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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September 7, 2016 Start: 1:52 p.m. Recess: 2:57 p.m.

HELD AT: 250 Broadway - Committee Rm,

16th Fl.

BEFORE:

INEZ E. DICKENS

Chairperson

COUNCIL MEMBERS:

Darlene Mealy

Ydanis A. Rodriguez

Andrew Cohen Mark Treyger

Rafael Salamanca, Jr.

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

Aaron Koffman Principal The Hudson Companies

Meredith Marshall Principal BRP Companies

Artie Pearson
Office of Governmental Relations
New York City Housing Preservation and
Development

Jonathan Buettler
Director
New Construction Program
New York City Housing Preservation and
Development

Ted Weinstein Director Bronx Planning

Bryant Brown Representative SEIU 32BJ [gavel]

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CHAIRPERSON DICKENS: Good afternoon. I'm

Council Member Inez E. Dickens, Chair of the

Subcommittee on Planning, Dispositions and

Concessions. I welcome everyone to today's hearing

and I apologize for the lateness of the hour, but

ongoing negotiations required that we be late, but I

apologize.

I want to acknowledge and thank my

Sergeant of Arms; I see Regina Sharp is here and Dane

Hope. I want to also acknowledge my Land Use

Director, Raju Mann, my Deputy Director Amy Levitan

and of course, my great attorney, Julie Lubin.

We are joined today by council members that are on the Committee, Andrew Cohen and Council Member Mark Treyger. We've also been joined by Council Member Salamanca in whose district that we are holding the hearing on.

We have 13 items on the calendar, but at this time we will be laying over 7; they are Land Use Items 428, known as Blake Hendrix and Land Use Items 453 through 457, known as Southeastern Queens Vacant Homes Clusters 1 through 5 and Land Use No. 427,

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2 known as Hope East of Fifth Resyndication, which will also be laid over.

Today we will hold a hearing on 5 applications, Land Use Items 448 through 452, known as La Central, in Council Member Salamanca's district in the Bronx.

I am now opening up the hearing for Land
Use Items 448 through 452 La Central, an application
submitted by HPD to facilitate La Central, a new
mixed-use development composed of 5 residential
buildings with 992 residential units, including
community facility uses and commercial space in the
Council Member's district.

There are five actions within the ULURP process:

- 1. Disposition of city-owned property comprising the development site and designation of the property as an Urban Development Action Area and approval of the project as an Urban Development Action Area Project. I'd like one of those in my district, by the way, y'all.
- 2. A zoning map amendment to rezone three underutilized blocks, portions of the tax blocks 2294, 2361 and 2363, also known as the project

2 area as defined herein from M1-1 and to a C4-42(c)6-2 3 [sic].

- 3. A zoning text amendment to designate the project area as a Mandatory Inclusionary Housing area.
- 4. Large-scale general development special permit pursuant to Section 74-743(a-1 and 2) of the Zoning Resolution of the City of New York to permit distribution of floor area and required open space within the large-scale general development without regard for zoning lot lines and permit location of buildings without regard for applicable yard, court and height and setback regulations.
- 5. Large-scale general development special permit pursuant to ZR, Paragraph 74-744(b) to permit residential and nonresidential uses to be arranged on the second floor within Building B without regard for the location regulations of zoning regulation, paragraph 32-42.

Yesterday I met with HPD and La Central team project members, BRP Development Corporation, Hudson Companies and ELH-TKC, LLC and the nonprofit partner, Breaking Ground who will be providing

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supportive services for homeless veterans with mental
illness and for single adults with special needs.

La Central is a 992-unit, 5 building development project that will be done in two phases. Phase 1 will include buildings A, 215 units, B, 281 units and D, 161 units with 97 reserved for supportive housing. Phase 2 will include Building C, 137 units and E, 198 units. Buildings A, B and C will have income ranges from 30-120% AMI, with Building D having a range of 30-60% AMI; Building E will have a range of 30-130% AMI. The unit sizes for La Central will offer residents the option of studios up to 4-bedroom apartments. Any changes that Council Member Salamanca may have been able to negotiate on behalf of his community he will give us in his statement.

Since there is a supportive housing component to the project, Breaking Ground, community, HDFC, along with Comunilife, Inc. are offering 24-hour on-site services for residents with special needs. There is 40,000 sq. ft. of community facility space, with 4,000 will be housing the Bronx Cable Network rent-free while the rest of the pace will hold retail.

