

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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February 11, 2014
Start: 01:00 p.m.
Recess: 01:36 p.m.

HELD AT: 250 Broadway - Committee Rm,
16th Fl.

B E F O R E:
INEZ E. DICKENS
Chairperson

COUNCIL MEMBERS:
ANDREW COHEN
DARLENE MEALY
YDANIS A. RODRIGUEZ
MARK TREYGER

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

2 [gavel]

3 CHAIRPERSON DICKENS: Good afternoon.

4 Welcome to the Subcommittee on Planning,
5 Dispositions, and Concessions[phonetic]. I'm the
6 Chair Council Member Inez Dickens. We've been
7 joined by the Chair of the full Land Use Committee,
8 Council Member Chair Greenfield and the committee
9 members Council Member Cohen from the Bronx and
10 Council Member Treyger from Brooklyn. With two
11 members we, and myself we have a Quorum thank god.
12 We have two applications before us. Land Use number
13 14, application 20145276 HAX Fairmont Place in
14 Council Member Arroyo's district of the Bronx. And
15 the second Land Use item 17, application C140077
16 HAQ Ocean Village in Queens in Council Member
17 Donoven Richards' district. We have, for the first
18 item Fairmont Place, Land Use four, number 14 in
19 the Bronx in Council Member Arroyo's district we
20 have our very own HPD, the deputy, or assistant
21 deputy, associate deputy, whatever the new titles
22 are at HPD these days, Chris Gonzalez. And also We
23 have Mark, Mark please give me your pronunciation.

24 MARK MIGLIACCI: Migliacci.
25

2 CHAIRPERSON DICKENS: Migliacci, that's
3 a full, a mouth full. And what is your title?

4 MARK MIGLIACCI: I'm the Director of
5 Asset Management at HPD.

6 CHAIRPERSON DICKENS: At HPD, thank you.

7 CHRIS GONZALEZ: Good afternoon Chair
8 Dickens, Chair Greenfield, members of the
9 subcommittee. I am Chris Gonzalez, Associate
10 Commissioner at HPD. I'm joined by Mark Migliacci,
11 Director of Asset Management at HPD. Land Use item
12 number 14 consists of a proposed exemption area
13 containing one multiple dwelling with 26 units of
14 low income rental housing located at 793 Fairmont
15 Place. On June 28th, 1995 the City Council approved
16 the disposition and partial tax exemption under the
17 Neighborhood Ownership Works Program. The owner has
18 been, the owner has been unable to make its partial
19 tax payments and been occurring tax arrears. In
20 order to preserve its affordability HPD is before
21 the council seeking to amend the prior approved
22 resolution by providing a full 40 year tax
23 exemption retroactive to 1996. Council Member
24 Arroyo has been briefed and indicated her support.
25 We'll take whatever questions you have.

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2 COUNCIL MEMBER DICKENS: So in actuality
3 this is just an amendment to the prior tax approval
4 that was passed?

5 CHRIS GONZALEZ: Correct.

6 COUNCIL MEMBER DICKENS: Alright, so
7 it's, it's 26 affordable units?

8 CHRIS GONZALEZ: Correct.

9 COUNCIL MEMBER DICKENS: Can you tell me
10 what the AMIs are?

11 CHRIS GONZALEZ: The program is capped
12 out at 120 AMI but the current rents range from
13 around 602 to 1113 dollars.

14 [crosstalk]

15 COUNCIL MEMBER DICKENS: Go ahead.

16 CHRIS GONZALEZ: But I wanted to point
17 that the, these are rent stabilized units so
18 they're capped out at 120 but they still can only,
19 the rents can only increase through...

20 [crosstalk]

21 COUNCIL MEMBER DICKENS: The approved
22 rent stabilization that's done annually in October
23 first is when they are passed. That's when it's
24 effective.

25 CHRIS GONZALEZ: Correct.

2 COUNCIL MEMBER DICKENS: I know.

3 [laughter]

4 COUNCIL MEMBER DICKENS: Do any of,
5 that's a first I will ask our Land Use Chair Green,
6 Council Member Greenfield do you have any
7 questions.

