

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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B E F O R E: ANDREW COHEN  
ACTING CHAIRPERSON

COUNCIL MEMBERS:  
DARLENE MEALY  
YDANIS RODRIGUEZ  
MARK TREYGER

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

ARTIE PEARSON  
DIRECTOR OF LAND USE FROM HPD OFFICE OF  
INTERGOVERNMENTAL AFFAIRS

CARRIE LOBOTIZ  
DIRECTOR OF THE YEAR 15 PROGRAM

REVEREND ANTHONY LOWE  
PASTOR MT. CARMEL BAPTIST CHURCH IN THE  
BRONX AND EXECUTIVE DIRECTOR OF THE BRONX  
SHEPHERD RESTORATION CORPORATION

GARY SLOMAN  
DIRECTOR OF OPERATION FOR HPD DIVISION OF  
HOUSING SUPERVISION

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2 CHAIR COHEN: All right, good afternoon,  
3 I'm Andy Cohen acting Chair of the Subcommittee on  
4 Planning, Dispositions and Concessions, filling in  
5 for Chair Inez Dickens who I spoke to this morning  
6 and is clearly on the mend and is at home and is  
7 going to PT and hopefully be rejoining us shortly.  
8 We are joined today by Council Members Treyger and  
9 Mealy and Council Member Mendez. How are you Rosie?  
10 [off mic]. We will be holding public hearings and  
11 voting on two items. Land Use Items 303 and 306.  
12 Both of these items are article 11 tax exemptions.  
13 We will be also voting on a motion to file land use  
14 items 307, dispositions of City property which has  
15 been withdrawn.

16 Land Use Items 301 and 302, Brooklyn  
17 Public Library will be laid over until the Planning  
18 Sub Committee meeting scheduled for 10:30 a.m. on  
19 December 10<sup>th</sup> in the Committee Room of City Hall.  
20 This is a complicated issue and discussions are  
21 continuing.

22 Land Use Item 303 is an application by  
23 the Department of Housing Preservation and  
24 Development for an article 11 tax exemption for  
25 several multiple dwellings in the Bronx. This

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3 application would facilitate the rehabilitation and  
4 continue affordability of 19 multiple dwellings.

5 These building are located in the district of Council  
6 Members Cabrera, Torres, Gibson, Arroyo and Palma.

7 All of these members have indicated their support for  
8 the application. I will now open the public hearing

9 for Land Use Item 303. And will have Artie Pearson

10 and Carrie Lobitz (sp), Lobotiz. Can you raise your

11 right hands? Do you swear or affirm the testimony

12 you're going to give before this Committee will be

13 the truth.

14 ARTIE PEARSON: Yes

15 CHAIRPERSON COHEN: Please proceed.

16 Afternoon Acting Chair Cohen and members  
17 of the Subcommittee. I'm Artie Pearson, Director of

18 Land Use from HP's Office of Intergovernmental

19 Affairs and I'm joined by my colleague Carrie Lobotiz

20 who's the Director of the Year 15 Program.

21 Land Use No. 303 consistent of an

22 exemption in the area containing 19 multi-family

23 buildings located in Councils district 14, 15, 16, 17

24 and 18 in the Bronx and is known as the Bronx

25 Shepherd CPE Equities. The area is comprised of

block 2879, lot 68 and 69 and block 2869, lot 142 in

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2 Council district 14. Block 2890, lot 17; block 2892,  
3 lot 38 in Council district 15; block 2799, lot 18;  
4 block 2903, lots 3, 41, 43 and 44; block 2971, lots  
5 10, 12 and 14; block 2394, excuse me lot 2490, this  
6 is correct, 2934, lot 23, 26, 29, 31; block 2877, lot  
7 268 in Council district 16; block 2662, lot 10; block  
8 2668, lot 30 and 33; lot 2669, lot 6 and 47; block  
9 2685, lot 48 in Council district 17; and block 3776,  
10 lot 44 in Council district 18.

11           These buildings were previously approved  
12 for disposition by the Council during the 1990's and  
13 2001 under several former HPD rehabilitation programs  
14 and a new constructions program and a portion were  
15 developed utilizing low income housing tax credits.  
16 The current ownership structure is made up of two  
17 HDFC's and six limited partnership entities, all of  
18 which affiliates of Bronx Shepherd's Restoration  
19 Corporation. Currently the 15 year tax credit  
20 restriction periods before the six partnerships in  
21 the portfolio have expired and the original  
22 investment partner is exiting the project. Under HPD  
23 year 15 preservation finance initiative, HPD takes  
24 this opportunity to work with a new sponsor to  
25

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3 address any needed repairs as well as facilitate  
4 continued affordability of the rental units.

