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 17, 2014 Start: 1:15 p.m. Recess: 1:42 p.m.

HELD AT: Committee Room

City Hall

B E F O R E:

Inez E. Dickens Chairperson

COUNCIL MEMBERS:

Andrew Cohen
Darlene Mealy

Ydanis A. Rodriguez

Mark Treyger

APPEARANCES

Artie Pearson,
Director of Land Use
Office of External Affairs on Policy
New York City Department of Housing
Preservation and Development

APPEARANCES (cont'd)

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Ray Hodges, Director of Development Special Needs Housing New York City Department of Housing Preservation and Development

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[gavel]

CHAIRPERSON DICKENS: Good afternoon. am council member Inez E. Dickens. As the chair of the Subcommittee on Planning, Dispositions and Concession, I would like to welcome everyone to today's hearing. I want to thank and acknowledge my Sergeant at Arms Yvette Molina and my Land Use Staff Amy Levitan, Amy McCorhy, Gail Benjamin. I also want to extend a warm welcome to our new Land Use Director Raoul[Sp?] Mann and Project Manager Brian Paul. we have numerous items on our calendar today. we will be hearing and voting on and others are being laid over to our future meeting of the sub-committee. To start we are laying over the following items, Land Use Item 70 - The Dean Atlantic Project for Section 577 Tax Exemption for Properties and Council Members Espinal and Darlene Mealy's District and Land Use Item 89 - Melrose Common Site C-1 for Section 696 Tax Exemption for Properties and Council Member Arroyo's District. Uh, I want to acknowledge that the committee members, Council Member Mealy is here and Council Member Andy Cohen has joined us. Thank you. Again, these items are being laid over to our next

PLANNING, DISPOSTIONS AND CONCESSIONS meeting on July 21st as the members gather the necessary information for these developments. would like to know for the record that Land Use 72, a UDAP, concerning properties located in Council Member Treyger's district is being withdrawn by HPD. will vote on a motion to file that item at the end of the hearing. We will now proceed to the items we are holding public hearings for today. First, we will open the public hearing for Land Use Item 71, the Maple Court Project submitted by HPD for Section 577 Tax Exemption for a property that is located in my district. Would you please identify yourself, uh, Artie, from HPD and we've now been joined by Council Member Rodriguez. Thank you. You didn't get the gold star. Would you identify yourself? ARTIE PEARSON: Okay, good afternoon Chair Dickens, members of the committee, I'm Artie Pearson of HPD's Office of Policy and External Affairs and I'm joined by Ariel Lipper, from the Office of Housing Supervision. Land Use 71 consists of the proposed exemption area for Block 1748, Lot 1, also known as Maple Court HDFC, a 135-unit co-

operative for low-income families. The exemption

area currently receives a partial 421-A tax exemption

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PLANNING, DISPOSTIONS AND CONCESSIONS that will expire on June 30, 2021 that was obtained subsequent to the council approval of the original project in 1994 known as North General Limited Equity Cooperative that is part of the Milbank-Frawley urban renewal area 531. The exemption area is experiencing financial difficulties and intends to refinance their mortgage, however, completed and substantially occupied buildings cannot voluntarily withdraw from the 421-A Program. The Regulatory Agreement in place now will expire 2019, at which point the HDFC will enter into a new agreement with HPD. Therefore, HPD is before the council seeking approval of an Article 11 Tax Exemption that will become effective once the 421-A exemption expires in order to maintain the affordability of these home ownership units. Council Member Dickens has been briefed and supports this project and could answer any questions you have.

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much Ms. Pearson. I do support this project that I want to note for the record that the Maple Courts Shareholders of the HDFC has submitted written testimony in support of HPD's application and I am accepting that testimony. Uh, I have no questions as I have met with the residents, uh, they are in need

planning, dispositions and concessions 6

of this, uh, tax exemption in order to keep first,

the units to be affordable and second, in order to

make the necessary repairs to continue to make this a

viable development in my district. Do any of the

committee members have any questions? Council Member

Mealy?

COUNCIL MEMBER MEALY: I just wanted to get clarity. You said that they are trying to, they are opting out of a program?

ARTIE PEARSON: No, they cannot voluntarily opt out of the 421-A Program and they have to remain in it till it expires and then the tax exemption will kick in.

COUNCIL MEMBER MEALY: Oh the tax exempt will kick in then? Ok then, thank you.

COUNCIL MEMBER DICKENS: Are there any other members of the public that wish to testify?