8 CHAIRPERSON GREENFIELD: Thank you
9 Chris. Just wondering the condition of the
10 property. Are there any violations currently on the
11 property?

12 CHRIS GONZALEZ: We don't have the
13 violation count with us but and we can...

14 CHAIRPERSON GREENFIELD: Can you just
15 check. The only reason I'm concerned is because
16 the, obviously the land owner's been unable to make
17 tax payments then certainly we're more than willing
18 and happy to accommodate especially considering
19 it's a low income...

20 CHRIS GONZALEZ: Actually we, we do have
21 it.

22 CHAIRPERSON GREENFIELD: Okay, yes.

23 CHRIS GONZALEZ: It looks like there are
24 16 A violations, 34 B violations, and 3 C
25 violations. And this is as of last month.

2 CHAIRPERSON GREENFIELD: So, my concern,
3 I just want to throw it out there...

4 CHRIS GONZALEZ: Mm-hmm.

5 CHAIRPERSON GREENFIELD: ...is that if a
6 landlord who can't pay his or her taxes right and
7 there are people who are currently living there and
8 we're going to, about to provide them with a
9 significant benefit right which is to retroactively
10 allow them to effectively wipe out their taxes, I'm
11 just concerned about is, is the landlord in fact
12 going to utilize that to improve, make improvements
13 to the property or are we going to see the status
14 quo. I don't really want to, I don't really want to
15 incentivize folks not to be fixing their properties
16 just because they happen to be low income units.

17 CHRIS GONZALEZ: We absolutely agree
18 with you on that and, and it's why we scrutinize
19 the, the, the terms of a tax exemption as much as
20 possible. What's, what I want to point out with
21 this property in particular is that we are
22 requiring third party management moving forward.

23 CHAIRPERSON GREENFIELD: Okay.

24
25

2 CHRIS GONZALEZ: So that should help
3 ensure that the property remains in good order and
4 in good financial order as well.

5 CHAIRPERSON GREENFIELD: That's a
6 condition of the, of this, of this application?

7 CHRIS GONZALEZ: Correct.

8 CHAIRPERSON GREENFIELD: Okay, okay I
9 appreciate that. Thank you.

10 CHAIRPERSON DICKENS: Also Mr. Gonzalez
11 frequently when they fall into tax arrears it
12 doesn't signify bad, that they are intentionally
13 bad but frequently trying to keep our units as
14 affordable as possible means that frequently they
15 do fall into, to repair is that correct.

16 CHRIS GONZALEZ: Well I mean yes, we
17 certainly try to you know review and oversee these
18 properties as much as possible. I think through,
19 through, through Marks division of Asset Management
20 division you know that's basically their charges to
21 make sure that the, that these properties are as
22 physically and financially healthy as possible.

23 CHAIRPERSON DICKENS: Now rent
24 stabilization means that they may have subsidy,
25 they may not. Are any of these units subsidized?

2 MARK MIGLIACCI: [crosstalk] section
3 eight subsidy or...

4 CHAIRPERSON DICKENS: Any, they, they
5 could be section eight yes.

6 MARK MIGLIACCI: I'm not sure. I have
7 the, the rent roll in front of me. It, it appears
8 that there may be some section eight though. I
9 don't have full information on that right now. So
10 there may be some subsidy in the units. But I would
11 just add when Chris was reading what the actual
12 rents are at the moment that I, I looked at that
13 before this meeting and that translates to about 50
14 for most units, 50 to 60 percent variant immediate
15 income and some of the units are at about 80
16 percent of variant immediate income. And some of
17 the units are at, at about 80 percent of variant
18 immediate income. Though I'm sorry I don't have the
19 full subsidy information... [crosstalk]

20 CHAIRPERSON DICKENS: Or could you get
21 me that information because I know rent
22 stabilization usually frequently is not subsidized
23 which means they're not getting assistance but they
24 could be getting a few units that are subsidized so
25 I'd like to know how many and what sizes are, are

2 getting, if at all any type of assistance to help
3 them.