5           The Bronx shepherds Portfolio will be  
6 consolidated under a single entity in order to  
7 facilitate refinancing as well a cash flow how the  
8 project and that will assist with funding for a  
9 moderate rehabilitation. The work will include new  
10 gas boilers, sod repairs, roof replacement, kitchen  
11 and bathroom upgrades and renovations of public  
12 areas. The sponsor will also enter into a new  
13 regulatory agreement for an additional 35 years  
14 establishing certain control upon the operation of  
15 the area. The building together contain a total of  
16 334 residential units of which 50 will be set aside  
17 for a homeless families and the families will be  
18 coming from the Department of Homeless Services. The  
19 residential mix includes 13 studios, 120 one bedroom  
20 apartments, 128 two bedroom apartments, 62 three  
21 bedroom apartments and 11 superintendent units and  
22 well as four commercial spaces that are currently  
23 occupied. The income targets are multi-tiered  
24 including 50, 60, 80 AMI and there seven units at  
25 165% AMI. The current rents average between \$580 for  
a studio and \$938 for the three bedroom apartment.

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3 Today HPD is before the Planning Subcommittee seeking  
4 to terminate the article 11 tax benefits for the  
5 properties located at block 3776, lot 44 which was  
6 approved in May of 1995 and block 2685, lot 46 which  
7 was approved by the Council in June of 1999 and to  
8 approve a new article 11 tax exemption for the entire  
9 portfolio for the 35 years that will coincide with  
10 the new regulatory agreement and these tax benefits  
11 will facilitate the continued affordability of the  
12 entire portfolio and the Council Members in Council  
13 district 14, 15, 16, 17 and 18 have all indicated  
14 support for the project and we are available to  
15 answer any question that you might have.

16 CHAIR COHEN: Thank you. Could you just  
17 of course I know perfectly well how article 11 works  
18 and all the detail but just could you give us a  
19 thumbnail, is it a total tax exemption or is it a  
20 partial, how does it work?

21 ARTIE PEARSON: In this case it would be  
22 a full tax exemption.

23 CHAIR COHEN: 100%.

24 ARTIE PEARSON: Yes, that's correct.

25 CHAIR COHEN: For the whole 35 years?

ARTIE PEARSON: That's correct.

2 CHAIR COHEN: And you, and you also said  
3 that some of the units are going to be set aside for  
4 homeless families, are the, are the units currently  
5 occupied? What is the status of?

6 ARTIE PEARSON: The 50 units will be  
7 designated for homeless families and during vacancy  
8 turnover that unit will be available for a homeless  
9 family.

10 CHAIR COHEN: Do you have a target time  
11 when you'd like see those... those 50 units occupied by  
12 formally homeless families?

13 CARRIE LOBOTIZ: The project currently  
14 has a portion of units that are already fulfilling  
15 the 50 unit requirement. The remainder of the units  
16 will be filled upon vacancies, so depending on  
17 turnover I would expect within the next two years.

18 CHAIR COHEN: Two years.

19 CARRIE LOBOTIZ: It will be the next  
20 vacancy going forward.

21 [off mic: could she identify herself]

22 CHAIR COHEN: She, she did, could you  
23 identify yourself again?

24

25



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3 CARRIE LOBOTIZ: Of course, excuse me my  
4 name is Carrie Lobotiz, I'm the Director of the Year  
5 15 Program.

6 CHAIR COHEN: Do any of my colleagues,  
7 yes sir Council Member Treyger.

8 COUNCIL MEMBER TREYGER: Thank you Chair  
9 and I... I certainly appreciate the fact that we... we  
10 certainly need do a lot more to address the needs of  
11 our most vulnerable in our City. I'm just curious I  
12 didn't know if I heard about if any of the homeless  
13 families need supportive services, if any of them  
14 have any extra additional needs in addition to  
15 shelter and housing. Is there, what is, what is the  
16 plan for that if any of them do need help and  
17 services?

18 CARRIE LOBOTIZ: This project does not  
19 currently contain any set aside for supportive  
20 services so in terms of the specific financing for  
21 this project, we do not have any supportive services  
22 being offered.

