

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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July 23, 2013
Start: 9:54 a.m.
Recess: 10:30 a.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
Diana Reyna
Ruben Wills

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

Chris Gonzalez
Acting Assistant Commissioner
Local Legislative Affairs
Housing Preservation & Development

Jacqueline Alexander
Assistant Commissioner
Property Disposition & Finance
Housing Preservation & Development

Gary Sloman
Director of Operations
Division of Housing Supervision.
Housing Preservation & Development

Joseph Lynch
Nixon Peabody

CHAIRPERSON DICKENS: Good morning. I am Inez E. Dickens, Assistant Majority Leader, Temporary Chair for this morning's Planning, Dispositions and Concessions hearing of July 22nd, 2013. We will be laying over Land Use Item 852, Application No. C 130155 PPQ and Council Member Ferreras' district, the USTA expansion. We will also be laying over Land Use Item 867, Application No. 20135776 HAM, 211 West 147th Street in Manhattan in Council Member Jackson's district. We will be laying over Land Use Item No. 868, Application No. 20135773 HAK, 640 Broadway in Brooklyn in Chair Levin's district, and we will be laying over Land Use Item No. 816, Application No. 20135531 HAQ, a proposal from New York City HPD and Disposition of Urban Development Action Area Project in Council Member Wills' district.

We will be hearing this morning Land Use Item No. 842, Application 20135677 HAM, 2353 2nd Avenue in Manhattan in Council Member Mark-Viverito's district, and we will be also hearing and voting on Land Use Item No. 869, Application No. 20135777 HAK, Fulton Street South in Council Member Vann's district.

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2 We are joined here this morning by the
3 Planning Committee's members, Council Member Sara
4 Gonzalez of Brooklyn, Council Member Peter Koo of
5 Queens. We've also been joined here this morning
6 by Council Member Diana Reyna of Brooklyn and
7 Council Member Ruben Wills of Queens.

8 Alright, the first hearing is Land Use
9 Item 842, HPD's Chris Gonzalez, but please identify
10 yourself.

11 ASSISTANT COMMISSIONER GONZALEZ: Good
12 morning. Good morning Chair, Members of the
13 Committee. My name is Chris Gonzalez, Assistant
14 Commissioner of HPD's Office of Government Affairs.
15 Land Use Item 842 consists of the proposed
16 disposition of one city-owned occupied building
17 located at Block 1785, Lot 27, also known as 2353
18 2nd Avenue. Under the proposed project, the
19 sponsor will substantially rehabilitate the
20 building and upon completion will provide nine
21 rental housing units and one commercial unit. The
22 sponsor intends to cluster 2353 2nd Avenue with
23 three privately-owned buildings obtained through
24 the third party transfer program. Council Member
25

1
2 Melissa Mark-Viverito has indicated her support.

3 I'll take any questions you have.

4 CHAIRPERSON DICKENS: Thank you. Is the
5 building currently occupied?

6 ASSISTANT COMMISSIONER GONZALEZ: Yes.
7 There are nine residential units, four occupied
8 and five vacant.

9 CHAIRPERSON DICKENS: What will happen
10 with those four occupied families?

11 ASSISTANT COMMISSIONER GONZALEZ: The
12 four occupied units will have their rent
13 increased basically through the normal RGB rent
14 increases, so their rents are actually relatively
15 low at the moment so it'll be whatever the RGB
16 percentage wedge which I think will be about six
17 percent. The vacant units will be affordable to
18 households earning 100 percent of AMI.

19 CHAIRPERSON DICKENS: 100 percent AMI?

20 ASSISTANT COMMISSIONER GONZALEZ: Yes.

21 CHAIRPERSON DICKENS: So that means
22 that there will be five units that will be at 100
23 percent AMI?

24 ASSISTANT COMMISSIONER GONZALEZ: Yes.
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2 CHAIRPERSON DICKENS: And of the four
3 families that are currently in occupancy, their
4 rents will go up in accordance with Rent
5 Stabilization Guidelines?

6 ASSISTANT COMMISSIONER GONZALEZ: Yes.

7 CHAIRPERSON DICKENS: What are their
8 current rents, please, the average?

9 ASSISTANT COMMISSIONER GONZALEZ: It
10 looks like the average is... it ranges from around
11 250 to around 500.

12 CHAIRPERSON DICKENS: And what size are
13 those units?

14 ASSISTANT COMMISSIONER GONZALEZ: Let's
15 see...

16 CHAIRPERSON DICKENS: The four occupied
17 I'm referring to.

18 ASSISTANT COMMISSIONER GONZALEZ: The
19 four occupied, right. Oh okay. So, we have... you
20 know, unfortunately I don't have that information
21 with me, but I can get that to the Committee
22 though.