4 MARK MIGLIACCI: We'll try to get that
5 to you as quickly as possible.

6 CHAIRPERSON DICKENS: Thank you and do
7 any of the committee members have any questions.
8 Please.

9 COUNCIL MEMBER TREYGER: Thank you,
10 thank you Chair Dickens and I just want to echo the
11 comments of Chair Greenfield. If, if there's any
12 landlord that's looking you know, that, that needs
13 a city's support you know to, to incentivize you
14 know to preserve or, or to build affordable housing
15 units let's make sure that these properties are
16 well maintained and well looked, looked after. And
17 quite frankly I think that the violations should be
18 resolved first before coming back to the government
19 to ask for more incentives or to preserve certain
20 incentives so I want to echo and basically I wanted
21 my comments with, with the Chair, Chair Greenfield
22 to say that it's, it's crucial that we provide
23 proper oversight over these properties to make sure
24 that, that the, the residents are living safely and
25 the properties are being well maintained.

2 CHAIRPERSON DICKENS: Now would you
3 please explain what the third party management is.

4 CHRIS GONZALEZ: Sure, as part of a sort
5 of a comprehensive, workout with the owner, with
6 Aquinas Housing and CFC, we had contracted or we
7 worked with them to identify a third party manager.
8 The management company is Wavecrest Management and
9 they're currently managing all the properties in
10 Aquinas' portfolio. So that was part of a, a larger
11 discussion with them about these broader issues of
12 financial and physical wellbeing of the properties.

13 CHAIRPERSON DICKENS: Now this
14 Wavecrest, is that a, a, a large management firm
15 and if so do they have a, what is their history
16 with HPD as it relates to management of prior firms
17 is it a minority contract?

18 CHRIS GONZALEZ: I believe it is not a
19 minority contract. However Wavecrest is a large
20 management company. I'd say approximately 20,000
21 units under management. They manage a lot of
22 properties with, with HPD projects. Though I don't
23 have exact numbers on that for you so...

24 CHAIRPERSON DICKENS: Do they have any,
25 what has been the history as far as management

2 concerns? Any of their other developments, are
3 they, do they have any of the developments that are
4 currently with HPD that they're managing? Do they
5 have any violations class a or class b?

6 CHRIS GONZALEZ: I mean, as Mark said
7 the Wavecrest is definitely one of, one of the
8 management companies that manages a, a, a sizable
9 portion of, of HPD's portfolio. We don't have
10 violation numbers with us I mean because it is
11 quite a, a large portfolio. We could certainly
12 produce those numbers but it, it might take us a, a
13 little bit of time to get that information to you.

14 CHAIRPERSON DICKENS: Maybe Chair
15 Greenfield would like to have those numbers on
16 Wavecrest. How many units they are currently
17 managing and how many of those developments have
18 class A violations and class B violations.

19 CHAIRPERSON GREENFIELD: Thank you,
20 thank you Madam Chair. And you know we're not
21 trying to upend the whole system. It, you know the
22 beginning of our process so we're going to allow
23 for a certain, certainly a certain amount of leeway
24 considering that there's been I guess a past
25 precedence although I don't think we're committed

2 to those precedents. But I, I do think we have a
3 general concern over the idea of giving a, a public
4 benefit to a affordable housing project which is
5 going to benefit the landlord but quite frankly
6 will not necessarily benefit the residents of those
7 units and especially with that many open
8 violations. I think we're concerned about whether
9 there is a plan in fact in place to resolve those
10 violations and do what my colleague Council Member
11 Treyger just said. I think it's a good point. In
12 general we would prefer to see those violations;
13 those violations repaired before the city comes
14 back and gives them a big tax break. And I would
15 certainly say that in the future just from my
16 perspective as a member and chair of a, the
17 committee we, we will be placing more scrutiny on
18 that particular issue so just sort of as a heads up
19 to you folks at HPD that we would appreciate if
20 that, if those conversations would happen and those
21 issues were resolved before there was an
22 application to us to provide retroactive and future
23 tax ascendants because it seems like the least we
24 can do for the residents. So we would like to have,
25 just in this particular case, before we vote on it

2 on Thursday it would be helpful to have sort of
3 just at the very least, let's call it a plan of
4 action and the history with new management so that
5 we can have some assurance that when we're giving a
6 significant tax benefit to a landlord that that
7 benefit in fact is going through to the tenants who
8 have to live in conditions where they're under
9 violations. Is that fair?