23 ARTIE PEARSON: There are, this is the  
24 home, the homeless families are as Carrie was saying  
25 are not supportive housing families, they're... there  
are households that are coming from DHS. I suppose

2 that if services were need they are, they're  
3 communities in the area and I do believe that Bronx  
4 Shepherd is going to have presence in this building  
5 and would certainly be available for reference.

6 COUNCIL MEMBER TREYGER: Yeah I just want  
7 to emphasis you know for the record that I... I not  
8 every obviously, not every homeless family or person  
9 needs services but the some do and we often read  
10 about those people that do not get help and services  
11 which they need and then the repercussion for  
12 themselves and those around them, so I would just  
13 want to emphasize that the I think that we there  
14 should be some sort of mechanism to make sure that  
15 these families don't need extra services in addition  
16 to. Obviously housing is critical but I also believe  
17 that their... their some who possibly can't take care  
18 of themselves or who can't take care of others and  
19 what are we doing to make sure that their needs...  
20 needs are being met in addition to housing. So I  
21 just wanted to put that out there for the record.  
22 Thank you.

23 ARTIE PEARSON: Thank you.

24

25

2 CHAIR COHEN: We've been joined by  
3 Council Member Rodriguez. Do you know, do all of the  
4 units need to be rehabilitated or some or?

5 ARTIE PEARSON: All of the units are  
6 going to receive some level of rehabilitation.

7 CHAIR COHEN: But the units if they're  
8 occupied are going to remain occupied during the  
9 rehabilitation?

10 ARTIE PEARSON: Yes the work is going to  
11 be done with the tenants in place.

12 CHAIR COHEN: All right, please.

13 COUNCIL MEMBER MEALY: So they'd be no  
14 displacement whatsoever?

15 ARTIE PEARSON: That's correct.

16 COUNCIL MEMBER MEALY: Could on the 115,  
17 1519, 172 Second Street, HDFC 172<sup>nd</sup> Street. The  
18 targeted income was 60% AMI; AMI rental is 43 at 30%  
19 AMI and 60% AMI. Why could not just stay 30% AMI?  
20 Or what percentage of the 43 units will be 30% AMI?

21 CARRIE LOBOTIZ: None of the units are  
22 under in the 30% AMI, the regulatory.

23 COUNCIL MEMBER MEALY: Excuse me.

24 CARRIE LOBOTIZ: The regulatory agreement  
25 as far as I understand the units are restricted to

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2 60% and below. So maybe it's 30% if 60% excuse me  
3 sorry.

4 COUNCIL MEMBER MEALY: 30% of 60% ok.

5 CARRIE LOBOTIZ: Ok.

6 COUNCIL MEMBER MEALY: All right now I  
7 got it. Thank you.

8 CARRIE LOBOTIZ: Ok. No problem.

9 CHAIR COHEN: Anybody else have any  
10 questions? Going once, going twice, ok. Are there  
11 members of the public who wish to, thank you for your  
12 testimony. Are there any members of the public who  
13 wish to testify? You can testify but when you're  
14 done you'll need to fill out a ok.

15 UNKNOWN: I actually represent Bronx  
16 shepherds Restoration Corporation and have acted as  
17 in-house Counsel for a considerable period of time.  
18 I'd like to make the honorable Council persons aware  
19 of how important that this is to the Bronx community.  
20 The member that are the residents of the housing  
21 there are under extreme direst. The properties came  
22 into existence 15 years ago. Fifteen years they have  
23 not had changes, they have not had they've had to use  
24 the same kitchen, the same bathroom, the same  
25 restroom for over 15 years. There has not been

3 enough economic strength in order to provide for  
4 additional support where the property would  
5 ultimately fail. As you're aware over a 15 year  
6 period the cost of running houses rise while the  
7 amounts that you collect stay relatively the same.  
8 What this would do is open those individuals who are  
9 residing in the property. Many of which who have  
10 resided there for over 10 to 15 years. Give them an  
11 opportunity to have more suitable housing in the  
12 Bronx community. Those individuals are proud members  
13 of the Bronx community and they really deserve a  
14 better standard of housing than what is been able to  
15 be provided thus far.

16 CHAIR COHEN: Well let me just ask a  
17 follow-up, it seems like that the AMI are... are... are  
18 aggressive but in terms of will the net rents go up  
19 or will they go down or what... what do we anticipate  
20 the impact on rent from what people are presently  
21 paying?

