

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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December 15, 2014  
Start: 1:33 p.m.  
Recess: 1:51 p.m.

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

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)

Barbara Halm

Assistant Commissioner

Governmental Relations and Regulatory  
Compliance

Housing Preservation and Development

Ariel Lipper

Project Manager

Division of Housing Supervision

Housing Preservation and Development

Thehbia Walters

Director of Planning

Housing Preservation and Development

2 [background comments]

3 [gavel]

4 CHAIRPERSON DICKENS: Good afternoon.

5 I'm Council Member Inez Dickens, Chair of the  
6 Subcommittee on Planning, Dispositions and  
7 Concessions. I would like to welcome everyone to  
8 today's hearing. I want to thank and acknowledge my  
9 Sergeant at Arms, Yvette Molina; give her a hand,  
10 it's the holiday; [applause, cheers] [laughter] my  
11 Land Use Director, Raju Mann, Deputy Director; Deputy  
12 Director, Amy Levitan and my attorney, Ann McCoy and  
13 we have with us the new Land Use Attorney, Dylan  
14 Casey. Give Mr. Casey a hand [applause, cheers] you  
15 all; we welcome him. That was a nice wave.

16 [laughter]

17 I want to acknowledge my esteemed  
18 colleagues who are members of the Planning  
19 Subcommittee; we've been joined by Council Member  
20 Darlene Mealy, Council Member Mark Treyger and  
21 Council Member Ydanis Rodriguez, who today gets the  
22 gold star.

23 We have two items on our calendar today  
24 which we will be hearing and voting on. I want to  
25 remind everyone that our next Subcommittee hearing

2 will be held on January 13th, 2015, so mark your  
3 calendars. At the end of it I will wish everyone a  
4 Merry Christmas, a blessed Hanukah, a blessed  
5 Kwanzaa; a Happy New Year.

6 I am now going to open the public hearing  
7 on Land Use Item No. 0147 -- 304-306 East 8th Street,  
8 a tax exemption, Section 577, for property located in  
9 Council Member Mendez' district in Manhattan. Are  
10 there any members of the public.. [background  
11 comments] Oh, alright. I'd like to call up Barbara  
12 Halm, the Assistant Commissioner of HPD and Ariel  
13 [background comment] Lipper, Project Manager, also of  
14 HPD.

15 BARBARA HALM: Good afternoon Chair  
16 Dickens and members of the Subcommittee; I am Barbara  
17 Halm, Assistant Commissioner of HPD's Office of  
18 Governmental Relations and Regulatory Compliance, and  
19 as you mentioned, I'm joined by Ariel Lipper, Project  
20 Manager from HPD's Division of Housing Supervision.

21 We are here on LU 0147 which consists of  
22 a proposed amendment to a previously approved tax  
23 exemption for property located at Block 390, Lot 9,  
24 also known as 304-306 East 8th Street, HDFC.

2 On May 28th, 1992, through Reso 0624, the  
3 City Council approved the project, which provides for  
4 cooperative housing for low-income families. The  
5 HDFC receives J-51 tax benefits that have begun to  
6 expire. In view of the building's financial hardship  
7 due to the phase-out of the J-51 benefits, HPD sought  
8 Council approval for an Article 11 tax exemption,  
9 which was approved October 20 of 2013, Reso 2020. It  
10 has now come to our attention that our submission  
11 incorrectly identified the exemption area as being  
12 owned by the HDFC, when in fact the HDFC has a  
13 leasehold interest in the exemption area. Therefore  
14 we are seeking a new resolution that will specify  
15 that the HDFC is a lessee; not an owner of the  
16 property so that it can actually get the Article 11  
17 tax exemption benefits.

18 CHAIRPERSON DICKENS: Mr. Lipper; do you  
19 have anything to add?

20 ARIEL LIPPER: I'd like to thank the  
21 Committee's help on voting for this. There is  
22 nothing to add at this time; we look to -- once we  
23 get past this step, once the Council votes on it, we  
24 look forward to closing and finalizing the tax  
25

2 exemption for this low- to moderate-income  
3 development. Thank you very much.