10 CHRIS GONZALEZ: Absolutely.

11 CHAIRPERSON GREENFIELD: Right.

12 CHRIS GONZALEZ: And you know we'll take
13 a look at this specific property and get you the
14 information you need and the plan that you need
15 prior to...

16 CHAIRPERSON GREENFIELD: And if, if
17 there could be some sort of specific plan that
18 either is it Wavecrest, is that what he said...
19 [crosstalk]

20 CHRIS GONZALEZ: Mm-hmm.

21 CHAIRPERSON GREENFIELD: ...is that what
22 he said the management firm and the landlord could
23 come up with and sort of say here's what we intend
24 on, on doing over, you know going forward I think
25 that would be helpful for us as well and give us a

2 comfort level. And just in general in the future I
3 think that's something that we'd, we'd like to see.

4 CHRIS GONZALEZ: Noted we'll... [cross-
5 talk] make sure we're prepared... [crosstalk]

6 CHAIRPERSON DICKENS: [interpose]
7 ...Wavecrest in the, in the audience?

8 CHAIRPERSON GREENFIELD: Thank you.

9 CHAIRPERSON DICKENS: Is Wavecrest in
10 the audience or because since they do manage so
11 many units within the HPD portfolio I think it
12 would be a good idea Chair Greenfield that we do
13 have a, a knowledge, a basic knowledge of, of how
14 their managements works and if there are other
15 buildings that have significant class a violations.
16 Alright well thank you so much. So I'm going to
17 close... Are, are there any other comments by
18 colleagues? And we've been joined by the way by
19 Council Member Ydanis Rodriguez and by Council
20 Member Darlene Mealy both who are members of this
21 Committee. Do, do either of you have any questions
22 as relates to Fairmont Place. Alright no. Then I'm
23 going to close on Land Use number 14, application
24 20145276 HAX and now open the public hearing on
25 Fairmont Place and we're going to open on Land Use

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS, AND CONCESSIONS 16
2 number 17, application C140077 HAQ, Ocean Village
3 in Council Member Richards' district which is a
4 small strip of land and it's a UDAC[phonetic]
5 designation disposition at Rockaway Beach
6 Boulevard. So we have to testify again Chris
7 Gonzalez from HPD and also Charles Marcus, what's
8 your title?

9 CHARLES MARCUS: Director of Operations
10 for HPD Planning Division.

11 CHAIRPERSON DICKENS: Alright of HPD.
12 Thank you both.

13 CHRIS GONZALEZ: Good afternoon Chair
14 Dickens, Chair Greenfield, members of the
15 Subcommittee. I'm Chris Gonzalez, Associate
16 Commissioner at HPD. I'm joined by Charles Marcus,
17 Director of Operations from HPD's Division of
18 Planning, Marketing, and Sustainability. Land Use
19 item 17 consists of the proposed uniform Land Use
20 review procedure action to approve the Urban
21 Development Action Area designation and disposition
22 of city owned land located at 57-21 Rockaway Beach
23 Boulevard and is known as Ocean Village
24 Disposition. The project area is a narrow strip of
25 land adjacent to Ocean Village affordable house,

