

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON PLANNING,
DISPOSITIONS AND CONCESSIONS

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February 25, 2016
Start: 1:24 p.m.
Recess: 1:40 p.m.

HELD AT: 250 Broadway - Committee Room
16th Fl

B E F O R E: ANDY COHEN
Acting Chairperson

INEZ E. DICKENS
Chairperson

COUNCIL MEMBERS: Darlene Mealy
Ydanis A. Rodriguez
Mark Treyger

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

Ardie Pearson, Director of Land Use
Office of Governmental Relations
Housing Preservation and Development, HPD

Kerry La Botz, Director
Low-Income Housing Tax Credits Year 15 Program
Housing Preservation and Development, HPD

Zuma Ramia (sp?)
Carol Gardens Association

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2 [sound check, pause]

3 CHAIRPERSON COHEN: Okay, we're ready.

4 Good afternoon.

5 COUNCIL MEMBER TREYGER: [off mic] Your
6 gavel.

7 CHAIRPERSON COHEN: Oh, yes, thank you.
8 [gavel]

9 COUNCIL MEMBER TREYGER: There you go.

10 CHAIRPERSON COHEN: Now, good afternoon.

11 COUNCIL MEMBER TREYGER: You got it.

12 CHAIRPERSON COHEN: I am Andy Cohen,
13 Acting Chair of the Subcommittee on Planning,
14 Dispositions and Concessions filling for Chair Inez
15 Dickens. We are joined to day Council Members
16 Treyger, Lander and Rodriguez. Land Use Item 337, an
17 application submitted by HPD for an amendment to a
18 previously approved tax exemption for property
19 located at 332 Bergen Street in Council Member
20 Levin's district. The Council Member has indicated
21 his support for this application, and Land Use Item
22 338, another application submitted by HPD for an
23 amendment to a previously approved tax exemption for
24 properly located at 163 Columbia Street. This
25 application is in Council Member Lander's district.

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3 I will now open the public hearing on Land Item
4 Number 338, and I believe Council Member Lander would
5 like to say a few words.

6 COUNCIL MEMBER LANDER: Thank you very
7 much, Acting Chair Cohen, and thank you Council
8 Members Rodriguez and Treyger for being here and your
9 time in considering this land use action. I also
10 want to appreciate the work of the staff. There's
11 been a lot of behind-the-scenes work to get us here
12 today, and make sure this hearing takes place. So
13 thank you all very much. I'm in strong support of
14 the proposal of HPD the Carroll Gardens Association
15 and Avery Hall Investments to modify the Land Use
16 Regulations and allow for the sale of 163 Columbia
17 Street in Brooklyn. We've done a lot of work
18 together. It's taken a while, but together we're
19 achieving an agreement that really is a big win for
20 the Columbia Waterfront by allowing the sale of one
21 underutilized vacant lot to be developed this four
22 units of market rate housing we're achieving the
23 permanent preservation of 28 units of low-income
24 affordable housing in six buildings on that same
25 block, and though not directly part of this
transaction, HPD has agreed to transfer two Community

3 Gardens from HPD to Parks. So they'll be permanently
4 preserved as Community Gardens. That was the
5 original intent of this lot at 164 Columbia Street in
6 1991. It was disposed from HPD to Carroll Gardens
7 Association, and the idea was it was going to be
8 ancillary open space, but lack of funds and other
9 challenges meant that it has sat as a vacant lot for
10 that time while the affordable housing was
11 redeveloped for a group of low-income families in
12 Columbia Waterfront and Carroll Gardens. Meanwhile,
13 on two other vacant lots too much loved Community
14 Gardens grew up on, you know, more a month-to-month
15 or temporary leases when Avery Hall Investments came
16 along, and said we would be interested in acquiring
17 and developing that lot, it presented a big
18 opportunity. Carroll Gardens Association really
19 shaped and took good advantage of that, and so we
20 will take the proceeds from that invest it in
21 preserving and improving the 28 units. And my
22 request they agreed to commit to permanent
23 affordability. So instead of those units expiring,
24 and I mean they would have wanted throughout--you
25 know to keep them affordable, but you never know what
happens in the future. So it's going to be now

3 written into the regulatory agreement, and that those
4 28 units will be affordable. They are going to use
5 the remaining chunk of the proceeds to explore
6 additional affordable housing in nearby Red Hook
7 where they have a development. And as I mentioned,
8 HPD also not directly connected to this deal, but as
9 part of their broader package of sites that they
10 transfer or transferring to Parks to preserve these
11 too much loved Community Gardens so a real win-win-
12 win, and I fully support the proposal.