22 ARTIE PEARSON: Well the units are all  
23 rent stabilized, I mean so there will increases based  
24 on the rent stabilization whatever those increase  
25 are. Over time the rents may rise for some of these  
units some of the, I should say that the marketing

2 AMI's will go up so you know people making a little  
3 bit more money will have an opportunity to move into  
4 some of these units but that would not be for a long  
5 time.

6 CHAIR COHEN: So if I, if I presently am  
7 a resident and if what if my rent is above 60% of the  
8 AMI will it could it, could it go down?

9 ARTIE PEARSON: I don't think it would go  
10 down. The units are capped you know based on the  
11 regulatory agreement, the units are capped at a  
12 certain AMI and those are the... the marketed  
13 apartments that these tenants can... can be marketed  
14 to. But the rents themselves would be a certain  
15 percentage of what that cap is on the AMI. So as we  
16 were explaining earlier that the... the rents would be  
17 30% of... of 60% of AMI, so a tenant making up to 60%  
18 of that area median income, their rent would be 30%  
19 of whatever that number is. But over time you know  
20 as time goes by the... the caps can rise.

21 CHAIR COHEN: And they'll rise consistent  
22 with rent stabilization.

23 ARTIE PEARSON: That's correct.

24 COUNCIL MEMBER MEALY: I'm back to the  
25 50% homeless and how would you do, your saying once

2 an apartment get vacant you would put a homeless  
3 family in that apartment. And if the families do  
4 not, so how would this development be able to sustain  
5 itself if some if 50 people do not move out of that  
6 apartment because housing is very scarce and I tell  
7 you the truth I wouldn't move. I would stay in the  
8 one apartment until you finish it and go right back  
9 in. So how would you get that 50% homeless if people  
10 are living in apartments right now?

11 ARTIE PEARSON: Well I think that's a  
12 difficult question to answer because people may not  
13 move.

14 COUNCIL MEMBER MEALY: But they basing  
15 the funding on this are they not?

16 ARTIE PEARSON: Hold on a second.

17 COUNCIL MEMBER MEALY: That 50%?

18 CARRIE LOBOTIZ: So in terms of your  
19 question regarding the homeless, there are 50 units  
20 of the total 330.

21 COUNCIL MEMBER MEALY: There not vacant  
22 right now.

23 CARRIE LOBOTIZ: No the requirement is  
24 50.

25 COUNCIL MEMBER MEALY: All right.

2 CARRIE LOBOTIZ: The building is  
3 currently meeting the project is currently meeting a  
4 portion of that; unfortunately I do not know who many  
5 current homeless tenants are in the building at this  
6 time.

7 COUNCIL MEMBER MEALY: Do you know how  
8 many vacant apartments are in the building?

9 ARTIE PEARSON: Hold on one second. And  
10 also just while I'm looking up the information, it's  
11 50 units across the 334 units, it's the entire  
12 portfolio, it's not just one building.

13 COUNCIL MEMBER MEALY: But it still will  
14 be hard to get up to 50. Because people know it they  
15 get out of that apartment, it practically nowhere  
16 else for them to live.

17 CARRIE LOBOTIZ: So at the time of the  
18 submission there were 22 vacancies. The owner has  
19 been working to lease those vacancies up. A portion  
20 of those vacancies are set aside for the homeless  
21 families. I... I understand your question. There is  
22 natural turnover that happens in projects. We see  
23 turnover rates.

24 COUNCIL MEMBER MEALY: Sometimes.



2 CARRIE LOBOTIZ: Sometimes we see  
3 turnover rates of typically three to four percent in  
4 our projects. Just through the natural course of  
5 people moving on or you know whatever family reason  
6 cause them to move.

7 COUNCIL MEMBER MEALY: Well how much are  
8 their finances based on these 50, not that much?

9 CARRIE LOBOTIZ: None.

10 COUNCIL MEMBER MEALY: None.

11 CARRIE LOBOTIZ: This is a regulatory  
12 requirement. Part of the regulatory requirement  
13 comes from our terms sheet. Our terms sheet you  
14 know, our term sheet is being met in terms of our  
15 funding requirements in this. So it's tied to our  
16 requirements and our terms sheets in order to put in  
17 City Capital. However, there's no additional funding  
18 that's tied specifically to the fulfillment of the 50  
19 units.

20 COUNCIL MEMBER MEALY: Ok then. All  
21 right thank you.

22 CHAIR COHEN: All right are there any  
23 additional, anybody else that wish to speak on this?  
24 All right. Seeing none I will now close the public  
25 hearing.

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2 COUNCIL MEMBER MEALY: We have one more.