23 CHAIRPERSON DICKENS: So you have no
24 idea whether they're one-bedroom, two-bedroom,
25 three-bedroom, what are the size of units that

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2 are in the development? Does anyone at HPD here
3 know?

4 ASSISTANT COMMISSIONER GONZALEZ:

5 Unfortunately, my colleague who was supposed to
6 be here is not available or actually she should
7 be coming in any minute right now, but I don't
8 have...

9 CHAIRPERSON DICKENS: But Deputy

10 Commissioner, this is standard questions. This
11 is not anything out of the norm.

12 ASSISTANT COMMISSIONER GONZALEZ: No, I
13 realize that. I realize that.

14 CHAIRPERSON DICKENS: So in the future
15 please come in with all the information on a
16 development.

17 ASSISTANT COMMISSIONER GONZALEZ: I do
18 apologize.

19 CHAIRPERSON DICKENS: Do my colleagues
20 have any questions? Council Member Reyna?

21 COUNCIL MEMBER REYNA: I'd like to know
22 is this building regulated under the Rent
23 Regulations, is it registered with Rent
24 Regulations THR?

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2 ASSISTANT COMMISSIONER GONZALEZ: Yes,
3 it is.

4 COUNCIL MEMBER REYNA: And 100 percent
5 of AMI would mean that the 30 percent of the... no
6 more than 30 percent of that rent will be
7 charged, of the income will be charged.

8 ASSISTANT COMMISSIONER GONZALEZ: Well,
9 rent regulation does not adhere to a 30 percent
10 income standard.

11 COUNCIL MEMBER REYNA: So the
12 particular rent that will be charged for the five
13 vacant units will deregulate it?

14 ASSISTANT COMMISSIONER GONZALEZ: No.

15 COUNCIL MEMBER REYNA: So, what is the
16 rent, the highest rent charged, in those five
17 vacant units?

18 ASSISTANT COMMISSIONER GONZALEZ: So
19 the rents will be... I don't have the exact rent
20 number... oh, actually I do, I do. So, the rents
21 will be approximately 1800.

22 COUNCIL MEMBER REYNA: So, in two years
23 it'll be deregulated?

24 ASSISTANT COMMISSIONER GONZALEZ: No,
25 because the threshold for decontrol is 2500, so

1 since they'll be registered.. they are registered
2 under Rent Stabilization. They can only be
3 increased whatever the RGB decides the maximum
4 rent increase could be, unless they become vacant
5 and then they..

7 COUNCIL MEMBER REYNA: Multiple times.

8 ASSISTANT COMMISSIONER GONZALEZ:

9 Certainly that is a chance, but we don't expect..

10 COUNCIL MEMBER REYNA: What was the
11 last registered rent for these five units?

12 ASSISTANT COMMISSIONER GONZALEZ: So
13 the registered would be what they're paying now
14 which is between 250 and 500.

15 COUNCIL MEMBER REYNA: And so this is
16 beyond the allowable MCI increase, why is there a
17 jump from 500 being the maximum currently to
18 1800?

19 CHAIRPERSON DICKENS: Excuse me, you've
20 been joined by.. and would you please identify
21 yourself?

22 ASSISTANT COMMISSIONER ALEXANDER:

23 Sure, good morning. My name is Jacqueline
24 Alexander. I'm the Assistant Commissioner at
25 HPD.

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2 CHAIRPERSON DICKENS: Thank you,
3 Commissioner.

4 ASSISTANT COMMISSIONER GONZALEZ: So,
5 there was a question. Council Member, do you
6 want to repeat your question about the apartment
7 sizes, and to answer your question, Council
8 Member, there are no MCI increases that'll be
9 taken.

10 COUNCIL MEMBER REYNA: Madam Chair, I
11 just want to make sure that I clarify. So the
12 rent currently of the occupied units, maximum
13 500, ranging from 250 to 500, in the disposition
14 of this land will now go from 500 being the
15 maximum to 1800?

16 ASSISTANT COMMISSIONER GONZALEZ: No.
17 So, we're talking about two different sets of
18 units, the occupied units...

19 COUNCIL MEMBER REYNA: Yes, I
20 understand. There's an occupied and an
21 unoccupied. The unoccupied will be under what
22 would be a new rent structure?