4 CHAIRPERSON DICKENS: How many unites in  
5 this building?

6 ARIEL LIPPER: Sixteen.

7 CHAIRPERSON DICKENS: What is the range  
8 of rents?

9 ARIEL LIPPER: The rents are \$650-750.

10 CHAIRPERSON DICKENS: What's the size of  
11 the average unit?

12 ARIEL LIPPER: Two-bedroom.

13 CHAIRPERSON DICKENS: So then the  
14 residents, the HDFC actually does not own it...

15 [crosstalk]

16 ARIEL LIPPER: Correct.

17 CHAIRPERSON DICKENS: the building, they  
18 just are leasing it?

19 ARIEL LIPPER: They...

20 CHAIRPERSON DICKENS: Is that correct?

21 ARIEL LIPPER: Let me specify just  
22 slightly. There is a not-for-profit called RAIN; the  
23 Rehabilitation Through Action Network is the property  
24 owner and HDFC has the ground lease to the lot. The  
25 City conveyed the property to RAIN with an agreement

2 that it would always be in perpetuity, used as  
3 affordable housing; RAIN then leased it to the HDFC  
4 about at this point, 30 years ago and again, there's  
5 a 99-year lease mandating that it must be used for  
6 affordable housing.

7 CHAIRPERSON DICKENS: Alright, so RAIN  
8 actually owns the building and the HDFC holds title  
9 to the ground or is it a ground lease?

10 BARBARA HALM: It's a ground lease.

11 CHAIRPERSON DICKENS: A ground lease.  
12 Alright. So what... because my understanding, from  
13 Council Member Mendez; does she support this?

14 BARBARA HALM: Yes, she does.

15 CHAIRPERSON DICKENS: Well she gave me a  
16 statement in support of this, but she, in explaining  
17 it to me, said that back in the early 1980s she  
18 assisted the residents in doing a work equity for the  
19 building, to help with the build-out, to help with  
20 the clean-out and so she thought the HDFC owned it;  
21 that is not correct?

22 BARBARA HALM: That's not correct, and  
23 that's why the original Council resolution seeking  
24 the Article 11 specified that the HDFC was the owner  
25 and then we since learned that that is indeed not the

2 case; I mean this deal, in terms of the conveyance of  
3 the lot to the entity that Ariel just was -- you  
4 know, a really long time ago and no one that worked  
5 at HPD was around then and so that's why we  
6 discovered late that the HDFC actually holds the  
7 lease and doesn't own the property.

8 CHAIRPERSON DICKENS: Alright. Is there  
9 a difficulty why the HDFC could not be owners, have  
10 title?

11 BARBARA HALM: I'm not really sure. In  
12 terms of the deal between the HDFC and the owner of  
13 the lot; I mean if it was intended to be conveyed and  
14 permanently affordable, I don't think there's any  
15 principal difference because it's a 99-year lease  
16 that the HDFC has.

17 CHAIRPERSON DICKENS: What is the benefit  
18 to RAIN being a stakeholder; owning and yet the HDFC  
19 is the leaseholder for the ground; what is the  
20 benefit to RAIN?

21 ARIEL LIPPER: So at the time, the City  
22 was conveying properties in order to not be I guess  
23 in control of these properties that needed a lot of  
24 work; the idea; the City conveyed it to RAIN and said  
25 it's all yours for free, just take care of it from



2 there; RAIN then had not tenants, but I guess people  
3 living in the HDFC at the time, which then formed the  
4 cooperative. It was a way for the City to reduce the  
5 amount of substandard units and have them repaired  
6 and have people take care of them.

7 CHAIRPERSON DICKENS: Right, because when  
8 the residents own it and become stakeholders within  
9 the community, it resists a lot of change and allows  
10 for increased affordability and keeps the indigenous  
11 population in place, and I think that's what Council  
12 Member Mendez was most concerned about, because when  
13 she spoke with me today she was under the assumption  
14 that the actual tenancy were the owners, the HDFC.  
15 So is there any reason then, if there's no real  
16 financial benefit to RAIN, is there any reason why  
17 this cannot be worked towards, the HDFC becoming the  
18 owners, is there any reason?