3 CHAIR COHEN: We do. One more.

4 COUNCIL MEMBER MEALY: We defiantly want  
5 to hear his voice.

6 CHAIR COHEN: Please.

7 REVEREND ANTHONY LOWE: I'm Reverend  
8 Anthony Lowe, I pastor the Mt. Carmel Baptist Church  
9 in the Bronx. I'm also the Executive Director of the  
10 Bronx Shepherds Restoration Corporation. I've sat in  
11 this particular seat since February of this year.

12 And I wanted to interject that this organization has  
13 been in existence since 1980 and it was built around  
14 the philosophy of community of faiths coming together  
15 to restore the quality of life for the residence of  
16 the Bronx. When the Bronx was a poster child of  
17 urban decay. It was Bronx Shepherd that was at the  
18 fore of providing housing and turning the housing  
19 stock around and it's that same philosophy that  
20 drives us now along with the collaborative position  
21 that we have with government entities. There is the  
22 moral compass that... that drives our organization to  
23 ensure that the question as it regards to those, in  
24 regards to those who are in need homeless. That's on  
25 our agenda. With the shift in the environment in

3 housing, our organization has had to shift also and  
4 it is doing so, this... this new dynamic of providing  
5 space for the homeless is... is new to the Bronx  
6 Shepherd. And we have resolved, we being the Board  
7 of Directors and about 70 pastors that give resource  
8 and share for the direction of the organization we  
9 have resolved to do whatever needs be done to address  
10 the needs that our impacting our community with the  
11 homeless being one. We... we also address the needs of  
12 the elderly and so we would, we will apply to the  
13 necessary entities to become a provider and... and  
14 ensure that all of the necessary services are in  
15 place as we improve our housing stock and look to  
16 even become more involved in the development of new  
17 housing for the Bronx.

18 COUNCIL MEMBER TREYGER: Pastor I really  
19 thank you for your commitment through standing by  
20 your community that you serve through thick and thin  
21 and I just, I... I... I can't emphasize enough the  
22 importance of making sure that as we provide housing  
23 and provide and support that we consider adding wrap  
24 around services where needed. Because it's been my  
25 since and my history working in recent in the Coney

2 Island community that some of the families in need,  
3 need more than just housing.

4 PASTOR ANTHONY LOWE: Right.

5 COUNCIL MEMBER TREYGER: And so it had to  
6 be my job to connect them to additional wrap around  
7 services so again I think you're doing god's work,  
8 wonderful work. I would just you know strongly  
9 recommend that you partner up with some wrap around  
10 groups service organizations to provide additional  
11 you know needs to these families. But again thank  
12 you for what you're doing.

13 PASTOR ANTHONY LOWE: Thank you.

14 CHAIR COHEN: I'll just share with my... my  
15 two Brooklyn colleagues and my colleague from  
16 Manhattan. The Bronx Shepherd really has been a bulk  
17 board against you know when the Bronx was really  
18 really reeling and needed help. Bronx Shepherd  
19 really and you see their buildings all over the, all  
20 over the Borough now and I know I can personally  
21 vouch for the good work that they do, so I'm happy to  
22 do that. All right now I will close the... the public  
23 hearing on this item and I will turn the page. So  
24 take this page.

3 [off mic: were gonna, we vote after  
4 right?]

5 CHAIR COHEN: All right. Land Use Item  
6 306 is an application by the Department of Housing  
7 Preservation and Development to amend previously  
8 approved article 11 tax exemption for a property in  
9 Manhattan. This application would facilitate the  
10 rehabilitation continued affordability of one  
11 multiple dwelling with 16 units. This building is  
12 located in Council Member Mendez district and she has  
13 indicated her support for the application and I'll  
14 let her indicate that by you know, without my help,  
15 without my help. And I will now, before we have a  
16 public hearing I'm going to.

17 [off mic: Kell are you going to speak  
18 first?]

19 COUNCIL MEMBER COHEN: Ok, all right. Now  
20 so I will now open the public hearing on Land Use  
21 Item 306 and we have Artie Pearson and Gary Sloman.

