inez Dickens of  
15 Manhattan. Next item is 840 and 841. Thank you  
16 very much, Ms. Frantz. These are 1775 houses,  
17 that is 20135675HAM, Manhattan Community District  
18 number 11. That is Land Use number 840, Land Use  
19 number 841, AK Houses, 20135676HAM, Manhattan  
20 Community District 11 for both items. Testifying  
21 on this item, both items, Christopher Gonzalez and  
22 Serena Dang [phonetic] of HPD.

23 ASSISTANT COMMISSIONER GONZALEZ:  
24 Good afternoon, Chair Levin, members of the  
25 Subcommittee. I am Chris Gonzales, assistant

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2 commissioner at HPD, and I am joined by Serena  
3 Dang, director of HPD's HUD multi-family  
4 preservation loan program. Land Use items 840 and  
5 841 consists of two privately owned buildings  
6 originally developed as Article 5 redevelopment  
7 housing companies. HPD is seeking approval of the  
8 voluntary dissolution of the current owners  
9 termination of the tax exemptions and approval of  
10 new Article 11 tax exemptions in order to ensure  
11 the continued long term affordability of the  
12 projects. The exemption area for Land Use item  
13 840 contains one multiple dwelling located at  
14 Block 1775, lots 3 and 6 and provides 254 units of  
15 low income rental housing and one superintendent's  
16 unit. The exemption area for Land Use item 841  
17 contains one multiple dwelling located at block  
18 1775, lots 165 and 168 and provides 156 low income  
19 rental units, and one superintendent's unit.  
20 Council Member Dickens has reviewed both projects  
21 and has indicated her support.

22 CHAIRPERSON LEVIN: Council Member  
23 Dickens?

24 COUNCIL MEMBER DICKENS: I want to  
25 thank [off mic]



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2 CHAIRPERSON LEVIN: Council Member,  
3 I don't think your microphone is on.

4 COUNCIL MEMBER DICKENS: Thank you.  
5 Thank you, Chair Levin, for the opportunity to  
6 speak on behalf of these developments. I would  
7 like to ask my colleagues to support these Article  
8 11 applications for two large affordable housing  
9 developments in my district, Council Member  
10 Barron. The 1775 hours at 107 East 126<sup>th</sup> Street  
11 has a total of 235 units where 69 percent of the  
12 units are at 30 percent AMI--I repeat 69 percent  
13 of the units are at 30 percent AMI, 15 percent are  
14 at 50 percent AMI and 14 percent at 80 percent  
15 AMI, 14 percent I want to make that known. The AK  
16 Houses at 112-126 East 128<sup>th</sup> Street has a total of  
17 157 units with 68 percent of the units at 30  
18 percent AMI, 15 percent of the units at 50 percent  
19 AMI and 14 percent at 80 percent AMI. I am  
20 pleased to lend my support to these two  
21 developments, and I ask my colleagues to vote in a  
22 great and a loud affirmative vote. Preserving  
23 affordable units in the village of Harlem will be  
24 accomplished once again. Thank you, Chair Levin.

25 CHAIRPERSON LEVIN: Thank you,

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2 Council Member Dickens. Congratulations. That is  
3 a great accomplishment. Council Member Barron I  
4 think has a response.

5 COUNCIL MEMBER BARRON: Yes, I do.  
6 There are certain things in life that bring me  
7 great pain, and that is to admit that my home girl  
8 did a good job. This hurts me because this means  
9 that she is creeping ahead of me in the area of  
10 affordability, so I am considering being spiteful  
11 and voting no just for the heck of it, but my  
12 conscience will not allow me to do that. You did  
13 a great job, and I would be glad to support your  
14 project.

15 [background conversation]

16 CHAIRPERSON LEVIN: Excellent job.  
17 Thank you. Any further questions on this item or  
18 comments? Seeing none, thank you very much. We  
19 are going to move onto one more item. It is Land  
20 Use number 843, PRC Shakespeare Avenue,  
21 20135678HAX, Bronx Community Districts numbers 3  
22 and 5. Testifying on this item, Christopher  
23 Gonzalez and Serena Dang of HPD.