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I'm gonna ask the council member that the Bronx Net to ensure that they don't attack the Council when they have their radio show.

The YMCA has agreed to occupy 50,000 sq. ft. of space to offer residents and patrons access to their swimming pools, athletic courts and programmatic services.

Other amenities will also include grass roofs and open spaces that will help the project qualify for LEED Gold Certification.

Although MWBEs are representing 37.5% of ownership, I was pleased to understand the development team was still looking to increase MWBE participation, which is always going to be a question that I am going to have. This is extremely important to me, since the City has not done sufficient outreach to ensure MWBEs are made an integral part of all major development projects. Unless MWBEs are more heavily involved in such projects, communities of color will continue to suffer.

We've been joined by Council Member

Rafael Salamanca in whose district La Central is

located and I will ask him at this time to speak more
about the project.

2 COUNCIL MEMBER SALAMANCA: Thank you,
3 Madame Chair.

This project, La Central, is an important project for the South Bronx and I'm pleased that the development team and HPD are here today to answer any questions. Both HPD and the development team have been ready and willing to work with my office and other land use teams here at City Council to address a number of concerns I've had with the project, and I have a few.

First I'm pleased that there has been a commitment to work with 32BJ to facilitate organizing the building's maintenance, service and security personnel; this is important and I look forward to hearing more about the agreement.

Secondly, this part of our community continues to see a high concentration of drug use, squatters and crime that each pose safety concerns to the residents of La Central; as a result, I'm calling for the proposed skate park to be closed during night hours. And additionally, I am pleased that there is a commitment to have manned security between Buildings C and D during nighttime hours with the

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option for fencing to be closed if there are additional problems that arise.

Lastly, and most importantly, I have real concerns surrounding the depth of affordability surrounding the units and the project. My community is one of the most impoverished in the city and I'm pleased to see that there's a commitment to additional units at 30% AMI and 40% AMI and I look forward to hearing more about how this will be done also.

With that said, I have always been and I am very excited about this project; I look forward to the opportunity to work with HPD and the developer to continue to move this project forward.

CHAIRPERSON DICKENS: Thank you so much,

Council Member. I see that all the applicants have

already taken a seat; I didn't have to call you up,

and I will ask that each of you will please give your

name, since you've already... [background comments]

Alright; start... please start, Mary, or whoever. Just

give me your names and then you can give testimony.

AARON KOFFMAN: Good afternoon; we're excited to be here. My name is Aaron Koffman and I'm a Principal with The Hudson Companies.

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2 Council District 17 in the Bronx for a project known as La Central.

The project sites consist of the last remaining undesignated developable urban renewal sites form the now expired Bronxchester renewal plan. Under HPD's New Construction Finance Program and Supportive Housing Loan Program, Land Use No. 450 will be divided into three disposition areas that will undergo redevelopment in phases.

The sponsors proposing to develop disposition area 1 and disposition area 2 under the New Construction Finance Program while disposition area 3 will be developed under the Supportive Housing Loan Program. In total there will be five 9- to 25-story buildings containing 987 dwelling units, less 5 superintendent units and rents will be affordable, ranging from 27% AMI up to 127% and those with targeted incomes between 30-130% AMI.

Disposition area 1 will be conveyed to an HDFC to develop two buildings which are expected to be developed under the Mix and Match Program for a total of 494 rental units plus 2 superintendent units; in Building A there will be 282 units plus a super; in Building B there will be 215 units. This

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2 | site also includes approximately 86,386 sq. ft. of

3 commercial and/or community facility space, as well

4 as approximately 41,252 sq. ft. of open space. In

5 addition, the project will include a new YMCA, the

6 | first in the South Bronx.

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Disposition area 2 will be conveyed to an HDFC, which is Building C and E, in order to construct the two buildings, containing approximately 335 rental units plus 2 super units, approximately 50,000 sq. ft. of commercial and/or community facility space, as well as approximately 24,102 sq. ft. of open space.

Disposition area 3 will be developed under the Supportive Housing Loan Program and will be conveyed to an HDFC to construct one building containing approximately 160 units for occupancy by formerly homeless and low-income persons, plus 1 unit for a superintendent. On-site support services for tenants may include things such as management and counseling services, care coordination and social programming. The building will also include 4500 sq. ft. of ground floor community facility space.