23 ASSISTANT COMMISSIONER GONZALEZ:
24 Right.

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2 CHAIRPERSON DICKENS: Excuse me. I
3 think that what the Council Member is asking is
4 about the unoccupied..

5 ASSISTANT COMMISSIONER GONZALEZ: Okay.

6 CHAIRPERSON DICKENS: ...the vacant
7 units. The four occupied, we understand, will go
8 up in accordance with Rent Stabilization
9 Guidelines which has a cap on the percentage that
10 it can be increased.

11 ASSISTANT COMMISSIONER GONZALEZ:
12 Right.

13 CHAIRPERSON DICKENS: What I believe
14 she's asking about are the five vacant units.

15 COUNCIL MEMBER REYNA: Which are also
16 rent regulated.

17 ASSISTANT COMMISSIONER ALEXANDER: Yes,
18 they are. If I can just answer this question.

19 CHAIRPERSON DICKENS: However, what is
20 the 1800 then, that it goes from 500 to 1800,
21 it's adjusted for market, is that what it is?

22 ASSISTANT COMMISSIONER ALEXANDER: So,
23 this building is a part of a cluster that you're
24 not seeing. It's a part of some other third
25 party transfer sites that are right within the

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2 vicinity and we want to maximize our subsidy and
3 the leveraging of private financing for this
4 project. So 2353 is a part of a cluster of
5 properties, and so the way that the project is
6 structured, it is for low and moderate income
7 families so there are multiple tiers on the
8 vacant rents. We wanted to make sure that all
9 the existing residents, not only within this
10 building, but within the rest of the cluster are
11 able to maintain be made affordable. And what
12 we've done is for the vacant units that we've
13 gone moderate income in order to offset the need
14 for our subsidy and to make sure that we had
15 sufficient resources available for the project.
16 So in this case you are seeing, just in this one
17 building, you are seeing the vacant rents that
18 are going to be affordable up to 100 percent of
19 AMI, but that's to provide flexibility on the
20 financing as well as to have a mixed tier of
21 affordability for this cluster of buildings.

22 CHAIRPERSON DICKENS: So, I understand,
23 Ms. Alexander, but we're voting on this one and
24 doing this one, so there's no discussion on the
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2 others. So then, what is the AMI? It's not 100,
3 it's what?

4 ASSISTANT COMMISSIONER ALEXANDER: So
5 for the units that are priced at the proposed
6 runs for 1875, the affordability is at 100
7 percent of AMI.

8 CHAIRPERSON DICKENS: 100 percent of
9 AMI?

10 ASSISTANT COMMISSIONER ALEXANDER:
11 That's correct.

12 CHAIRPERSON DICKENS: So then, the
13 rents that were in effect when those five units
14 were occupied was somewhere between 250 and 500?

15 ASSISTANT COMMISSIONER ALEXANDER: So,
16 once... this is a city-owned property, so it's
17 going to be subject to Rent Stabilization upon
18 and exiting city ownership. The initial rents
19 will be set at \$55 dollars per room. That is
20 going to be the initial rent restructuring once
21 it leaves the city ownership. Then at the
22 completion of construction, the rents will be
23 restructured again. As Chris just mentioned, the
24 existing residents are only going to be subject
25 to Rent Stabe increase, that's it, but the vacant

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2 tier rents will have another rent restructuring
3 and then those new rents will be set at that
4 time.

5 CHAIRPERSON DICKENS: And what will
6 those new rents be? That is the question that
7 Council Member Reyna has been asking.

8 ASSISTANT COMMISSIONER ALEXANDER:
9 Sure, and it's \$1875 dollars. So those are for
10 four-bedroom apartments.

11 CHAIRPERSON DICKENS: And that's for
12 middle income in that area?

13 ASSISTANT COMMISSIONER ALEXANDER:
14 That's correct.

15 COUNCIL MEMBER REYNA: Not in that
16 area?

17 CHAIRPERSON DICKENS: Rather
18 prosperous.

19 ASSISTANT COMMISSIONER ALEXANDER:
20 Well, but that is exactly what we're trying to
21 achieve through this project.

22 COUNCIL MEMBER REYNA: The AMI for the
23 community or the AMI for the City of New York?

24 ASSISTANT COMMISSIONER ALEXANDER: So,
25 it is the AMI for the City of New York, but we've

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2 done market studies to make sure that this is
3 actually slightly below the market for this area.
4 So, a 100 percent of AMI based on appraisals and
5 reports received is just below what the market is
6 for that area, so we were making sure that it's
7 still... it is slightly higher for low income, but
8 it's also available for moderate income families
9 within that area.