Seeing none I'm going to close the public hearing on this item and open the public hearing on Land Use

Item 75. The 492 St. Nicholas Project, which is a

ULERP application that is also in my district.

Artie, is that you again?

ARTIE PEARSON: Yes it is.

COUNCIL MEMBER DICKENS: Alright, Thehbia

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first identify yourselves beginning with you Artie and then continue with your testimony. ARTIE PEARSON: Afternoon Chair Dickens,

Walters, Grace, Charles Powell. Would you please

again, I'm Artie Pearson from HPD's Office of Policy and External Affairs and I'm joined by Thehbia Walters, HPD's Director of Manhattan Planning. Land Use Number 75 and related Item 76 consists of the proposed ULERP Actions for the disposition of the urban development action area of designation of an underutilized vacant lot located at Block 1959, Lot 54 also known as 492 St. Nicholas Avenue. disposition area is a privately owned lot that HPD previously sold in 1994 to the Greater Harlem Whitehall Housing Development, it's part of a rehabilitation project known as Striver's Plaza 2-A and was maintained as open space. The ULERP action will allow HPD to reacquire the disposition area in order to remove the restricted use as open space and to facilitate the new construction of a 10-story mixed use building containing up to 14 homeownership units and 2,400 square feet of commercial space.

Additionally, the ULERP action is required because

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the proposed new construction project will result in
more than four units making it ineligible for
accelerated UDAP, that's per State's statutes.

Again, Council Member Dickens has been briefed on
this on this project and has indicated her support.

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COUNCIL MEMBER DICKENS: joined by Council Member Treyger, member of this committee, thank you for coming. You too, did not get the gold star today. Um I want to thank you so much for your testimony. Um, I do have a statement that I want to make on behalf of this particular development. HPD has provided a letter to the Subcommittee of Planning, Disposition and Concessions and the Committee on Land Use regarding the 492 St. Nicholas Avenue Project. The Uniform Land Use Review Procedure of this application is being moved to allow the Greater Harlem Housing Development Corp. to sell the vacant land located at 492 St. Nicholas Avenue. This transaction will provide the organization with capital that would allow GHHDC to continue to provide 117 affordable residential units at Striver's Plaza. First, HPD has agreed to work with GHHDC to begin renovation work on the Striver's Plaza's Units to the Article 8-A Loan Program. The Greater Harlem Housing

PLANNING, DISPOSTIONS AND CONCESSIONS Development Corp. has also secured a \$2.5 million in Reso-A monies that will be used towards renovations. This includes the replacement of boilers, insulation of new windows, roofs, entry doors, intercoms and security cameras. GHHDC has taken fiscal responsibility for Striver's Plaza and has hired ELH Management as the Property Manager in 2013 to further address and to stabilize the financial physical condition of the properties. GHHDC has also entered into a voluntary repair agreement to correct and remove any and all violation on the properties. Lastly, HPD will assist the Greater Harlem Housing Development Corp. with the sale of the vacant lot to F-Lot Development LLC, the purchase of \$1.205 thousand dollars. The money from this sale, the proceeds will be used to pay past due Con Edison bills, water, sewer payments and any other debts that have become associated with Striver's Plaza. applaud HPD and the Greater Harlem Housing Development Corp.'s efforts to continue to preserve affordable housing in my community and at Striver's Plaza. Do any of the, my colleagues on the committee have any questions? Alright, seeing none, are there any other members of the public that wish to testify?

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Seeing none, I'm going to close the public hearing on this item and I'm going to open the public hearing on Land Use Item 80 - the 127th Street Cluster Project for Section 577 Tax Exemption for properties also in my district. Gee, I'm a win-win today. Artie, is that you again? Identify yourself for the record.

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ARTIE PEARSON: [LAUGHING] Good... afternoon Chair Dickens, I'm Artie Pearson of HPD's Office of Policy and External Affairs and I'm joined by Kimberly Darga, Assistant Commissioner of Preservation Finance. Land Use 80 consists of a proposed amendment to the previously approved resolution for an urban development actionary project located at Block 1749, Lots 160 and 66, Blocks 1750, Lots 65 and 104, Block 1751, Lots 1457, 63 and 156, Blocks 1752, Lots 10 and 70, Block 1755, Lot 22, and Block 1756, Lot 8, also known as 127th Street Cluster - Finite Homes HDSC. The cluster was originally rehabilitated through the Neighborhood Entrepreneurs Program in 1997. On December 19, 2013, the Council approved Article 11, tax exemption in order to extend the existing affordability restrictions as part of the year 15 program repositioning. The project consists of 12 multiple dwellings with a total of 132