22 ARTIE PEARSON: Again I'm Artie Pearson,  
23 Director of Land Use from HPD's Office of  
24 Intergovernmental Affairs and I'm joined by Gary  
25 Sloman, he's Director of Operations for HPD Division  
of Housing Supervision. Land Use No. 306 consists of

3 an proposed amendment to a previously approved tax  
4 exemption for property located at block 390, lot 9;  
5 also known as 304 to 306 East 8<sup>th</sup> Street, HDFC. On  
6 May 28, 1992, the City Council approved the project  
7 which provides cooperative housing for low income  
8 families. In view of the HDFC's financial hardship  
9 to the phase out of J51, HPD sort Council approval  
10 for an article 11 tax exemption which was approved on  
11 October 2013. In 2014 HPD obtained a new resolution  
12 correcting the HDFC status as a lease of the property  
13 and established a date by which the project closed  
14 and signed a new regulatory agreement. However  
15 because of delays the project has not closed and  
16 therefore HPD is before the Council seeking to extend  
17 the date by which the closing must occur to November  
18 1<sup>st</sup>, 2016 and Mr. Sloman and I are here to answer any  
19 question that you might have.

20 CHAIR COHEN: Thank you. Council Member  
21 Mendez.

22 COUNCIL MEMBER MENDEZ: Thank you for  
23 being here again on this matter. This has a history  
24 where we keep trying to get the tax abatement to this  
25 building and then in the previous administration some  
administrative glitch didn't get it here and then at

3 the beginning of this year we were going to vote on  
4 this again and then I... I raised some issues with new  
5 regulatory agreement that the... the cooperators had  
6 not been given sufficient time to review and I raised  
7 other issues with specific language in the regulatory  
8 agreement that I, that I found just too restrictive  
9 moving forward for all the HDPF's in the City because  
10 I'm clear that we try to make this the standard. I  
11 don't know if anyone's here from 306 is... is the  
12 treasurer, is it Alphonso is... is Wanda Alphonso? Ok  
13 she was not able to make it. So I just wanted to go  
14 on the record saying how supportive I am of this and  
15 trying to make this happen. I just have concerns  
16 because since last year when we raised these issues,  
17 I've been trying to get meeting with HPD so that we  
18 can work through what the restrictive parts of the  
19 regulatory agreement were and to try to get to a  
20 better place to have that be the standard. I have  
21 this issue with another building, these two building  
22 in terms of an HDFC and as cooperators who did sweat  
23 in there building are exemplary. They are very much  
24 committed to keeping these units as permanently  
25 affordable and have taken action through the years  
when people tried to illegally sublet and do other

3 things to make sure that those cooperators did not do  
4 that and got cooperators expelled and sell the shares  
5 back to the building so that they can keep permanent  
6 affordable and I thought that these, this building  
7 and another building that's not in front of this  
8 committee that's in front of Finance Committee were  
9 two incredible building to come forward and lay some  
10 of the ground work. So why I'm going on the record  
11 now is because I've never gotten my meeting in the  
12 last year and granted we've had a couple things so in  
13 all fairness to HPD we also had three buildings that  
14 collapsed in my district that we've been dealing with  
15 during that time and but I was assured that there  
16 were meetings happening with the cooperators and on  
17 Sunday as double checking everything, I called one of  
18 the cooperators to find out that they had not had a  
19 meeting in a long time, so it raised concern for me  
20 and while a were moving forward with a regulatory  
21 agreement that I've been assured that was agreed upon  
22 by lawyers and everyone toward the end of the last  
23 administration. I... I still have concerns moving  
24 forward with setting that standard with any new  
25 regulatory agreement for any other of my HDFC's and  
so I have, I have concerns and so I want to make sure



2 and I hope that these buildings will continue to be  
3 involved in a process where they will have input into  
4 a standard for the City. I want to be part of those  
5 meetings with HPD going forward and... and I want this  
6 to move (inaudible) but I want to raise my concerns  
7 to what's seems to be a lack of communication with  
8 the cooperators who didn't know this matter was  
9 before us today and with the lack of information of...  
10 of what meetings have actually taken place during the  
11 last year. So thank you for listening again to my  
12 concerns. I want to thank the Acting Chair for  
13 letting me go on the record and putting all my issues  
14 on the table and you know I may, I don't think I will  
15 need to but if I do I will be coming back to the  
16 Committee to ask for more assistance moving forward  
17 on those regulatory agreements and the other  
18 buildings that we have. And I... I don't know if there  
19 anything else you would like to state regarding this  
20 matter.

21 CHAIR COHEN: Thank you Council Member  
22 Mendez. Just so, the... the application before is  
23 essentially though an interim application and that  
24 you'd be back again.