24 ASSISTANT COMMISSIONER GONZALEZ:  
25 Good afternoon, Chair Levin, members of the

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2 Subcommittee. I am Chris Gonzalez, assistant  
3 commissioner at HPD. I am joined by Serena Dang,  
4 director of HPD's HUD multi-family preservation  
5 loan programs. Land Use item 843 consists of ten  
6 privately owned multiple dwellings located at  
7 Block 2872, Lots 252, 358, 365, Block 2873, Lot  
8 103, Block 2983, Lot 38, Block 2997, Lots 1, 5, 9,  
9 13, 17, 26 and 39. Originally developed as  
10 Article 5 redevelopment housing companies under  
11 the proposed project Longwood Housing Development  
12 Fund Company together with PRC Shakespeare Avenue  
13 LLC proposes to acquire the exemption area and  
14 rehabilitate the buildings. When completed, the  
15 project will provide 411 low income rental units  
16 and three superintendents'' units. HPD seeks  
17 approval of the voluntary dissolution of the  
18 current owner, termination of the current tax  
19 exemption and approval of a new tax exemption in  
20 order to ensure the continued long term  
21 affordability of the project. Council Members  
22 Rivera and Foster have indicated their support.

23 CHAIRPERSON LEVIN: Any questions  
24 on this item? Council Member Barron?

25 COUNCIL MEMBER BARRON:

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Affordability - - AMI - - ?

ASSISTANT COMMISSIONER GONZALEZ:

These are all below 60 percent AMI. So they are all below 60 percent.

COUNCIL MEMBER BARRON: Thank you.

CHAIRPERSON LEVIN: Okay. Seeing no other questions, we will close out the hearing on that item. There are two items, Land Use numbers 842, that will be laid over and Land Use number 816 will also be laid over and with that I will ask the director of our Land Use division, Gail Benjamin to call the roll on the items that we heard, Land Use number 811, Land Use number 813, Land Use number 839, Land Use number 840, Land Use number 841 and Land Use number 843. I recommend an aye vote on all items.

GAIL BENJAMIN: On approving the resolutions for L.U. 811, L.U. 813, L.U. 839, L.U. 840, L.U. 841, and 843, Council Member Levin?

CHAIRPERSON LEVIN: I vote aye on all?

GAIL BENJAMIN: Council Member Barron?

COUNCIL MEMBER BARRON: I vote aye

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on 811, no on 813, and aye on all the rest.

GAIL BENJAMIN: Council Member  
Gonzalez?

COUNCIL MEMBER GONZALEZ: Aye on  
all, but I also want to congratulate my esteemed  
colleague. You do an incredible job for the  
Council - - [off mic].

COUNCIL MEMBER DICKENS: Thank you  
so much.

GAIL BENJAMIN: Council Member  
Dickens?

COUNCIL MEMBER DICKENS: I vote  
aye, and I want to thank Chris Gonzalez and HPD  
for working very hard to see that the two  
developments, Land Use 840 and 841 were successful  
in the application. And I vote aye.

GAIL BENJAMIN: Council Member Koo?

COUNCIL MEMBER KOO: I vote aye on  
all.

GAIL BENJAMIN: By a vote of five  
in the affirmative, none in the negative, the  
aforementioned L.U. 811, L.U. 839, L.U. 840, L.U.  
841 and L.U. 843 are adopted. By a vote of four  
in the affirmative, one in the negative, L.U. 813

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is adopted.

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CHAIRPERSON LEVIN: Thank you very

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much, Ms. Benjamin. Congratulations to Council

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Member Dickens whose constituents are lucky to

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have such a strong and adamant advocate here at

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the City Council on their behalf. With that, I

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will close this meeting.

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[gavel]

C E R T I F I C A T E

I, Kimberley Campbell 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

Kimberley CampbellDate 6/19/13