19 ARIEL LIPPER: We could discuss that with  
20 our counsel; that's... that's definitely something we  
21 could bring up... [crosstalk]

22 CHAIRPERSON DICKENS: That's what I mean;  
23 could we... would you be willing to discuss with  
24 Council Member Mendez something of that?

2 BARBARA HALM: We're happy to look into  
3 it.

4 CHAIRPERSON DICKENS: Thank you. Do any  
5 of my colleagues have any questions?

6 [background comment]

7 CHAIRPERSON DICKENS: Oh, we've now been  
8 joined by Council Member Cohen. Welcome. Do any of  
9 my colleagues have any questions? Seeing none, I  
10 will now close the public hearing on Land Use Item  
11 0147; 304-306 East 8th Street and I will open up the  
12 public hearing on Land Use Item No. 0159, the Clinton  
13 Site No. 7 for Section 577, tax exemption for  
14 property located in Council Member Johnson's district  
15 in Manhattan. Again, we have the Assistant  
16 Commissioner at HPD, Barbara Halm and Thehbia  
17 Walters, Director of the Manhattan Planning at HPD.

18 BARBARA HALM: Thank you again, Chair  
19 Dickens. We are here on LU 0159, which consists of  
20 an amendment to a previously approved project at 538-  
21 548 West 53rd Street, known as Clinton Site 7. Under  
22 HPD's Mixed Income Program, the Council approved a  
23 UDAAP designation and disposition of city-owned  
24 property and development rights to facilitate the  
25 development project on June 26, 2014, Reso 0333.

2 The Clinton Site project includes the new  
3 construction of 103-unit, permanently affordable  
4 rental building. Units in development will be  
5 affordable to families earning between 80 and 155  
6 percent AMI. Today we have before you seeking an  
7 approval for Article 11 tax exemption for the  
8 building in order to ensure the affordability of the  
9 development.

10 CHAIRPERSON DICKENS: Miss Walters; do  
11 you have anything you wanna add?

12 THEHBIA WALTERS: I don't at this time,  
13 but I'm available to answer to any questions.

14 CHAIRPERSON DICKENS: Alright. Now this  
15 is 103 units; is that what I'm made to understand, of  
16 new construction?

17 THEHBIA WALTERS: Yes.

18 CHAIRPERSON DICKENS: And was the  
19 construction done with HPD funding or private or a  
20 combination?

21 So when this project begins construction  
22 there will be HPD subsidy.

23 CHAIRPERSON DICKENS: Subsidy, but was  
24 the construction loan something like PLP or another  
25 program under HPD?

2 THEHBIA WALTERS: Yes, it's under the  
3 Mixed Income Program.

4 CHAIRPERSON DICKENS: And the AMI is 80  
5 to 155...

6 THEHBIA WALTERS: Yes.

7 CHAIRPERSON DICKENS: this is what I  
8 hear? [sic] And I assume that that's affordable in  
9 that community?

10 THEHBIA WALTERS: Yes, it's actually --  
11 the affordability levels are standard in that  
12 community board for new construction projects.

13 CHAIRPERSON DICKENS: Alright. And..  
14 [interpose]

15 THEHBIA WALTERS: That's what the  
16 community requests.

17 CHAIRPERSON DICKENS: And this is gonna  
18 be strictly, 100 percent rental?

19 THEHBIA WALTERS: Yes.

20 CHAIRPERSON DICKENS: Okay. And who is  
21 the owner?

22 THEHBIA WALTERS: The sponsor is Clinton  
23 Housing Development Corporation.

24 CHAIRPERSON DICKENS: Not-for-profit?

25 THEHBIA WALTERS: Yes.

2 CHAIRPERSON DICKENS: Do they have other  
3 housing in that area?

4 THEHBIA WALTERS: They do.

5 CHAIRPERSON DICKENS: And will they also  
6 be managing it?

7 THEHBIA WALTERS: That's a good question;  
8 I'm not sure. I think they typically manage their  
9 own, but I can confirm.

10 CHAIRPERSON DICKENS: What was the cost  
11 for them to purchase the land or was it titled,  
12 deeded over?

13 THEHBIA WALTERS: The project hasn't  
14 closed yet; it's closing this month, so we haven't  
15 sold the land, but we will be selling the land for  
16 \$1.00 to Clinton Housing.