3 GARY SLOMAN: This application is as the  
4 Council Member indicated for any deal or any  
5 transaction that was occurring prior to HPD  
6 redrafting it's regulatory agreement standards. The  
7 former, the older version of our regulatory agreement  
8 will apply, so there was some question about rather  
9 that would be the case in this instance and would  
10 some of the other ones that were pending. So these,  
11 so these did not close timely in terms of the  
12 resolution requirement. We have now the agency  
13 agrees with the Council Member that it's not fair, it  
14 was not fair to introduce more restrictive agreements  
15 to those building that had already had an  
16 understanding of what they would expect in terms of  
17 regulatory oversight. So the agency has made a  
18 determination that all of those deals that were in  
19 underway will have the older form of regulatory  
20 agreement. Having reached that conclusion, we will  
21 now move forward with... with should this be passed, we  
22 would move forward and use the older form of  
23 regulatory agreement which is well known in the  
24 affordable housing community.

25 COUNCIL MEMBER MENDEZ: And Mr. Chair is  
I could. And... and I'm very happy about that and I'm

2 glad were moving forward but I also want to make sure  
3 that were going to continue to work on what the  
4 proposed new regulatory agreement during this  
5 administration that were going to work on those  
6 egregious parts to keep what is appropriate and what  
7 needs to be tighter and in tight and what needs to be  
8 loosen a little bit to allow for some flexibility  
9 that I thought was to owneress and... and now I'm  
10 getting that agreement, is that correct? I mean  
11 moving forward were not going to be using the last  
12 regulatory agreement that were not using in this  
13 case, were not going to be using that for every other  
14 building moving forward.

15 GARY SLOMAN: You mean the more  
16 restrictive one that, there have been modifications  
17 from what was presented before but I can't speak to...  
18 to the specifics and modifications, however, some of  
19 the which you call them are egregious or some of the  
20 more restrictive parts have been modified and I just  
21 want to say and I'm not here speaking specifically to  
22 support the new form of regulatory agreement that  
23 there have been a meetings with advocates, lawyers  
24 and you have people who are a part of the affordable  
25

2 housing community have had meeting with HPD about the  
3 new agreement. So HPD is not working in in a vacuum.

4 COUNCIL MEMBER MENDEZ: Then... then I'm  
5 very happy to hear that and I just wanted to just go  
6 on the record and give you an example; So I happen to  
7 live in an HDFC and in one particular year I was  
8 traveling every month to take my mother to a doctor's  
9 appointment in Puerto Rico and under the new  
10 regulatory agreement those four day weekends every  
11 month would had me not living in my apartment enough  
12 that it would of made at risk at losing my housing  
13 and so that was just an example that... that I was able  
14 to really identify with and those were you know I had  
15 given HPD a list of issue and so I'm glad to hear  
16 your working with the advocates. I had had a meeting  
17 with UHAV and with the HDFC Coalition and there were  
18 other additional issue that they were raising. I... I  
19 still want my meeting though so that I could hear  
20 what progress has been made and that this is going in  
21 the right direction. So thank you both for being  
22 here today and... and thank you Mr. Chair.

23 CHAIR COHEN: Anybody else have any  
24 questions?

2 COUNCIL MEMBER MEALY: Yes I would just  
3 like to know on what circumstances were they were not  
4 able to meet on the deadline?

5 GARY SLOMAN: Because.

6 COUNCIL MEMBER MEALY: I see this been  
7 about three or four occasions now.

8 COUNCIL MEMBER MENDEZ: If, if.

9 COUNCIL MEMBER MEALY: Is anything in  
10 place if they don't meet this deadline?

11 COUNCIL MEMBER MENDEZ: Can I answer  
12 that? So I'd like to answer that because what  
13 happened is certain things needs to be filed in a  
14 certain manner right, so were in Land Use Committee  
15 and everything has a clock and then when for example  
16 changes were made to the regulatory agreement and the  
17 cooperators were unable to review it, they could not  
18 comply with their own by-laws of having to give  
19 notice to all the cooperators, having to have a  
20 meeting, having to have a vote and the issue was  
21 coming to the City Council for a vote before they  
22 could adhere to their own by-laws.

23 COUNCIL MEMBER MEALY: So the people who  
24 live there is not organized?

25 COUNCIL MEMBER MENDEZ: No. No, no.

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2 COUNCIL MEMBER MEALY: All right, enough  
3 said.