1 PLANNING, DISPOSTIONS AND CONCESSIONS 11 2 residential units. Today HPD is for the council seeking to amend the resolution in order to 3 4 accurately define the location of one of the tax lots as Lot 160, and to amend the defined term of 5 "Regulatory Agreement", of Section 1-J. 6 7 Additionally, some of the buildings have Certificates of Occupancies and others have "iCards". Because a 8 previously approved resolution contains language 9 10 limiting the exemption to buildings with Certificates 11 of Occupancy, therefore necessary to amend the 12 resolution in order to allow the exemption to be 13 applied to all the buildings. Council Member Dickens 14 has been briefed on this project and has indicated 15 her support. 16 COUNCIL MEMBER DICKENS: Thank you so much Artie again. And this is in my council district 17 18 and I do support this. This will allow for the continuation of affordable housing. Are there any 19 20 other questions from my Council Member Mealy? COUNCIL MEMBER MEALY: I would just like 21 22 to know if they don't have the Certificate of Occupancy, um, what is, what are you doing with it? 23

ARTIE PEARSON: Older buildings have

"iCards" so some properties do not have Certificates

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planning, dispostions and concessions 12 of Occupancy they have "iCards" instead. So these properties either have an "iCard" or a CofO. I'm

COUNCIL MEMBER DICKENS: Would you explain this is what will correct that because maybe she, the council member...Identify yourself please.

KIM DARGA: My name is Kim Dargan, the Assistant Commissioner for Preservation Finance of HPD. Um, and the rehab, there is going to be some modest rehab, um, done to the properties here. Um, but you don't need to get a CofO if you have an "iCard". The "iCard" itself documents the legal use of the Property.

COUNCIL MEMBER DICKENS: Okay, thank you.

Any other questions from my colleagues? You have any further questions?

[Off Mic]

COUNCIL MEMBER DICKENS: Are there any questions, are there anyone wishing to testify from the public? Seeing none, I am going to close the public hearing on this item and I'm going to open it on Land Use Item 83 which is not in my district. The 2015 Monterrey Avenue for Section 577 Tax Exemption

sorry.

1 PLANNING, DISPOSTIONS AND CONCESSIONS 13
2 for Properties in Council Member's Torres and
3 Arroyo's district. Is that you again Artie?

ARTIE PEARSON: Yes it is.

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 $\label{eq:council_member_discrete} \mbox{COUNCIL MEMBER DICKENS: Just stay there,} \\ \mbox{don't get up.}$

ARTIE PEARSON: [laughter] Artie Pearson, from HPD's Office of Policy and External Affairs and again I'm joined by Kimberly Darga, Assistant Commissioner for Preservation Finance. Land Use Number 83 consists of an exemption area located at Block 2090, Lots 27, 34, 37, 40, 43, 50 and Block 3061, Lots 22, 26, 32, 34 and 36, also known as 2015 Monterrey Avenue. Under the proposed project the sponsor will undertake the acquisition, consolidation and rehabilitation of two HUD insured developments known as Monterrey Gardens and MBD-2. The project consists of ten multiple dwellings the combined number of 330 residential units including two superintendent units. Additionally there are two commercial units. Once, uh, one of which is currently vacant while the other is occupied by a grocer. Both projects are project-based developments and are currently receiving Article 5 Exemptions. Today HPD is before the council seeking approval to

PLANNING, DISPOSTIONS AND CONCESSIONS 14
terminate the current Article 5 partial exemption,
the voluntary dissolution of the current owner and
approval for a new article M-Tax Exemption for a
period of 30 days in order to facilitate the long
term credibility of the project. Both council
members Arroyo and Torres have indicated their
support.

COUNCIL MEMBER DICKENS: Do any of my colleagues have any questions? Seeing none, are there any members of the public here that wish to testify? Seeing none, I am closing the public hearing on this item and we will now open the public hearing on Land Use Items 90, 91, and 92, which are all related and Artie is that you? Okay. Land Use and it is in my district, uh, Land Use Item 90, I'm trying to get it all through before the summer, is MS Houses - Termination of an Existing Real Property Tax Exemption, pursuant to Section 125 and Land Use Item Number 91 and 92 are for Section 577 Tax Exemption for these properties. Identify yourself please.

