

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 21, 2014
Start: 1:00 p.m.
Recess: 1:15 p.m.

HELD AT: 250 Broadway - Committee Room
16th floor

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

COUNCIL MEMBERS:
Darlene Mealy
Ydanis A. Rodriguez
Andrew Cohen
Mark Treyger

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

Ardie Pearson
Director of Land Use
Office of Policy and External Affairs
Housing Preservation and Finance (HPD)

Anthony Richardson
Director of New Construction
Housing Preservation and Finance (HPD)

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[sound check]

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CHAIRPERSON DICKENS: [gavel] Good

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afternoon, and I'd like quiet please in the corner.

5

[laughter] Thank you. Good afternoon. I'm Council

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Member Inez Dickens. As the Chair of the

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Subcommittee on Planning, Dispositions, and

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Concessions, I would like to welcome everyone to

9

today's hearing. I want to thank and acknowledge my

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Sergeant-at-Arms, Eugenia Sharp and Eddie Collazo

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and, of course, my phenomenal Land Use staff. The

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Director Raju Mann; Deputy Director, Amy Leviton;

13

and, of course, my fabulous Attorney Ann McCoy.

14

That's all right, give her a shout out. [laughter]

15

The members of my committee who are present and on

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time, and I'm so proud of them are Council Member

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Cohen and Council Member Treyger. I want to thank

18

you both for being here. Shout out again.

19

We have three items on our calendar

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today, two we will be hearing and voting on, and one

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will be laid over for a future hearing of this

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Subcommittee. To start, we're laying over the item,

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Land Use Item 70, the Dean Atlantic Project for a

24

Section 577 Tax Exemption for properties in Council

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Members Espinal and Mealy's district in Brooklyn.

2 Again, this particular item will be laid over to our
3 next meeting on August 18th. Everyone write it down,
4 August 18th, as the members gather the necessary
5 information for these developments. We'll proceed on
6 the two items that we are holding a public hearing
7 for today.

8 I will be opening the public hearing. I
9 am opening the public hearing on Land Use Item 89
10 Melrose Commons Site C-1 for a Section 696 Tax
11 Exemption for properties in Council Member Maria Del
12 Carmen Arroyo's district.

13 We have all by herself-- You brought
14 Anthony. Hi Anthony. You want to join? Come on up
15 here, Anthony. Don't be shy. This is going to move
16 very quickly. We have the Director of Land Use at
17 HPD, Ardie Pearson and the Director of New
18 Construction Anthony Richardson also from HPD.
19 Proceed please, and identify yourself for the record.

20 ARDIE PEARSON: Good afternoon, Chair
21 Dickens and members of the Subcommittee. I'm Ardie
22 Pearson of HPD's Office of Policy and External
23 Affairs, and I'm joined by my colleague Anthony
24 Richardson, Director of New Construction.

25 COUNCIL MEMBER: Oh, wait, is it on?

2 ARDIE PEARSON: It's on.

3 CHAIRPERSON DICKENS: The light is on?

4 Okay, would you start over for the recording, please?

5 ARDIE PEARSON: Good afternoon, Chair
6 Dickens, members of the Subcommittee. I'm Ardie
7 Pearson from HPD's Office of Policy and External
8 Affairs, and I'm joined by my colleague Anthony
9 Richardson, Director of New Construction.

10 Land Use Item No. 89 is comprised of the
11 proposed exemption area located at 739, 741, 743, 745
12 Brook Avenue, and 3054 and 3058 Third Avenue also
13 known as Melrose Commons Site C-1. In 2005, HPD
14 completed the URA development of a number of vacant
15 city-owned parcels within the Melrose Commons Renewal
16 area. Under HPD's cornerstone new construction
17 program the City Council approved approximately 232
18 residential units. They were rentals, cooperatives,
19 and home ownership units plus commercial and open
20 space. Included in these 232 residential units was
21 the proposed construction of two and three-family
22 town homes that would have included UDAAP tax
23 exemptions for the home ownership units. It is HPD's
24 practice to include tax exemptions for most
25 affordable housing units in order to ensure long-term

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2 affordability. It was anticipated that the sponsor
3 for the Melrose Commons Site C-1 project would as-of-
4 right tax exemptions through one of HPD's other tax
5 incentive programs. However, the six townhomes, which
6 received UDAAP tax exemptions through an HPD
7 oversight the submission did not include language
8 requesting tax exemption. Today, HPD is before the
9 Council approval for a retroactive tax exemption for
10 these town homes. Council Member Arroyo has
11 indicated her support for this project. And we're
12 available to answer any questions.

13 CHAIRPERSON DICKENS: I have a question.

14 Now, these units were built and have not been
15 occupied as of when?

16 ANTHONY RICHARDSON: So the units-- I'm
17 sorry. My name is Anthony Richardson. I'm the
18 Director of Multi-Family Construction at HPD. So we
19 disposed of the property in 2006, and then there was
20 the slump in the housing market. And they were
21 attempting to sell the homes for probably three or
22 four years. So I think that most of these properties
23 -- I don't have the exact date -- were probably
24 occupied as of somewhere around 2011 or 12.

2 CHAIRPERSON DICKENS: All right so this
3 is actually required because the tax exemption
4 wording that was necessary in 2006 was not included
5 as the fault of HPD?

6 ARDIE PEARSON: That's correctly.

7 CHAIRPERSON DICKENS: It happens quite
8 frequently, doesn't it? However, what is the cost of
9 the units, the home ownership units? What is the
10 cost and the sizing of one, please if you can tell
11 me, if you know.