4 COUNCIL MEMBER MENDEZ: That... that there  
5 was change.

6 COUNCIL MEMBER MEALY: In leadership.

7 COUNCIL MEMBER MENDEZ: No, there was a  
8 change, well there was a change yes, there was a new  
9 Mayor and a new regulatory agreement was put in place  
10 and I don't know how much of this was done under the  
11 previous Mayor but by the time that this Committee  
12 had a vote on it and changes were made and the  
13 residence were not notified, they did not have time  
14 to follow their own by-laws for notice.

15 COUNCIL MEMBER MEALY: Ok.

16 COUNCIL MEMBER MENDEZ: So it... it created  
17 a problem that they were going to have agree to  
18 something that they couldn't discuss and vote and  
19 have their lawyer review. So... so.

20 COUNCIL MEMBER MEALY: This... this  
21 deadline is kind of solid?

22 COUNCIL MEMBER MENDEZ: So yes because we  
23 are going to be using the previous regulatory  
24 agreement that were reviewed by the cooperators, by  
25 their lawyers, by HPD and they've agreed to now use

2 that regulatory agreement and... and that'll be a good  
3 thing for this, these building but they were willing  
4 to work on tightening that up even... even more but  
5 this is the third time it's coming here which means  
6 in the interim, there arrears continue, you know  
7 their real estate and water tax arrears continue to  
8 accrue, so this article 11 is much needed and as much  
9 as we want to adhere to process it's... it's creating a  
10 liability and in this City after a certain amount  
11 time things will be put up on the lien list and so  
12 that is something were... were trying to avoid where  
13 everybody here is trying to do the right thing. Were  
14 just getting caught up with other agencies and what  
15 that means to keep this building permanently  
16 affordable.

17 COUNCIL MEMBER MEALY: Thank you.

18 COUNCIL MEMBER TREYGER: I respectfully  
19 ask my colleague and I thank you for that very good  
20 description of... of what a process you and what a  
21 great job for staying so much engaged in touch with  
22 your constitutes. But just for the clarity for us,  
23 are you in favor of this application because this  
24 something certainly we take very serious?

3 COUNCIL MEMBER MENDEZ: I am 150% in  
4 favor of for the third time, but yes you know  
5 whatever process issues have gotten in the way we  
6 cannot allow that not to continue. But I just wanted  
7 to get on the record a commitment that we are working  
8 on those issues and that why I've I wanted to bring  
9 it to the Committee because you may hear it from  
10 other advocates warning of the situation in your own  
11 districts.

12 COUNCIL MEMBER TREYGER: And I thank you,  
13 you are very very much engaged on the ground, very  
14 grass roots with your constitutes and that really,  
15 your description speaks volumes of how engaged you  
16 are so, it's a credit to you colleague. Thank you  
17 very much.

18 COUNCIL MEMBER MENDEZ: Thank you. And I  
19 want to thank HPD. I'm... I'm the building will be  
20 very happy to know that this is going forward.

21 CHAIR COHEN: Excellent, are there any  
22 members of the public who wish to testify? Going  
23 once, going twice, seeing none I will now close the  
24 public hearing on this item. We will now move to a  
25 vote to approve Land Use Item 303 and 306 and motion  
to file Land Use Item 307. You're going to call the



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2 role? Council will please call the roll. 307 is  
3 just a motion to file, withdrawn application.

4 COMMITTEE CLERK: Council Member Mealy.

5 COUNCIL MEMBER MEALY: I vote I on all  
6 and I hope they keep their affordable housing because  
7 we need it in this City. Thank you Chair.

8 COMMITTEE CLERK: Council Member  
9 Rodriguez.

10 COUNCIL MEMBER RODRIGUEZ: I.

11 COMMITTEE CLERK: Chair Cohen.

12 CHAIR COHEN: I vote I.

13 COMMITTEE CLERK: Council Member Treyger.

14 COUNCIL MEMBER TREYGER: With kudos to  
15 Council Member Rosie Mendez I vote I on all.

16 COMMITTEE CLERK: Land Use Items 303 and  
17 306 are approved and referred to the full Land Use  
18 Committee and a motion to file Land Use Item 307 is  
19 also approved and referred to the full Land Use  
20 Committee.

21 CHAIR COHEN: Thank you very much.

22 COUNCI MEMBER MENDEZ: If I could just  
23 have a minute and I want to thank the Committee and I  
24 want to thank HPD and the public for being here  
25 through that whole process. Thank you.

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3 CHAIR COHEN: Thank you Council Member  
4 Mendez. This concludes the hearing. Thank you.

5 [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 2, 2015