Disposition areas 1 and 2 will also seek tax benefits under Article 11, which will coincide

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with a 40-year regulatory agreement and some of the amenities in the La Central complex will include a 7100 sq. ft. state park to be developed on the northern end of the project and will be open to the general public, common rooms, computer rooms, fitness rooms at various locations throughout the complex, a below grade garage, which will have parking spaces with potential up to 209 spaces. A telescope will be located on the roof of the 25-story building, which is Building E; it will be controlled remotely by the Bronx Science Astronomy Department and will transmit its images to a facility at the Bronx High School of Science. We intend for it to be used by other primary and secondary educational institutions throughout the Bronx.

Also, as mentioned previously, Land Use 448 seeks an amendment to the Zoning Map, section changing from an M1-1 and C4-4, to a C6-2 district, which will allow residential development on the site.

Land Use No. 449 seeks an amendment to the Zoning Text to add the project to the list of maps of Mandatory Inclusionary Housing areas.

Land Use No. 451 seeks a special permit to allow distribution of required open space within

the large-scale general development without regard to zoning lot lines and to permit location of buildings without regard to applicable yard, court and height restrictions.

And Land Use 451 seeks a special permit to allow for the residential and non-residential uses to be located on the second floor within Building B.

approval of the above-mentioned land use actions in order to facilitate the development of the La Central project. At this time I'm gonna turn the presentation over to the developer, who's gonna provide a PowerPoint.

AARON KOFFMAN: Thank you very much.

Good afternoon, on behalf of the entire team, we are honored to be here; we also wanna thank everyone at the City Council, Council Member Salamanca, Chair Dickens and of course the staff, as well as the housing agencies from the City of New York; I think we have an even better project than we had maybe six months ago when these discussions really got going and so I think the input together has been collaborative and we have an even better project to

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deliver to the South Bronx. [background comment]

Yes... Yes, ma'am.

My name is Aaron Koffman; I'm Principal with The Hudson Companies, one of the members of La Central owner LLC. Anyway, I will take you through the PowerPoint.

The first page is the imagery here. This is just an aerial rendering, looking northwest; as you can see, the 2 and 5 trains are coming out of the 149th Street/3rd Avenue subway station and then it basically runs from south to north. Here's the phasing plan; again, we have identified the buildings just by letters, so you have A through E, running south to north, and Parcel C is the triangle that you see here to the far right, which is going to be, we hope will be a skate park for the community.

To again, our first phase we anticipate will be Buildings A, B and D and Building D is the supportive housing building, which will be owned by Breaking Ground and Comunilife. As you can see, it's 767,000 sq. ft.; the pink -- yeah, it does show pink -- the pink is retail, the purple is community space and the yellow is residential.

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Our goal in the phasing was to establish both sides of Westchester Avenue, so we wanted to extend the retail immediately; we didn't wanna have one side and then look at a construction site for 2 1/2 years, so our goal was to just bring that retail from the hub, down Westchester in one fell swoop, and obviously bring more affordable housing in the process.

Here is the financing summary and as the Chair and HPD staff have mentioned, we have a variety of income diversity here in all buildings; again, you see the 30% AMI units; we go up to 120% AMI; this is in line with the HPD/HDC mix and match program. The YMCA will be housed in Building A and I'll get to that in a second. We've also designed for 116 parking spaces to be under Building B as underground parking; we are asking for the approval to go up to 209 just because we've heard a lot of concern about parking, especially from the 3rd Avenue BID and Community Board 1, and then of course Building D we've already mentioned before.

Phase 2, again, a similar income distribution -- 335 units in Phase 2; again, mix and

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2 match program again, using HDC bonds, for a total of 3 992 units in five buildings.

We are one of the first publicly owned sites to be going under the MIH program and our plan is that Building A be governed by option 1; Buildings B, C and E will be governed by option 2, of course that comes with the permanent affordability for those units; we exceed both of these and we're very excited to be working in this new program. Building D is not eligible because of the supportive housing.

Here's the affordability distribution; you can see here we have -- roughly 50% of the units are low-income, 60% AMI or below and of course we go up to 80 and then on to 130% AMI in the later phase. But again, the goal here is that every building was going to have multiple opportunities for households of different incomes to find a home in La Central. And if I'm going too fact, please tell me to stop.

Unit mix -- So one of the things that we're very proud of is the 4-bedroom option; we have 53% of the units are family-based; 2-bedrooms are larger, and actually, the statistics do support that the Bronx -- CB1, I'm sorry, has a 20% higher rate population per household than the rest of the city

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and 10% higher than the rest of the Bronx, and so to address that we've gone to those larger units where they otherwise would've been ineligible. So a family of 6, 7 may have been turned away for a 3-bedroom apartment; now they can find a home in La Central, so we're very excited about that as well.