ARTIE PEARSON: Artie Pearson, from HPD's
Office of Policy and External Affairs and again I'm
joined by Kimberly Darga, Assistant Commissioner for
Preservation Finance. Land Use numbers 90, 91 and 92

PLANNING, DISPOSTIONS AND CONCESSIONS 15 consist of the proposed exemption area containing three buildings located at Block 1778, Lots 6, five vacant lots located at Block 1754, Lots 42, 43, 141 and 142 and Block 1777, Lots 69, also known as MS Under the HUD Multi-family Loan Program Houses. sponsor proposes to refinance the project and undertake the rehabilitation at three multiple dwellings containing 131 Section-8 Project Base Units. The repositioning of this project involves three actions. The first is Land Use Number 90, which seeks the authorization to legally separate the exemption area into two ownerships structures, one for the buildings and the other for the vacant lots. The second is Land Use Number 91, which seeks a 35year tax exemption for the existing buildings, which will be co-terminus with the new Regulatory Agreement. The third is Land Use 92, which seeks a five year tax exemption for the vacant lots provided the sponsor implements construction of a development project within five years of approval of a tax exemption. HPD is before the council seeking the voluntary dissolution of the current owner, MS Housing Associates, the redevelopment company

organized under Article 5 and approval of an Article

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PLANNING, DISPOSTIONS AND CONCESSIONS 16

11 tax exemption and Council Member Dickens has been
briefed and indicates her support for this project.

fully support this, uh, with the tax exemption will allow this to remain affordable. Are there any questions from the, my members of this committee? Seeing none, are there any members of the public here that wish to testify? Seeing none, I'm going to close the public hearing on this item and lastly, in somebody else's district, enough of my colleague's district, we will hear Land Use Item Number 93 and 94, which are related a UDAP application concerning the Henry Apartments in Council Member Mealy's district. Um, we have Artie here, uh, Pearson, a record of Land Use. Uh, is Jack here?

[OFF MIC]

COUNCIL MEMBER DICKENS: Jack, hello

Jack. [laughter] Have the director of the Brooklyn

Planning and Ray Hodges? What's your title Ray? You

didn't give yourself a title here.

[OFF MIC]

COUNCIL MEMBER DICKENS: All these directors, welcome. [laughter] Council Member Mealy

PLANNING, DISPOSTIONS AND CONCESSIONS
would you like to give a statement before the

testimony or after?

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COUNCIL MEMBER MEALY: Now, I just want to take the opportunity to say, um, this is an area where mostly commercial and the last administration just wanted commercial and I kind of felt that we have to utilize as much of housing that we can so I asked them to stop one project and put housing in the project now some mixed use and then, um, the support of housing, I think this will be about the last support of housing on, in that strip so I'm looking forward to this one and furthermore, to have, um, what is good about this project, they do have now, um, it will be onsite security and um, medical, on, on the site just as well, so I'm looking forward to this property where normally was no housing at all, really. They just wanted commercial so I'm glad to open up this process to housing and support its housing, not too much but I approve of this project. Thank you.

COUNCIL MEMBER DICKENS: Thanks. Thank you council member. Would you proceed with your testimony?

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ARTIE PEARSON: Artie Pearson, HPD's Office of Policy and External Affairs and I'm joined by Jack Hammer, HPD's Director of Brooklyn Planning and Ray Hodges, Director of Special Needs Housing. Land Use Number 93 consists of the proposed ULERP and related action to approve the Urban Development and Action Area Designation project approval and disposition of seven vacant City-owned lots located 768 to 770 Decatur Street and 1696 to 1712 Broadway, also known as Henry Apartments. Under the support of Housing Loan Program, the ULERP Actions will facilitate the development of 79 units of affordable and supportive housing. This project is the subject of a previous action by the City Planning Commission which approved designation as an urban development action of the project and disposition of the project to facilitate a retail development that's part of HP's...program. However, the previously selected project's sponsor was unable to bring the project to fruition. current sponsors proposes to construct a six-story mixed use building with 79 units of affordable, uh, affordable to households earning in less than 60% AMI. 8,013 square feet of commercial space, 71,527 square feet of community facility space and 30..., and 3,810 square feet of outdoor