10 CHAIRPERSON DICKENS: And what are the
11 rents going to be. Excuse me, I'm sorry. Has
12 all your questions been asked?

13 COUNCIL MEMBER REYNA: Well, I still
14 want to go back to the building that was or is a
15 rent-regulated building and the rent structure as
16 to the last registered rent according to the
17 unoccupied apartments...

18 CHAIRPERSON DICKENS: Which is more
19 than 50 percent.

20 COUNCIL MEMBER REYNA: Correct. And
21 I'm questioning the increase, the substantial
22 increase, from what was the last registered rent
23 of those units to what would be upon disposition
24 going up to 1875 as the maximum.

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2 ASSISTANT COMMISSIONER ALEXANDER: So,
3 Council Member, we can get back to you. Once as
4 to when the building entered into city ownership,
5 because once a building enters into city
6 ownership it is no longer subject to rent
7 stabilization. So, we can come back to you and
8 let you know if we have any information on file.

9 COUNCIL MEMBER REYNA: So you're
10 unregulating this?

11 ASSISTANT COMMISSIONER ALEXANDER: Oh,
12 any building that is within city ownership is not
13 subject to rent stabilization.

14 CHAIRPERSON DICKENS: That may be true,
15 Ms. Alexander, but the city and this council has
16 responsibility to all communities to ensure that
17 the community area of residence are able to
18 occupy buildings that are being renovated in
19 their area, and that is why Council Member Reyna
20 and myself are asking these questions for the
21 protection of the area of residence.

22 ASSISTANT COMMISSIONER ALEXANDER:
23 Understood, so we can get back to you with the
24 information as what the rents were, if we have
25 that information, prior to the building coming

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2 into city ownership. We can get you that
3 information.

4 COUNCIL MEMBER REYNA: Voting this
5 today?

6 CHAIRPERSON DICKENS: Yes, we are.

7 COUNCIL MEMBER REYNA: Are we going to
8 get that answer before the vote?

9 CHAIRPERSON DICKENS: I'm sorry?

10 COUNCIL MEMBER REYNA: Are we going to
11 get that answer before the vote?

12 CHAIRPERSON DICKENS: I don't know
13 whether they will be able to provide that answer
14 or not. You'll have to ask HPD that.

15 ASSISTANT COMMISSIONER ALEXANDER: We
16 would have to go back. Right now we would have
17 to go back and check.

18 CHAIRPERSON DICKENS: Can you text your
19 office and...

20 ASSISTANT COMMISSIONER ALEXANDER: We
21 can try, absolutely.

22 CHAIRPERSON DICKENS: So then, there's
23 a possibility, Council Member, that we could get
24 that answer before we vote. I want to go back to
25 one other question. I'd asked what size were the

1 units and the deputy commissioner was unable to
2 provide that information. Can you?

3 ASSISTANT COMMISSIONER GONZALEZ:

4 Right, I believe Ms. Alexander said that all the
5 units are four...

6 ASSISTANT COMMISSIONER ALEXANDER: Four
7 bedrooms.

8 ASSISTANT COMMISSIONER GONZALEZ: ...four
9 bedrooms.

10 CHAIRPERSON DICKENS: All nine units of
11 the...

12 ASSISTANT COMMISSIONER ALEXANDER: Are
13 four bedrooms.

14 ASSISTANT COMMISSIONER GONZALEZ: Are
15 four bedrooms.

16 CHAIRPERSON DICKENS: ...are four
17 bedrooms?

18 ASSISTANT COMMISSIONER ALEXANDER: Yes.

19 CHAIRPERSON DICKENS: Are there any
20 other questions? Thank you.

21 ASSISTANT COMMISSIONER GONZALEZ: Thank
22 you.

23 ASSISTANT COMMISSIONER ALEXANDER:
24 Thank you.
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2 CHAIRPERSON DICKENS: Seeing that there
3 are no other persons here to testify on Land Use
4 842 and also acknowledging that we will be
5 getting to Council Member Reyna's question prior
6 to the vote, we are going to close the public
7 hearing on 842. And we're going to open now on
8 Land Use No. 869, Application 20135777 HAK,
9 Fulton Street South in Council Member Vann's
10 district. Are you, Deputy Commissioner Gonzalez,
11 going to testify on that? Alright.

12 ASSISTANT COMMISSIONER GONZALEZ: Good
13 morning, Chairs, Committee. I'm Christopher
14 Gonzalez, Assistant Commissioner from HPD. I am
15 joined by Gary Sloman, Director of Operations
16 from HPD's Division of Housing Supervision.