This slide highlights the supportive housing, Building D; again, there'll be 4500 sq. ft. of community facility space; out intention is that that becomes nonprofit office space for other local nonprofits and I think that will really pick up as we move into construction. We have 97 special needs units; we are looking at single veterans with mental illnesses and I think we'll identify other special needs populations as we move closer towards closing.

Here's just an elevation of the YMCA on the ground floor. All ground floors are gonna have lots of glazing; we want light to come in; we wanna see and be seen; that's critical to activating the retail space on Westchester and even the small retail space we have planned for East 153rd Street.

As precedent, our partners Larry

Hirschfield and Jerry Kretchmer of ELH TKC have

actually already developed a YMCA in Coney Island in

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partnership with HPD and HDC, so there's affordable housing on top and a YMCA below and so that is a part of our team and so we have now a very rich history with the YMCA and of course they're here today.

But just to give you an idea of some of the imagery that will be occurring in the La Central site; you have two pools, exercise equipment; again, lots of glazing, basketball courts; all the things that the YMCA has historically offered to the community. This our rendering of what our pools will look like; we have a lap pool, we have a more kiddie pool, family style; here are the basketball courts.

Moving to the courtyard, you know green space is a bit of a premium in this neighborhood, but for St. Mary's Park, which we love, but we wanted to provide more shading, more seating, more passive recreation and a playground and we believe we've achieved that; this is in-between Buildings B, C, D and E; it's almost two acres of open space. You can see we've already designed attractive and still secure fencing, and again, the goal is potentially during the daylight hours residents from Via Verde, St. Ann's or the community to the north and east can move through La Central while they're going to work

or going shopping on 3rd Avenue, and so again, it

creates a nice cut which otherwise right now is

actually not that attractive from a sidewalk, human

5 | scale perspective on Bergen and Brook.

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York, who has a long tradition now in the city with doing rooftop plantings; this one however will be open to the public, so they will have a retail presence on Westchester Avenue, they'll have their own dedicated elevator and stair; they'll have a demonstration kitchen so that the goal here really is that New York City public school students will come, learn what it means to have seasonality of food, have cooks come and teach classes on cooking and then obviously show how food is harvested, whether it's tree fruits or just planting; we'll teach them about composting and again, this is all on Grown New York and we are moving towards an agreement with them now.

Giving you an idea of the resident amenity, this is now also on the third floor, as was the Grown New York space; this is on the roof of the YMCA in Building A. So half of it is going to Grow New York; the other half is going to green recreation space for the tenants only. And as you can see here,

we're providing a lot of lush greenery, we're providing a lot of seating; we even have a playground

here, which is the yellow feature above me, and then

5 just off to your right you can see there are some

6 exercise equipment, so that'll be outdoor exercise

7 equipment; parents can ride the bike while they're

watching their kids; we think this is a great amenity

9 | for the residents.

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And then taking it even a step further, we've got open space on the upper floors, so on the 12th floor another resident amenity, just to get above the city, get away from the noise a little bit and come and relax; it's something that is rare in affordable housing these days, but we wanted to provide it. Our overarching goal was really to make sure we had no square foot unturned and so where we can provide programming that's of benefit to the residents or the public or both, we tried to do that.

Again, this is just some of the open space for Building B; this is now looking north into the courtyard; again, terrace, landscaping; here's a rendering of that.

Resiliency and sustainability is critical to us; this RFP was issued in March of 2013, which is

only five months after Hurricane Sandy, so resiliency was sort of informing our design as we moved through the competition.

As such, we have brought some of the knowledge from different development team members and brought that into La Central; we have cogeneration, we have battery backup, so that ideally, not only can the residents shelter in place in the event of a power emergency, which would be the most likely thing to occur here, but possibly other community members could come to the retail spaces or community spaces and charge their phone or sit in air conditioning or sit in the heat, whatever time of year this incident may occur and so again, where we can provide resiliency, it was really critical to us and we've maintained that.

As the Chair has mentioned, we are committed to LEED Gold on all buildings; we are also committed to exploring Passive House for phase 2, which is Buildings C and E. The Hudson Companies, on our own, is currently developing the largest Passive House building in the world, which is the Cornell Tech dorm on Roosevelt Island, so we will bring that

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2 knowledge to La Central as we design phase 2, which 3 we are intending to start this month on C and E.