13 CHAIRPERSON COHEN: Excellent. Thank
14 you. We're going to call the first panel.

15 LEGAL COUNSEL: Ardie Pearson from HPD
16 and Kerry La Botz from HPD.

17 [background noise, pause]

18 LEGAL COUNSEL: Raise your right hand.
19 Do you swear to tell the truth, the whole truth and
20 nothing but the truth?

21 PANEL MEMBERS: [off mic]

22 LEGAL COUNSEL: Please identify yourself
23 before speaking and go ahead.

24 ARDIE PEARSON: I'm Ardie Pearson,
25 Director of Land Use at HPD's Office of Governmental
Relations, and I'm joined by Kerry La Botz the

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3 Director the Low-Income Housing Tax Credits Year 15
4 Program at HPD and we're testifying on Land Use No.
5 337, correct?

6 CHAIRPERSON COHEN: 338. We've been
7 jumping a little out of order.

8 ARDIE PEARSON: Okay, we're doing 338
9 first?

10 CHAIRPERSON COHEN: Yes.

11 ARDIE PEARSON: Okay. Then that would be
12 a different person. [pause] Okay. So I need Rita.
13 [laughter]

14 LEGAL COUNSEL: Rita Calhoun (sic).?

15 RITA CALHOUN: [off mic] Yes, I'm from
16 [on mic] Asset Management at HPD.

17 ARDIE PEARSON: Okay, so my testimony is
18 basically going to reiterate just about what
19 everything that Council Member Lander just said, but
20 I'll start at the beginning. Land Use No. 338
21 consists of a proposed amendment to a project
22 previously approved for disposition by the Council on
23 November 12, 1991, Resolution No. 1351 through HPD's
24 Enterprise Rehabilitation Program. The original
25 project is comprised of six residential buildings
with a total of 28 units and one picket lot located

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3 at Block 319, Lots 25, 20, 19, 15, 12, 11, and Block
4 330, Lot 3. The current project is a vacant lot
5 located at 163 Street, which is Block 319, Lot 12.

6 Under the original project the lot was to be
7 developed as open space by the sponsor. However, the
8 lot has remained vacant and unimproved. The sponsor
9 and its parent organization Carroll Gardens
10 Association proposed the sale of the vacant lot in
11 order to generate much needed funds by paying
12 outstanding debts and stabilize and sustain
13 affordable housing stock including the 28 units
14 rehabilitated under the original project.

15 Additionally, from proceeds from the sale of the lot,
16 will fund pre-development and planning costs
17 associated with the development of approximately 75
18 new affordable housing units that will be built by
19 Carroll Gardens Association under the storm
20 Resiliency Guidelines in Brooklyn's Red Hook
21 neighborhood. The sponsor will enter into a
22 regulatory agreement detailing how the funds will be
23 utilized, and as part of the agreement provide
24 permanent affordability for the residential units
25 within the original development. HPD is before the
Subcommittee seeking to amend the original UDAAP and

3 disposition approvals in order to facilitate the
4 proposed conveyance of the project by Block 319, Lot
5 12, and we're available to answer any questions that
6 you may have. [pause]

7 CHAIRPERSON COHEN: Thank you very much.

8 ARDIE PEARSON: Uh-huh.

9 CHAIRPERSON COHEN: You--you said in 1991
10 there was an original conveyance?

11 ARDIE PEARSON: That's correct.

12 CHAIRPERSON COHEN: And--and the lot was
13 supposed to be used for open space. Do we know why
14 that never happened?

15 ARDIE PEARSON: I think I might need
16 Carroll Gardens Association up here to explain.

17 CHAIRPERSON COHEN: They're the--they're
18 the next.

19 ARDIE PEARSON: They're are. Oh, okay.

20 CHAIRPERSON COHEN: Okay, I don't--does
21 anyone have questions for HPD?

22 COUNCIL MEMBER LANDER: I--I have a good
23 chance to have a lot of dialogue with HPD about this
24 project so all my--all my questions about this
25 project have been--have been answered.