17 CHAIRPERSON DICKENS: That's affordable.

18 THEHBIA WALTERS: Yeah.

19 CHAIRPERSON DICKENS: \$1.00.

20 THEHBIA WALTERS: Yes.

21 CHAIRPERSON DICKENS: I thought you were  
22 gonna tell me \$1 million. But \$1.00 is affordable.  
23 Alright. And right now it's totally undeveloped  
24 land, it's just vacant land?

2 THEHBIA WALTERS: Right, it's vacant  
3 land; I think there's one building on the site that  
4 will be demolished.

5 CHAIRPERSON DICKENS: One building; is it  
6 a taxpayer or is it a multi-dwelling; is it occupied..  
7 [crosstalk]

8 THEHBIA WALTERS: It's a city-owned  
9 building.. [crosstalk]

10 CHAIRPERSON DICKENS: Was it occupied?

11 THEHBIA WALTERS: there is a commercial  
12 tenant that's being relocated.

13 CHAIRPERSON DICKENS: And where; within  
14 the neighborhood?

15 THEHBIA WALTERS: Within the  
16 neighborhood; their permanent home, it's actually a  
17 building that is being.. it's another mixed income,  
18 but partially affordable project in the neighborhood.

19 CHAIRPERSON DICKENS: Did you assist the  
20 commercial tenant in relo.. is it a small store, first  
21 of all...? [crosstalk]

22 THEHBIA WALTERS: It's Dave's Collision  
23 and the Clinton Housing Development Corporation is  
24 assisting in relocating that business.. [crosstalk]

2 CHAIRPERSON DICKENS: Will the rent be  
3 comparable?

4 THEHBIA WALTERS: Uhm... [crosstalk]

5 CHAIRPERSON DICKENS: The new rent; will  
6 it comparable for... [interpose]

7 THEHBIA WALTERS: I don't know what the  
8 new... [interpose]

9 CHAIRPERSON DICKENS: Okay.

10 THEHBIA WALTERS: I don't know what the  
11 new rent is, but I know it's below market, because as  
12 with Dave's Collision and also this new project on  
13 Clinton Site 7, this building is actually  
14 accommodating two other local businesses that are  
15 locating into the new development... [crosstalk]

16 CHAIRPERSON DICKENS: How many  
17 commercials will be in the new development once the  
18 construction is finished?

19 THEHBIA WALTERS: So I'm gonna say one-  
20 and-a-half, so there is... in the Clinton building  
21 Cybert Tire will relocate, that's a local business  
22 that's been around since the beginning of the century  
23 and then the Clinton building is adjacent to another  
24 new construction project; it's an 80/20, and the two  
25 buildings together, there's going to be a shared kind

1 of ground floor and the space is gonna be owned by  
2 LeNoble Lumber, which is another kind of vested urban  
3 renewal tenant from that area.  
4

5 CHAIRPERSON DICKENS: How much square  
6 footage are we talking about?

7 [background comment]

8 THEHBIA WALTERS: I'm not sure; I think  
9 it... [background comment] was it 11,000? [background  
10 comment] Okay, about 12,000 square feet, but I can  
11 get you the breakdown between the two.

12 CHAIRPERSON DICKENS: And what's the PSF;  
13 what's the per square footage cost about?

14 THEHBIA WALTERS: I'm not sure.

15 CHAIRPERSON DICKENS: Alright, thank you  
16 so much for your testimony. Do any of my colleagues  
17 have any questions? Council Member Mealy.

18 [background comments]

19 COUNCIL MEMBER MEALY: Good morning.  
20 Will there be any WMBEs? [background comment] It's  
21 on; I can't talk. [background comment] Any WMBEs  
22 will be dealing with this project or subcontractors,  
23 minority contractors when it's built?

24 THEHBIA WALTERS: I'm not sure what the...  
25 [interpose]



2 COUNCIL MEMBER MEALY: This is a city  
3 project that the city is giving this property away  
4 for a dollar and you're tellin' me there are no  
5 minority contractors or subcontractors in this  
6 project?