We'll also have a half-million watts of photovoltaic solar generation, we'll have water recycling, bike storage and then finally, what we're very excited about is another amenity that kind of goes unnoticed, but that's silence. We want people to come in, shut the door and have silence, get away from the city a little bit; because of that, we will not have air conditioners in the windows, there will be no air conditioner penetration in the wall; the air conditioners are going to be in the living room and in the bedroom. I was looking around here hoping this room could help me out, but that's not the case. But every tenant, regardless of their income, will have this amenity; it's also an incredible energy efficiency amenity, but they'll be able to control their thermometer all year round, cooling and heating and again, with triple pane windows you will have silence, and that is critical to the tenant; we were shaping these apartments based on respect for the tenants, first and foremost. Every unit will also have a dishwasher, oak wood floors, no vinyl, no VOC paint; there will be no new apartment smell, 'cause

that smell is actually not that good for you;

there'll be no smell at all, which is the best thing 3

4 possible, especially in areas like the South Bronx,

which has a high asthma rate, especially among 5

children. 6

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Here's a quick rundown of our community educational summary. Again, going back to this no square foot left unturned, we have the YMCA, we have the office space; you see the Grown New York City farm; we actually have a day care, which was critical in the CD1 district statement of needs; they wanted to have a day care; we'll have one in Building E. Ιn Building C this Music Has No Enemies program is a music education program for kids of all ages, 0-130, and then of course the Bronx Net TV station; this will be the second TV station to open; they are not closing the Lehman College location, they're just expanding, but it'll be a Today Show, SNY kind of feel where you'll have broadcasts that can be seen from the street; it'll be right on the corner; you can see people behind you as they're broadcasting and I think most importantly, they will be highlighting the South Bronx, they will be filming from that area

2 and we think that is wonderful to start shining more 3 light on the South Bronx.

In terms of neighborhood benefits, we have committed to 35% of the construction force will be from the Bronx and in partnership with all sorts of City agencies and Council Member Salamanca's office; Community Board 1, we will be identifying them by hiring a community liaison starting this fall and continuing on through the duration of the entire construction process. Of course, to the Chair's point, we will be contracting a minimum of 30% of all work to MWBE firms, and to give you an idea of the size of that, phase 1 we're estimating to be \$350 million in total development cost, so that's at least \$105 million from the first phase alone, minimum, going towards MWBE firms, so we're very excited about that; we will be committing to that and actually we committed to it at the CB1 hearing, we said we would have our feet held to the fire every three months, starting in January of '17, if we break ground this December, as we hope to do, and we will read through the numbers and if we are failing in our goals we will hear it, but the point is, we're not just gonna

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2 make these goals and then walk away, we really want 3 to be held accountable.

We'll also be holding monthly training seminars for the residential lottery process. many of you may know, this is a paper-heavy process, even through of course to the City's benefit, they have digitized some aspects of it and I think that's great, but tenants who are looking for affordable housing don't know how much paperwork they have to bring and multiple interviews, it's hard on everybody; you have to cancel work, you have to maybe change a day care appointment, whatever it might be; we wanna be able to tell people -- one year after we start construction, we're gonna have monthly seminars on what it means to apply for affordable housing, so that when that 60-day period comes out, we believe we will have done the best effort possible to educate anyone and everyone in applying for La Central.

This is the final -- just going back to the imagery here -- and we thank you again for your time and we're happy to answer any questions you may have.

CHAIRPERSON DICKENS: Thank you so much; that was a great presentation. Mr. Marshall, I'd

3 by the way, I'd like the developers to know, that 4 there is a what, 37.5%...

MEREDITH MARSHALL: Yes.

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CHAIRPERSON DICKENS: MWBE ownership?

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MEREDITH MARSHALL: Uhm-hm. Uhm-hm.

CHAIRPERSON DICKENS: That, uhm very good, because the equity-building is what's necessary, so I'm very happy that you were inclusive of that, so (inaudible)... [crosstalk]

MEREDITH MARSHALL: Right. So again, I'm Meredith Marshall, Partner and founding member of BRP Companies. We're a fully integrated firm, so we have development, construction, property management and some financing units. But our interaction with this project was from the beginning; some key points that Aaron mentioned was the sustainability services, including the cogeneration plant, so our firm was the first to develop a cogeneration plant in Central Brooklyn and Bed-Stuy in the Bradford development; we also are in Flushing Commons with Macedonia Plaza, and Chair, we're in Central Harlem at the former Lafayette site with a cogeneration plant, so we provide green options to low-income residents,

that, so it's passed on to the tenant.