17 CHAIRPERSON DICKENS: Good morning.

18 ASSISTANT COMMISSIONER GONZALEZ: And
19 Joe Lynch from Nixon Peabody.

20 CHAIRPERSON DICKENS: And who because I
21 don't see a...

22 JOSEPH LYNCH: Oh, I don't think I
23 filled one out.

24 CHAIRPERSON DICKENS: Did you fill one
25 out?

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2 JOSEPH LYNCH: No, I did not. I'll
3 fill one out...

4 CHAIRPERSON DICKENS: Would you fill
5 one out please?

6 JOSEPH LYNCH: Absolutely, sure.

7 CHAIRPERSON DICKENS: Sergeant at Arms,
8 see that they fill one out please.

9 ASSISTANT COMMISSIONER GONZALEZ: Land
10 Use Item 869 consists of the proposed disposition
11 of a privately owned underutilized vacant lot
12 located at Block 1861, Lot 119, also known as
13 Fulton Street South. Sponsor and redevelopment
14 company formed pursuant to Article 5 of the
15 Private Housing Finance Law is proposing to
16 convey Lot 119 to a new owner that will construct
17 a multiple with a set aside for low income
18 households. Approximately 57 residential
19 dwelling units are planned for the site of which
20 20 percent will be set aside for households
21 earning at or below 80 percent of area median
22 income.

23 Currently HPD is requesting that the
24 Council approve the conveyance of Lot 119 from
25 the current owner to the new owner required by

Section 122 of the Private Housing Finance Law.

Council Member Vann has been briefed and has indicated his support.

CHAIRPERSON DICKENS: Thank you. Did I hear you say it's going to be 57 units, is that?

ASSISTANT COMMISSIONER GONZALEZ: 57 residential dwelling units.

CHAIRPERSON DICKENS: And 20 percent will have an AMI of 80 percent or less, is that what...

ASSISTANT COMMISSIONER GONZALEZ: Correct.

CHAIRPERSON DICKENS: So this is a conclusionary, is that correct?

ASSISTANT COMMISSIONER GONZALEZ: Sort of.

CHAIRPERSON DICKENS: And the remaining units will be at what?

ASSISTANT COMMISSIONER GONZALEZ: The remaining units will be at market.

CHAIRPERSON DICKENS: And what did you estimate in doing your putting this package together, what is market rents going to be set at and what are the size units?

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2 JOSEPH LYNCH: Excuse me for one... I
3 have a...

4 CHAIRPERSON DICKENS: Identify yourself
5 please again?

6 JOSEPH LYNCH: I'm sorry, Joe Lynch
7 from Nixon Peabody. Let me just... there will be
8 57 rental units. 20 percent of them will be at
9 80 percent of AMI, and the rent will be 30
10 percent of AMI for those units.

11 CHAIRPERSON DICKENS: I'm sorry, pull
12 the mic closer to you please.

13 JOSEPH LYNCH: I'm sorry, I'm sorry.
14 And the rents for those units will be 30 percent
15 of 80 percent of AMI for those units. I could
16 just add a little background to this I think will
17 be helpful.

18 CHAIRPERSON DICKENS: Will you say your
19 name again please once more?

20 JOSEPH LYNCH: Sure, it's Joseph Lynch,
21 L Y N C H.

22 CHAIRPERSON DICKENS: And your title?

23 JOSEPH LYNCH: I am counsel was the
24 purchaser at Nixon Peabody. This property, this
25 Article 5 property, is this is vacant land on a

1 Section 8 property right now, and this Section 8
2 property is 100 percent Section 8 and is not
3 going to be... there's going to be no displacement
4 and no affect on the Section 8 building itself.
5 This is vacant land so this is really an addition
6 of low income units onto this already property on
7 Fulton Street. The remaining of the 57 minus the
8 20 percent of the lower income units are going to
9 be market. It's going to be a unit distribution
10 between studios and four-bedroom apartments, and
11 the 20 percent of these will be in proportion
12 with studios and four-bedrooms. This is going to
13 be what you would call a new market tax credit
14 deal with 14,000 square feet of commercia as well
15 to be built on which will benefit not only the
16 new development but also the Section 8 already
17 existing development.
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19 CHAIRPERSON DICKENS: So 80 percent of
20 them will be at market though?

21 JOSEPH LYNCH: Correct, correct.

22 CHAIRPERSON DICKENS: 80 percent of the
23 units will be at market, alright. And how much
24 square footage on the commercial did you say?
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JOSEPH LYNCH: I think it's 14,000.