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2 COUNCIL MEMBER RODRIGUEZ: So why--why
3 don't we call me now?

4 CHAIRPERSON COHEN: We're going to ask
5 you to join the panel.

6 LEGAL COUNSEL: Zuma Ramia (sp?).

7 ZUMA RAMIA: [off mic] Good morning, I
8 mean good afternoon.

9 CHAIRPERSON COHEN: How are you?

10 ZUMA RAMIA: Good.

11 CHAIRPERSON COHEN: I was just curious as
12 to--I don't know if you--if you--if you've been
13 involved in the project for that long as to why the
14 open space was never developed.

15 ZUMA RAMIA: Yes, I've been involved with
16 the project for the past five years, but based on my
17 understanding it's been some time before--initially
18 it was used, and tenants have not really kept it in
19 good shape. And so we decided to just fence it off
20 because it had become more of like a problem. They
21 have not used it the way it should be, and--but there
22 were also community gardens. We encouraged them to
23 join the community gardens.

24 CHAIRPERSON COHEN: Thank you very much.

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3 COUNCIL MEMBER LANDER: I'll just--I just
4 so it's--to kind of put this on the--the record. So
5 this--these--and the property built with using low-
6 income housing tax credits so it's--it's Year '15--

7 ZUMA RAMIA: Year 15.

8 COUNCIL MEMBER LANDER: --and is now in
9 that extended regulatory period, but the ownership
10 moved up to the general partner, and you're going to
11 move forward to preserve and maintain it as we
12 outlined and discussed in there.

13 ZUMA RAMIA: Yes. So based on the
14 current Regulatory Agreement it will remain
15 affordable until 2044, but now with having the
16 projects remaining affordable into perpetuity I think
17 this aligns with our mission as an affordable housing
18 providers and Council Member Lander proposed it,
19 which our--the CGA Board of Directors unanimously
20 approved.

21 COUNCIL MEMBER LANDER: And I just want
22 to thank you and I want to thank both Carroll Gardens
23 Association and HPD and Avery Hall Investments as
24 well for working together on this, but I think it's a
25 great example. You know, we--we're looking for more
ways to achieve long-term and permanent affordability

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2 and this was a creative one that was made possible by
3 the resources that were being brought in and by your
4 willingness--

5 ZUMA RAMIA: Uh-huh.

6 COUNCIL MEMBER LANDER: --to do it, an
7 HPD's willingness to work with us to find an
8 appropriate regulatory way to do it. So thank you
9 very much for all the good works CGA does in general.

10 ZUMA RAMIA: Thank you.

11 COUNCIL MEMBER LANDER: And for working
12 with us on this project as well.

13 CHAIRPERSON COHEN: Okay, I will now
14 close the hearing on item--Land Use Item No. 338, and
15 I will open the public hearing on Land Use Item 337.

16 LEGAL COUNSEL: Ardie Pearson, Kerry La
17 Botz. [pause] Is it Jay Marino, Marcus? [pause]

18 CHAIRPERSON COHEN: Please.

19 ARDIE PEARSON: Again, I'm Ardie Pearson
20 from HPD's Office of Government Relations, Director
21 of Land Use and I'm joined by Kerry La Botz, Director
22 of Year 15, HPD's Low-Income Housing Tax Credit
23 Program. Land Use No. 337 consists of an amendment
24 regarding the exemption area known as Fifth Avenue
25 Committee Renaissance located 332 Bergen Street,