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meaning that we provide electricity, cooling and heating at a reduced rate to the tenants; we in fact could charge the PUC rate, which what Con Edison charges or Keyspan, but we charge a 5% reduction in

In addition to that, we've helped negotiate a 32BJ agreements in our Brooklyn site, your site, the Lafayette site, and in this site; we have a good relationship with Cal Bragg, who's our point person, so the maintenance staff, the porters, supers and security all will be 32BJ, and that agreement should've been signed this morning or this afternoon, but we were negotiating into late last night, but we're in good stead with 32BJ.

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And the final point is the MWBE plan.

Our firm is an MWBE plan; I'm a 50% owner; the other owner is an African American as well and we will be constructing Building B; we have a construction group called BRP Construction Group; we will be constructing Building B. In addition to that, we've helped develop and are developing MWBE plans with both HPD, EDC and various economic development groups throughout the city, including Greater Jamaica

Development Corp. in Jamaica, where we have a large

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development that will be coming before... well it may not be coming before you, but will be closing in December. And so we help develop MWBEs from not only a contract perspective, but also a capacity-building perspective, because what we find is a lot of MWBE firms don't have the sustainability to actually take on larger projects, so we wanna work with smaller firms in terms of subcontracting some of the larger trades, so in case -- in one instance in the project in your area, Madame Chair, we've had an electrical contractor that may provide the low voltage to an MWBE or contract the fire alarm system and we will employ those methods for this project.

In addition to that, you know, we commit to 30%, but why not 50%, so we'll be in earnest trying to move those numbers up, but we have to find competent MWBEs that can complete the job and that's easier in some cases; in larger projects, quite frankly, it's more of a challenge, but we're committed to the 30%.

CHAIRPERSON DICKENS: Thank you so much.

Artie; do you have anything you wanna add? Alright.

The MWBE, although sometimes can be challenging, you being one yourself, if you do not begin to assist the

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2 MWBEs in increasing their capacity, then they will

3 | never qualify and that's been my argument

4 historically, from 11 years in the City Council and

5 since I am an MWBE for 20 years prior to getting

6 elected, and so I commend this development for

7 participating and yes, I do see that that has always

8 been done.

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Now Council Member Salamanca has some questions that he wants to pose to you, but before he does that, there's one clarity point I would like to know. The HDFC, Artie; is that the 97 units for the special needs? Is that the HDFC component?

ARTIE PEARSON: Yes, each of the disposition areas are gonna be conveyed to an HDFC.

CHAIRPERSON DICKENS: Alright. And is this PTAC [sic] units... do I understand that these are... What are these units?

AARON KOFFMAN: These are variable refrigerant units; they're called VRFs or sometimes called VRVs. I'm trying to... they're probably about, maybe 3 feet long; they install into the wall and then they have two vertical lines that run up to the roof, let's say and that's where the condensers are...

can it be done by bedroom?

AARON KOFFMAN: Yes, if there are four

bedrooms, there'll be five units, right; there'll be

one unit in every bedroom and they're all

5 independently run, plus the one in the living room.

6 CHAIRPERSON DICKENS: 'Cause that saves a little money.

AARON KOFFMAN: Sure does, yeah, of course.

CHAIRPERSON DICKENS: Uhm-hm. Uhm-hm

[inaudible]. And what type of outreach will be done
and will there be local preference for community
board -- those who reside within the local community
board?

AARON KOFFMAN: And you're saying

Community Board 1 preference for residents, for...

[crosstalk]

CHAIRPERSON DICKENS: Whatever ward it is; will there be a preference for two things -- one, to get jobs... that's number one, construction opportunities; two, is there going to an educational component, a training component and three, will there be a community board preference for application process through the lottery system?

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SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS

2 AARON KOFFMAN: So maybe I'll take your 3 last... [crosstalk]

CHAIRPERSON DICKENS: In other words, some of them require that 15% within that community board; is there such a thing in this one?

AARON KOFFMAN: Yeah. So I'll send it over to HPD for the residential lottery portion...

[crosstalk]

CHAIRPERSON DICKENS: Okay.