7 THEHBIA WALTERS: No, I'm not saying that  
8 there aren't any; I'm saying I don't know. But we  
9 can... I don't know... [crosstalk]

10 COUNCIL MEMBER MEALY: I think that's one  
11 thing we should know, straight off the bat.

12 BARBARA HALM: We will look at it; I mean  
13 our... [crosstalk]

14 COUNCIL MEMBER MEALY: A hundred and how  
15 many units?

16 BARBARA HALM: It's 103 units and we're  
17 conveying to the developer; the developer is not a  
18 MWBE; the developer is the one that actually  
19 identifies the contractors and the subcontractors  
20 that will work on the project; I don't know if they  
21 have actually done that, 'cause this project hasn't  
22 closed yet and construction isn't underway. But we  
23 will look at your question.

24 COUNCIL MEMBER MEALY: We can request it,  
25 right?

2 BARBARA HALM: We can't require it.

3 COUNCIL MEMBER MEALY: Okay; I said  
4 request.

5 BARBARA HALM: Yes, I heard you.

6 COUNCIL MEMBER MEALY: Okay. Alright.

7 CHAIRPERSON DICKENS: Well actually, just  
8 to be of assistance to HPD, they're working on a new  
9 program and I don't know what this particular site  
10 will be inclusive of it, but I've been informed by  
11 the Commissioner that they're working on a new  
12 program which a number of developed sites will have  
13 increased participation of MWBEs; I don't know about  
14 this one, but there are a certain percentage that  
15 they're gonna try as a pilot program.

16 BARBARA HALM: Yes, Chair, we have a MWBE  
17 initiative where we will be identifying particular  
18 sites to be developed by MWBE developers; those sites  
19 have not yet been identified and this is not one of  
20 those sites that will be part of that program.

21 COUNCIL MEMBER MEALY: Well that answers  
22 my question.

23 BARBARA HALM: Because we just got State-  
24 enabling legislation to create the program and this  
25

1 project was well underway before we got the  
2 permission to create that program.

3  
4 COUNCIL MEMBER MEALY: But we still can  
5 request... [interpose]

6 BARBARA HALM: Yes, we will look at this  
7 particular project.

8 COUNCIL MEMBER MEALY: Whose district is  
9 this in?

10 CHAIRPERSON DICKENS: Council Member  
11 Johnson.

12 COUNCIL MEMBER MEALY: Okay; I will speak  
13 to him. Thank you.

14 CHAIRPERSON DICKENS: Do any of my  
15 colleagues have any other questions? Seeing none,  
16 I'm closing the public hearing on Land Use Item 0159.  
17 I wanna note for the record that the applications we  
18 are voting on today have the full support of the two  
19 council members.

20 I will now call on the counsel to call  
21 the roll on a vote to approve.

22 COMMITTEE COUNSEL: Chair Dickens.

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

2 COMMITTEE COUNSEL: Council Member Mealy.

3 COUNCIL MEMBER MEALY: I vote aye on all.

4 [background comments]

5 CHAIRPERSON DICKENS: She said aye.

6 [background comment]

7 COMMITTEE COUNSEL: Coun... [interpose]

8 COUNCIL MEMBER MEALY: Aye on all.

9 [background comments]

10 COMMITTEE COUNSEL: Council Member

11 Rodriguez.

12 COUNCIL MEMBER RODRIGUEZ: Aye, and I

13 would like to welcome the Chairman of Community Board

14 12, George Fernandez, who is visiting us here.

15 COMMITTEE COUNSEL: Council Member Cohen.

16 COUNCIL MEMBER COHEN: Aye on all.

17 COMMITTEE COUNSEL: Council Member

18 Treyger.

19 COUNCIL MEMBER TREYGER: Aye.

20 COMMITTEE COUNSEL: Land Use Items 0147

21 and 0159 are approved with 5 votes in the

22 affirmative, 0 abstentions and 0 in the negative.

23 CHAIRPERSON DICKENS: Thank you and I

24 would like to thank the members of the public, my

25 colleagues, my counsel; Land Use staff for attending

2 today's hearing. I want to again wish everyone a  
3 very Merry Christmas, a blessed Hanukah, a blessed  
4 Kwanzaa and a very Happy New Year. Thank you so much  
5 and this hearing is hereby adjourned.

6 [gavel]

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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 December 26, 2014