2 the Ocean Village affordable housing complex a
3 1,093 unit Mitchell-Lama Development originally
4 constructed in 1974. The disposition area is
5 located within the Arverne Urban Renewal area and
6 was originally intended to be part of the proposed
7 street widening therefore was not part of the Ocean
8 Village site and has remained in city ownership.
9 However the previous owner Ocean village located
10 the primary entrance to the development on the
11 disposition area including the main entrance
12 staircase and pedestrian ramp as well as a
13 landscaped area with grass, trees, planters,
14 retaining walls, and fencing. The street widening
15 was de-mapped in 2003. The Ocean Village complex
16 was acquired by a new owner in 2012 after it fell
17 into disrepair and is currently undergoing a major
18 rehabilitation funded by the New York City Housing
19 Development Corporation. The disposition site will
20 be a rehabilitated and will continue to function as
21 an entrance to Ocean Village including the
22 installation of a new ADA compliant ramp. No new
23 construction or development will be done on this
24 disposition site. Council Member Richards has been
25

2 briefed and has approved. We'll take whatever
3 questions you have. Thanks.

4 CHAIRPERSON DICKENS: Thank you so much.
5 Now this, how, how wide, how big is this, how much
6 square footage is in this strip of land, just
7 approximate...

8 CHRIS GONZALEZ: It's approximately
9 27,000... [crosstalk]

10 CHARLES MARCUS: It's actually 20...
11 [crosstalk]

12 CHRIS GONZALEZ: 2700 right?

13 CHARLES MARCUS: 21,700. [interpose,
14 crosstalk]

15 CHRIS GONZALEZ: Oh, okay so we... 21,700
16 square feet.

17 CHAIRPERSON DICKENS: Well that's pretty
18 big. Now what, what is this strip of land going to
19 be used for?

20 CHRIS GONZALEZ: It's going to, well
21 basically it'll be used to construct a new ADA
22 compliant ramp but really this, this strip of land
23 is at the entrance of what's a rather large... Ocean
24 Village is a rather large housing development so
25

2 it'll be really just used and incorporated into
3 the, the Ocean Village land.

4 CHARLES MARCUS: It's, it's a narrow,
5 it's narrow, and it's effectively already part of
6 Ocean Village. The previous owner or maybe the
7 owner before that we're, we're not really sure
8 developed the entrance to the building and
9 retaining walls and plantings on this strip.
10 Shouldn't have done that, it's really city owned
11 land and this, it came to light when the current
12 owner was getting ready to purchase the property
13 and to refinance it. And so the, the current owner
14 really has no plans other to, than to continue
15 those uses but to rehabilitate what, you know
16 what's there.

17 CHAIRPERSON DICKENS: And, and what,
18 what, at what cost? Who has been maintaining that
19 land? That's the first thing I want to know.

20 CHARLES MARCUS: The, the owners of, of
21 Ocean Village have maintained... [crosstalk]

22 CHAIRPERSON DICKENS: Even though the
23 city owned it they were maintaining it?

24 CHARLES MARCUS: Yeah.
25

2 CHAIRPERSON DICKENS: Is it paved or
3 anything?

4 CHARLES MARCUS: Parts of it are..

5 [crosstalk]

6 CHAIRPERSON DICKENS: ..via the Ocean
7 Village owners?

8 CHARLES MARCUS: Yeah, yeah.

9 CHAIRPERSON DICKENS: And so was there
10 any, what about taxes because 21 thousand square
11 feet is quite a bit. Who, was anybody paying taxes?
12 Was this a tax lot or was this part of the Ocean
13 Village tax lot. And if so how could it have been
14 owned by the city? [crosstalk] So was this a
15 separate tax lot?

16 CHARLES MARCUS: Yes, it's a separate
17 tax... [interpose, crosstalk]

18 CHAIRPERSON DICKENS: Well who was
19 paying taxes on it?

20 CHARLES MARCUS: It's city owned.

21 CHAIRPERSON DICKENS: So the city,
22 nobody paid taxes? And so now it's, you're going to
23 give it to Ocean Village and make it a part of
24 their tax lot?