Let me just double check.

GARY SLOMAN: Let me just add that this is privately owned land and there's no city subsidy in this at all. That this is solely because it's an Article 5 entity that the council is asked to approve this.

JOSEPH LYNCH: 14,000 square feet.

CHAIRPERSON DICKENS: And have you gotten interest in anyone to occupy the commercial?

JOSEPH LYNCH: We're not at that level yet, but this developer, the name of the sponsor is BRP Development, LLC, and they have worked successfully within the Fulton Street corridor with (inaudible) and Restoration Corporation as well as the Council Member Vann.

CHAIRPERSON DICKENS: Who is the developer by the way?

JOSEPH LYNCH: BRP Development, LLC.

CHAIRPERSON DICKENS: And I don't know, and I'm maybe stepping on Council Member Vann's toes a little bit, but has there been any discussion in his support of this that for the

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2 commercial space that there should be a part of a
3 certain number of square footage that would allow
4 locally indigenous commercials to be able to
5 occupy it at a rent that is affordable for them
6 rather than at a market rent, and is that
7 something that the developer would consider, is
8 the developer here?

9 JOSEPH LYNCH: The developer is not
10 here today, but my experience, I've represented
11 the developer for over five years now, and almost
12 at least four of their affordable and middle
13 income housing developments and many of them have
14 a mix of commercial as well, and they've been
15 very successful with the city, and if they were
16 not in Council Member Vann's district, if they
17 were in another council member's district, they
18 have been satisfied with the way that our client
19 has rented the units, not only on the commercial
20 but also on the residential as well. This is a
21 developer who is very acute to the needs of the
22 community, and I am sure through the discussions
23 with Council Member Vann will rent to the right
24 tenants at the right price as well.

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2 CHAIRPERSON DICKENS: Alright, because
3 I am going to ask Council Member Vann to have a
4 discussion with you if that has not been done to
5 try to ensure that indigenous businesses that
6 have stayed in the community during these past
7 few years that have been so devastating to
8 businesses in order to make these communities now
9 something that all the developers want to develop
10 in, we sometimes ask that you take into
11 consideration that they should be allowed to
12 remain and become a part of the developed, the
13 new communities that are being built.

14 JOSEPH LYNCH: Understood, understood.

15 CHAIRPERSON DICKENS: Do any of my
16 colleagues have any questions? We've been joined
17 by Council Member Charles Barron, and I'm sure he
18 has a question.

19 COUNCIL MEMBER BARRON: I wanted to get
20 back with the Council Member Dickens was talking
21 about and the retail, how much retail is coming
22 in?

23 JOSEPH LYNCH: 14,000 square feet of
24 retail and commercial mixed, so...

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2 COUNCIL MEMBER BARRON: It's retail and
3 then how many units are on top?

4 JOSEPH LYNCH: 57 units on top. Of
5 those 57, 20 percent of those units will be for
6 families of 80 percent of AMI or less.

7 COUNCIL MEMBER BARRON: 20 percent?

8 JOSEPH LYNCH: Yes.

9 COUNCIL MEMBER BARRON: And then 80
10 percent would be market?

11 JOSEPH LYNCH: Yes.

12 COUNCIL MEMBER BARRON: That's not
13 good. Do you think that's good for the area?

14 JOSEPH LYNCH: Well, I think that since
15 this is vacant property that's privately owned
16 and we have already, you know, the plan is to
17 create sort of a mixed type use.

18 COUNCIL MEMBER BARRON: Mixed? Well,
19 then why don't you do 50/50?

20 GARY SLOMAN: If I might, Council
21 Member, Gary Sloman from HPD. HPD, in approving
22 this, was very aware that this is privately owned
23 underutilized land, and we believe that getting
24 20 percent of the units at 80 percent of AMI was
25 good for the city.

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2 COUNCIL MEMBER BARRON: Yeah, but I
3 believe if HPD would negotiate a little more
4 challenging for the developer because he could
5 still make money or she could still make money at
6 30, 40 percent of the AMI, they could still make
7 money. I think we come in too low because the
8 421A Law does the 80/20 and we just settle, but I
9 think they're getting away with mega-profits on
10 these developments because they only have to do
11 20 percent affordable, and what area is it
12 located in?

13 GARY SLOMAN: It's on the Fulton Street
14 corridor. If I might, there is no city subsidy
15 in this. There's no tax exemption as part of
16 this transaction.