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3 which is Block 389, Lot 22 in Council Member Levin's
4 district. The building contains eight units and was
5 part of a portfolio of 21 buildings that provides
6 rental housing for 141 low-income families. And
7 HPD's Low-Income Housing Tax Credit Program
8 Preservation Year 15 the sponsors obtained an Article
9 11 Tax Exemption on April 16th, 2015, which is
10 Resolution 662 in order to facilitate the refinancing
11 and rehabilitation of the portfolios as well as enter
12 into a single regulatory agreement. Subsequently,
13 the sponsors split the portfolio into two portions
14 and plans to finance each separately. Eight of the
15 buildings will be financed using low-income housing
16 tax credits, and the other 13 builders will be
17 financed using a private loan and city capital.
18 Twenty of the buildings currently have tax exemption
19 benefits under J51 or the 420(c) Program. 332 Bergen
20 Street, J51 expired in 2013, and does not have any
21 tax exemption benefits applied to the property. HPD
22 is now seeking to amend Resolution No. 662 in order
23 to remove the 20 buildings that received tax benefits
24 under that resolution and obtained Article 11 tax
25 exemption for 332 Bergen Street only. The amendment
also seeks a retroactive effective date to 1997, real

2 property tax benefit--I'm sorry. The amendments also
3 seek to--a retroactive date to 1997, and will
4 terminate in 35 years providing real property tax
5 relief until June 11, 2032. It is anticipated that
6 the--that prior to that time the building will
7 received 420 tax benefits that will replace the
8 Article 11, and Council Member Levin has been briefed
9 on the project and has indicated his support, and
10 we're available to answer to any questions that you
11 may have.

12 CHAIRPERSON COHEN: Thank you for your
13 testimony. I do not have any questions, but Council
14 Member Lander has.

15 COUNCIL MEMBER LANDER: It's quite funny
16 that I'm here today. So I--I--I--this was one of my
17 first affordable housing development projects when I
18 was the Director of Fifth Avenue Committee in the
19 1990s and Shiela Gibbs was the tenant leader in this
20 building and it's a great story. It was a building
21 in the process of being abandoned by its slumlord.
22 And this tenant of her own, she--she knew and saw it
23 going downhill, and she came to the Fifth Avenue
24 Committee and I'm going to get him to sell it to us.
25 Will you work with us, and I, you know, was polite.

2 I was like sure you're going to get him to sell it to
3 you, but she did. He moved to Florida and she got
4 him to send a note that he was willing to sell the
5 building to the tenants, and the Fifth Avenue
6 Committee partnered with them and here we are all
7 these years later. So, thank you to the Fifth Avenue
8 Committee for continuing to be a--a great steward of
9 it. That's not a question. I apologize. [laughter]
10 I still need to say it.

11 CHAIRPERSON COHEN: Anybody else have any
12 questions? All right. [background comments] Okay,
13 I think that's on the next page. I just want to make
14 sure if there's anybody else here in the public who
15 wishes to testify on either of these items? Well,
16 it's only with them. Going once. All right. I will
17 now close the public hearing on Land Use Item 33--3--
18 337, and Counsel is going to call the roll.

19 [background comments]

20 CHAIRPERSON COHEN: We will now vote--
21 move on a--we now move to vote to approve Land Use
22 Items 337 and 338.

23 LEGAL COUNSEL: Chair Cohen.

24 CHAIRPERSON COHEN: I vote aye.

25 LEGAL COUNSEL: Council Member Rodriguez.

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2 COUNCIL MEMBER RODRIGUEZ: Aye.

3 LEGAL COUNSEL: Council Member Treyger.

4 COUNCIL MEMBER TREYGER: With

5 congratulations to Councilman Lander and the

6 continued great work of our interim co--Chair Andy

7 Cohen, I vote aye.

8 LEGAL COUNSEL: By a vote of 3 votes in

9 the affirmative, 0 in the negative and 0 abstentions,

10 Land Use Items 337 and 338 are approved and referred

11 to the full Land Use Committee.

12 [pause]

13 CHAIRPERSON COHEN: All right, then we'll

14 close the hearing.

15 [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 March 1, 2016