2 CHARLES MARCUS: And they will pay taxes
3 yes.

4 CHAIRPERSON DICKENS: Is, is it going to
5 be made or is it going to still have a separate tax
6 lot number?

7 CHARLES MARCUS: That I don't know. I
8 think that's up to the, the new owner.

9 CHAIRPERSON DICKENS: It's what?

10 CHARLES MARCUS: That's up to the owner.
11 I, I don't know.

12 CHAIRPERSON DICKENS: Will taxes be paid
13 on that?

14 CHARLES MARCUS: Oh, absolutely yeah.
15 It will, I mean in other words it will either, I
16 don't know whether they'll maintain the, the tax
17 lot that they have, I guess that would be the
18 easiest thing. But if for some reason, or if for
19 some reason they'll merge it into the existing tax
20 lot. If they merge it into the existing tax lot
21 it'll be reassessed, it'll be larger. Either way
22 they have to you know it'll be taxable.

23 CHAIRPERSON DICKENS: And is there any
24 cost attributable to this?

25 CHARLES MARCUS: To the city, no.

2 CHAIRPERSON DICKENS: To the owners?

3 CHARLES MARCUS: Oh, well it's part of
4 the rehabilitation of Ocean Village, it's part of
5 their financing.

6 CHAIRPERSON DICKENS: Chair Greenfield
7 do you have any questions to...

8 CHAIRPERSON GREENFIELD: Just one minor,
9 just want to clarify. So effectively Ocean Village
10 is currently using this property so all we're
11 really doing is legalizing their use of this
12 property to allow them to rehabilitate including
13 installing an ADA compliant entrance?

14 CHARLES MARCUS: Yes.

15 CHAIRPERSON GREENFIELD: Is that
16 correct?

17 CHARLES MARCUS: Correct.

18 CHAIRPERSON GREENFIELD: Got it. Thank
19 you.

20 CHAIRPERSON DICKENS: Do any of the
21 colleagues on this committee have any questions?
22 Council Member Rodriguez?

23 COUNCIL MEMBER RODRIGUEZ: [off mic]... as
24 far as any interest or are you aware of any
25

2 particular new development that would take place in
3 the area?

4 CHARLES MARCUS: There, there will not
5 be any, you mean on this site?

6 COUNCIL MEMBER RODRIGUEZ: Yeah.

7 CHARLES MARCUS: There won't be any
8 development on this site. It's, it's only going to
9 be the existing plantings and entrance that will be
10 rehabilitated.

11 CHAIRPERSON DICKENS: Any other
12 colleagues have questions? Alright, thank you. So
13 and we're going to close the public portion on Land
14 Use 17, application number C140077 HAQ, Ocean
15 Village in Queens. And we're going to couple the
16 both of these items 14 and 17 for a vote and I
17 recommend approval.

18 COMMITTEE CLERK: Chair Dickens.

19 CHAIRPERSON DICKENS: Aye on both.

20 COMMITTEE CLERK: Council Member Mealy.

21 COUNCIL MEMBER MEALY: Aye on all.

22 COMMITTEE CLERK: Council Member
23 Rodriguez.

24 COUNCIL MEMBER RODRIGUEZ: Aye.

25 COMMITTEE CLERK: Council Member Cohen.

2 COUNCIL MEMBER COHEN: Aye on all.

3 COMMITTEE CLERK: Council Member
4 Treyger.

5 [pause]

6 COMMITTEE CLERK: By a vote of four in
7 the affirmative, zero abstentions, and zero
8 negatives, Land Use items 14 and 17 are approved
9 and referred to the full Land Use Committee.

10 CHAIRPERSON DICKENS: This, this hearing
11 is hereby adjourned but I'm going to leave the vote
12 open for another 10 minutes. Thank you and hereby
13 adjourned.

14 COMMITTEE CLERK: Council Member
15 Treyger.

16 COUNCIL MEMBER TREYGER: I vote aye on
17 all.

18 COMMITTEE CLERK: Final vote on Land Use
19 items numbers 14 and 17; five in the affirmative,
20 zero abstentions, zero negatives. Items are
21 referred to the full Land Use Committee.

22 COUNCIL MEMBER TREYGER: Meeting is
23 adjourned. Thank you.

24 [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 _____ February 14, 2014 _____