17 COUNCIL MEMBER BARRON: That's okay, I
18 mean, but that's okay. But they get their own
19 private land. I think if they were more
20 encouraged... the good thing is that they're not
21 getting the land for a dollar and they're not
22 getting subsidies. It's their own land. That's
23 a good thing, but it's still gentrifies the
24 neighborhood. Do you know Bedford-Stuyvesant
25 lost 14.9 percent of its black community and has

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2 an increase of 600 percent whites. 600 percent
3 increase in the white community in Bedford-
4 Stuyvesant and losing 14.9 percent. The same
5 thing in Harlem and Crown Heights and other areas
6 of the city because of programs like this that
7 people who live in a neighborhood can't even
8 afford to advantage of these homes or apartments
9 because of the market rent. So I'm just
10 concerned about gentrification. This is how
11 neighborhoods are gentrified through housing
12 policies. Some of us call it the new Jim Crowism
13 because they're able to get into or make it
14 unaffordable. Do you know that the neighborhood
15 AMI for Bedford-Stuyvesant?

16 GARY SLOMAN: Not off the top of my
17 head.

18 COUNCIL MEMBER BARRON: So you should.
19 If you're developing in Bedford-Stuyvesant and
20 you come before this committee with, you know, 80
21 percent of the AMI which is \$68,000 dollars,
22 correct?

23 ASSISTANT COMMISSIONER GONZALEZ: Yes,
24 and the AMI for the...

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2 COUNCIL MEMBER BARRON: It's 30-
3 something, what?

4 ASSISTANT COMMISSIONER GONZALEZ: Yeah,
5 it's about at 60 percent AMI.

6 COUNCIL MEMBER BARRON: Right, which
7 is?

8 ASSISTANT COMMISSIONER GONZALEZ: 39.

9 COUNCIL MEMBER BARRON: Right. So you
10 have a neighborhood that has a 30-plus AMI,
11 you're coming in, this is my problem with this,
12 neighborhood AMI 39,000 for a family of four.
13 This project, no one in that range meets the
14 income requirement of this project, because even
15 the so-called affordability as you define it,
16 which I don't agree with you, 80 percent of the
17 AMI is not affordable for our neighborhoods. The
18 AMI for New York City is, what, 83,000?

19 ASSISTANT COMMISSIONER GONZALEZ: Uh-
20 hm.

21 COUNCIL MEMBER BARRON: 83,000 for a
22 family of four. 80 percent of that is 68,000,
23 but the neighborhood AMI is 39,000, so how is
24 that affordable? How is that affordable? Not
25 even the 20 percent is affordable. Even if you...

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2 and I know there are people in our neighborhood
3 that do make 68,000, but if you're gonna have 80
4 percent market and then the 20 percent is 68,000,
5 nothing is affordable for those making 39.

6 JOSEPH LYNCH: That's understood,
7 Council Member. This is not at 80 percent
8 though. This is up to 80 percent and...

9 COUNCIL MEMBER BARRON: Excuse me, sir.
10 When you put 80 percent that's what the
11 developer's going to get. If you say up to 80
12 percent and someone comes in 40 percent income
13 and the other has 80 percent, they're taking the
14 80 percent. My experience in this is that the 80
15 percent and you know the 80 percent is what
16 happens. So, see, when you come and tell me it's
17 up to, you know, everything's up to. Even if you
18 said it was 400 percent of the AMI, it's up to
19 that, so if someone comes to you with an income
20 of 400 percent of the AMI and I come with 40
21 percent of the AMI, who's getting in?

22 ASSISTANT COMMISSIONER GONZALEZ:
23 Right, and, you know, we hear you loud and clear.
24 I think, you know, the one distinction which
25

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2 we've made is that this is private owned land
3 versus...

4 COUNCIL MEMBER BARRON: I understand.

5 ASSISTANT COMMISSIONER GONZALEZ:

6 ..public owned land which, you know, do try to
7 make and...

8 CHAIRPERSON DICKENS: Excuse me, Deputy
9 Commissioner. I'm going to break in at this
10 point, and I appreciate my colleague who is the
11 conscience of this council on many issues and
12 raising the issues that he does, but we have Land
13 Use that's waiting and then there's some issues
14 for Council Member Reyna that we need to, so I'm
15 going to cut in with my colleague's permission?