recreational space and as Council Member Mealy has

1 PLANNING, DISPOSTIONS AND CONCESSIONS 19 indicated she has indicated support of this project and 2 we are available to answer any questions. 3 COUNCIL MEMBER DICKENS: Um, now, I, I 4 understand from Council Member Mealy that this is the 5 housing that will be created as supportive housing? 6 Is that correct? 7 JACK HAMMER: Yes, that is correct. 8 COUNCIL MEMBER DICKENS: Would you please 9 explain for the record? 10 JACK HAMMER: There is total of 79 11 dwelling units, um and the breakdown is uh, 60% of 12 the units would be designated for chronically, uh, 13 chronically homeless individuals with severe physical 14 and mental illness, 40% of the units will be, uh, 15 housing affordable to families, individuals and 16 families earning less than 60% of AMI. 17 COUNCIL MEMBER DICKENS: Now, in addition 18 to the medical assistance that I understand will be 19 housed on site, is that correct? 20 JACK HAMMER: Correct. 21 COUNCIL MEMBER DICKENS: Will, will that 22 include a mental health facility as well? 23 assistance? 24 RAY HODGES: It will be served...There'll 25

be counseling and mental health counseling, job

1	PLANNING, DISPOSTIONS AND CONCESSIONS 20
2	training, a range of different services provided by
3	the non-profit, long-term owner of the property.
4	COUNCIL MEMBER DICKENS: Thank you. Are
5	there any questions from my colleagues?
6	RAY HODGES: Sure, I'm Ray Hodges, the
7	director of Development from Special Needs Housing at
8	HPD.
9	COUNCIL MEMBER DICKENS: Thank you sir.
10	Are there any questions from my colleagues? Council
11	Member Mealy you have any other statements you want
12	to add?
13	COUNCIL MEMBER MEALY: Um, just that it
14	will be two buildings, right? And it will be split
15	and would majority of the Special Needs would be in a
16	studio apartment?
17	RAY HODGES: That's correct, ya, the
18	ULERP action is for this site, and the sponsor is
19	also developing a privately-owned site across the
20	street.
21	COUNCIL MEMBER MEALY: Of their own
22	property?
23	RAY HODGES: Correct.
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RAY HODGES: The studio apartments.

COUNCIL MEMBER MEALY: Okay, I wanted to clarify that.

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COUNCIL MEMBER DICKENS: Okay thank you. Are there any other questions? Alright, seeing none are there any members of the public here that wish to testify? Seeing none, I'm going to close the public hearing on this item and I want to note that Council Members Arroyo and Torres are in support of Land Use Item 83 and Council Member Mealy is in support of Land Use Items 93 and 94 and all the rest that we've heard today, I do strongly support. I will now call on my council to call the roll on a coupled vote to approve. Land Use Item 71 - Maple Court, Land Use Items Number 75 and 76 - 492 St. Nicholas Avenue,

1	PLANNING, DISPOSTIONS AND CONCESSIONS 22
2	Land Use Item 80 - the 127 th Street Cluster, Land Use
3	Number 83 - 2015 Monterrey Avenue, Land Use Items
4	Numbers 90, 91, 92 - The MS Houses, Land Use Items
5	Numbered 93 and 94 - The Henry Apartments and I am
6	voting "I" and I ask my colleagues to vote "I" to
7	approve a motion. Also, to file Land Use Item 72 and
8	Council Member Treyger's district, pursuant to HPD's
9	withdrawal of application. Council please call the
10	roll.
11	COUNCIL: Chair Dickens?
12	COUNCIL MEMBER DICKENS: I vote "I" on
13	all.
14	COUNCIL: Council Member Mealy?
15	COUNCIL MEMBER MEALY: I vote "I" on all.
16	COUNCIL: Council Member Rodriguez?
17	COUNCIL MEMBER RODRIGUEZ: I.
18	COUNCIL: Council Member Cohen?
19	COUNCIL MEMBER COHEN: I.
20	COUNCIL: Council Member Treyger?
21	COUNCIL MEMBER TREYGER: I.
22	COUNCIL: By a vote of the five in the
23	affirmative, zero abstentions and no negatives, all
24	items have been adopted. I refer to the Full Land
25	Use Committee.

1	PLANNING, DISPOSTIONS AND CONCESSIONS 23
2	COUNCIL MEMBER DICKENS: Thank you
3	members of the public and thank you to my colleagues
4	and my Land Use staff and my council. And I close
5	and this hearing is hereby adjourned.
6	[GAVEL]
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World Wide Dictation certifies 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.



Date ____6/18/2014_____