12 ANTHONY RICHARDSON: Do you want the
13 sales prices?

14 CHAIRPERSON DICKENS: Yes.

15 ANTHONY RICHARDSON: The sales prices in
16 the units were income restricted at 165% of AMI, a
17 sales price of \$589,000.

18 CHAIRPERSON DICKENS: And this is for the
19 ownership, but you have rentals also.

20 ANTHONY RICHARDSON: So what Ardie was
21 saying earlier is that when the actual UDAAP or URA
22 package came through, it covered more than just these
23 properties. so there were several properties that
24 were financed under different programs. So that's
25 partially the reason why the exemption language

2 wasn't there. If this were separated out, someone
3 would have caught it because the UDAAP is the tax
4 exemption more applicable to this type of
5 development. But there were other properties
6 development. There was a cooperative and rentals
7 that were financed separately and then completed.

8 CHAIRPERSON DICKENS: And Council Member
9 Arroyo is in agreement with this action. I would
10 assume so because this will-- the tax exemption will
11 allow for the continued affordability of the 165%
12 affordable. A little questionable in that area.
13 However, I am a strong advocate for home ownership
14 because that way the community can stay within the
15 community hopefully.

16 Do any of my colleagues have any
17 questions for this? Seeing no questions from my
18 colleagues, are there any members of the public
19 wishing to give any additional testimony? Seeing
20 none, I am closing the public hearing on Land Use
21 Item 89. And opening the public hearing on the
22 Heights, 150th Street also known as 801-05 St.
23 Nicholas Avenue in my district for a Section 577 Tax
24 Exemption for property that was approved in 2013, and
25 is now being pre-considered and, therefore, does not

2 have a Land Use Item Number as of yet. And that,
3 too, is for the amending of the wording to allow for
4 a Section 577 Tax Exemption. Ardie, please identify
5 yourself for this.

6 ARDIE PEARSON: Sure. I'm Ardie Pearson,
7 Director of Land of Use from HPD's Office of Policy
8 and External Affairs. Land Use Number Pre-considered
9 consists of a proposed amendment to the resolution
10 approving the disposition for at tax exemption a
11 projected located 801 to 805 St. Nicholas Avenue and
12 known as the Heights, 150th Street. In June 2013,
13 HPD's original submission linked the effective date
14 of the tax exemption to have a permanent certificate
15 of occupancy or an equivalent document satisfactory
16 to HPD. However, the certificate for this building
17 has lapsed, and there is equivalent document.

18 Currently, the building is undergoing
19 rehabilitation, and the owner will obtain a permanent
20 certificate of occupancy upon completion of the work.
21 Because it was the agency's intention to have an
22 exemption in place during the redevelopment phase of
23 this project, HPD is before the Council seeking an
24 amendment-- seeking an amendment in order to permit
25 the implementation of the tax exemption without

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2 delay, and Council Member Dickens has been briefed on
3 this project, and has indicated her support.

4 CHAIRPERSON DICKENS: Since I have been
5 brief and I am familiar, I have no questions, but are
6 there any questions of the members of the Committee?
7 Seeing no questions from the Subcommittee, are there
8 any members of the public wishing to give testimony?
9 Seeing none, I now close the public hearing on the
10 Heights, 150th Street also known as 801-805 St.
11 Nicholas Avenue.

12 I note for the record the applications we
13 are voting on today have my support and that of
14 Council Member Arroyo. I commend Council Member
15 Arroyo for seeking to ensure that her community can
16 have stability by ownership. Although, rental is
17 extremely important, owning is what will prevent the
18 community from being moved out. I am now going to
19 call on my counsel to call the roll on a coupled vote
20 approve Land Use Number 89 and the Heights, 150th
21 Street.

22 LEGAL COUNSEL MCCOY: Chair Dickens?

23 CHAIRPERSON DICKENS: I'm voting and I
24 ask my colleagues to vote aye to approve the motion.

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2 LEGAL COUNSEL MCCOY: Council Member
3 Cohen.

4 COUNCIL MEMBER COHEN: Aye.

5 LEGAL COUNSEL MCCOY: Council Member
6 Treyger.

7 COUNCIL MEMBER TREYGER: Aye.

8 LEGAL COUNSEL MCCOY: By a vote of three
9 in the affirmative and zero abstentions and no
10 negatives, Land Use Item 89 and Pre-considered Land
11 Use Item the Heights are approved, and referred to
12 the Land Use Committee.

13 CHAIRPERSON DICKENS: All right. I would
14 like to thank the members of the public and my
15 colleagues, and my Counsel and the Land Use staff for
16 attending today's hearing. I am not adjourning for
17 15 minutes to allow for any members to come in to
18 place their vote. I thank you all for coming.

19 [gavel]

20 LEGAL COUNSEL MCCOY: Council Member
21 Mealy.

22 COUNCIL MEMBER MEALY: I vote aye on all.

23 LEGAL COUNSEL MCCOY: The final vote
24 Subcommittee on Planning for Land Use Items 89 and
25 Pre-Considered Heights, four in the affirmative, zero

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2 abstentions, and no negatives, and the items are
3 referred to the full Land Use Committee.

4 [gavel]

5 CHAIRPERSON DICKENS: This hearing of
6 Planning dated Jul 21st, 2014 is hereby adjourned.

7 [laughter/cheers]

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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 July 29, 2014