16 COUNCIL MEMBER BARRON: Absolutely.

17 CHAIRPERSON DICKENS: In order that we
18 can vote on this.

19 ASSISTANT COMMISSIONER GONZALEZ: Okay.

20 CHAIRPERSON DICKENS: Are there any
21 other questions from my colleagues? Alright,
22 we're going to close the public hearing on Land
23 Use No. 869. Before I ask Anne to please take
24 the roll, call the vote, I want to acknowledge
25 the Sergeant of Arms today, Angel Chuconi and

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2 James Preston, my phenomenal council Land Use
3 staff for all the hard work that they always do.
4 Now, I'm going to ask that Anne take a roll call
5 vote on Land Use 869 and 842 for approval. The
6 Chair's recommending an Aye vote on both.

7 ROLL CALL: Chair Dickens? You're
8 going to vote...

9 CHAIRPERSON DICKENS: Aye.

10 ROLL CALL: Council Member Barron?

11 COUNCIL MEMBER BARRON: May I be
12 excused to explain my vote. Madam Chair, I just
13 wanted to ask about the other project.

14 CHAIRPERSON DICKENS: Yes.

15 COUNCIL MEMBER BARRON: The five new
16 units that's being built, they can raise that up
17 to 100 percent of the AMI is my understanding, is
18 that correct?

19 CHAIRPERSON DICKENS: Sorry, Council
20 Member, I apologize.

21 COUNCIL MEMBER BARRON: Of the other
22 project, I know there's four that's at, I think,
23 \$250 dollars a month rent, whatever, but when
24 they build the new ones they can raise it as high
25 as 100 percent of the AMI?

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2 CHAIRPERSON DICKENS: Yes, yes, you're
3 correct.

4 COUNCIL MEMBER BARRON: I vote No on
5 both items.

6 ROLL CALL: Council Member Gonzalez?

7 COUNCIL MEMBER GONZALEZ: Aye on all.

8 ROLL CALL: Council Member Koo?

9 COUNCIL MEMBER KOO: Double Aye.

10 ROLL CALL: By a vote of three in the
11 affirmative and one in the negative, Land Use
12 Items 842 and 869 are approved and referred to
13 the Full Land Use Committee.

14 CHAIRPERSON DICKENS: Thank you. Now
15 before this is hearing is adjourned, I want to
16 say to Deputy Commissioner Gonzalez and all of
17 HPD, Ms. Alexander, that tomorrow we will be
18 having another Planning hearing, Wednesday, July
19 24th at 11:00 a.m. here in the Chambers with Land
20 Use hearing is going to have to follow
21 immediately after at 11:15 approximately. There
22 is an open question that has not been answered
23 that was asked by Council Member Diana Reyna. I
24 do expect that tomorrow at that hearing... do you
25 have that answer now? Alright, I'm going to

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2 close the hearing but then I want you to please
3 come and give her the answer. This hearing of
4 Tuesday, the 23rd of July, is hereby adjourned.
5 There will be a new Planning hearing that will be
6 scheduled tomorrow, July 24th, at 11:00 a.m. here
7 in the Chambers with Land Use hearing following
8 immediately here in the Chambers at approximately
9 11:15 a.m.

10 Alright, before we adjourn, because I
11 have not adjourned yet, I'm going to ask would
12 Ms. Alexander, would you please come and identify
13 yourself again and give your answer to this
14 committee for the record?

15 ASSISTANT COMMISSIONER ALEXANDER:

16 Sure. Jacqueline Alexander, Assistant
17 Commissioner at HPD. The building in question,
18 2353 2nd Avenue, came into city ownership in
19 October of 1978. Our records in terms of rent
20 and registration go back 10 years. We would need
21 to request from ACR if they have information
22 pertaining to back to prior to the building
23 coming into city ownership back in 1978 so we
24 would have to obtain that information from them.

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2 COUNCIL MEMBER REYNA: And the last
3 registered rent?

4 ASSISTANT COMMISSIONER ALEXANDER:
5 Would have been prior to it coming into city
6 ownership back in 1978.

7 CHAIRPERSON DICKENS: But she's still
8 asking what are those rents, is that correct?

9 ASSISTANT COMMISSIONER ALEXANDER:
10 Right, I'm saying that our internal records only
11 go back 10 years with HCR rent and registration
12 so we would have to request and see if HCR has
13 records on rent and registration dating back to
14 1978.

15 CHAIRPERSON DICKENS: This Chair is
16 asking that you please do that.

17 ASSISTANT COMMISSIONER ALEXANDER:
18 Okay.

19 CHAIRPERSON DICKENS: And tomorrow be
20 prepared to present that.

21 ASSISTANT COMMISSIONER ALEXANDER:
22 Okay.

23 CHAIRPERSON DICKENS: Thank you. This
24 hearing is hereby adjourned. [gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date 07/23/2013