AARON KOFFMAN: but for the workers -- So

I think first and foremost we will have a community
liaison similar to what was done at Yankee Stadium,
in fact we're looking at that firm, so that they will
identify local businesses, both in CB1 and in the
Bronx more generally, and then B, they're on-site so
that they can come in and be interviewed...

CHAIRPERSON DICKENS: Is there a training component attached to that, one, and are purchases going to be done with the local businesses in the area? In other words, are you gonna buy your supplies from the local businesses in the area so that they can increase their capacity?

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AARON KOFFMAN: Of course.

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2	CHAIRPERSON DICKENS: to Council Member
3	Salamanca.
4	AARON KOFFMAN: We've kicked around one
5	idea of having a project management, like
6	apprenticeship program through the construction,
7	possibly with Hostos College and
8	CHAIRPERSON DICKENS: That's a great
9	idea.
10	AARON KOFFMAN: Yeah and to really see
11	what it means to be a project manager on the job for
12	those who are really interested and so we're going to
13	explore that, but I think we all agree that's a great
14	idea.
15	CHAIRPERSON DICKENS: 'Cause I like
16	training components to be a part of developments and
17	construction sites.
18	AARON KOFFMAN: Of course.
19	CHAIRPERSON DICKENS: Alright. Artie,
20	you were gonna tell me about the lottery system,
21	please.
22	[background comments]
23	ARTIE PEARSON: Okay. Or Ted will
24	answer.
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will be subject to ...

2 TED WEINSTEIN: Okay. As with all 3 projects that are done through our programs, this

5 CHAIRPERSON DICKENS: Ted, you wanna give 6 your name (inaudible)?

TED WEINSTEIN: Sure. Ted Weinstein; I'm Director of Bronx Planning for HPD.

CHAIRPERSON DICKENS: Thank you.

TED WEINSTEIN: As with all projects that go through our programs, this will be subject to our marketing requirements and HDC's; in this particular case, it would be actually supervised by the HDC marketing office working with us; just basically, what happens, when the project is about -- and in this case it will be by phases -- approximately two-thirds done, they have to submit a marketing plan to the office that's supervising it, including where it'll be advertised; they will be notifying the community board, they'll advertise in some newspapers, but one of the requirements is that there'll be 50%, at least 50% of the units, preferences given to people from within that community district, Community District 1.

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CHAIRPERSON DICKENS: And what about the commercial space; will that also have a minimum percentage to allow local small businesses to be able to rent commercial space there?

TED WEINSTEIN: There isn't a requirement for that, but we certainly encourage them to do that, to reach out, you know work with the local business improvement district, and any other sources in terms of finding businesses that are looking for space.

CHAIRPERSON DICKENS: And you're budgeting a part of the underwriting; have you set an approximation for what the per square footage costs would be; that's number one? Will it be just a wall that will be provided and will there be an assistance for allowance for build-out?

JONATHAN BUETTLER: My name is Jonathan

Buettler; I'm the Director of Mixed Income Programs

at HPD. In the current underwriting that we've been

working on with the development team, there are costs

associated with the core and shell of those

commercial spaces that hasn't been proposed yet; that

would be subject to the development team's agreement

with those local tenants. During the RFP process we

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of this size.

have worked with the development team to design the
project in a way where the ground floor plan will
include smaller spaces, which will be more attractive
to local or smaller businesses as opposed to some of
the more big box retail that could be found on a site

CHAIRPERSON DICKENS: Will there be -
for those small businesses, even though they have a

smaller per square footage; in order to... because when

they get the core and shell, sometimes it's a

hardship for them to do build-out; will there be an

allowance made where maybe they -- one month rent is

forgiven, etc.; are you willing to entertain anything

like that on behalf of Council Member Salamanca? To

allow the small businesses to really partic...

AARON KOFFMAN: Yes, ma'am.

CHAIRPERSON DICKENS: because when they're given a core and shell, sometimes it's very difficult for them to do the build-out.

AARON KOFFMAN: We agree. We actually already have that in the budget; we have a tenant improvement, sort of landlord work; it's in the budget now; I cannot remember what the number is; I wanna say it might be \$30 per foot, which is in

accordance with what we see in the marketplace; we wanna bring it to a vanilla box so you'll have some -- depending on who it is, 'cause every user is a little bit different, so there will be obviously a bathroom already installed, 'cause that's required for TCO, HVAC systems will already be preinstalled, security system will be preinstalled and it's just a matter of devising walls, just based on who those tenants are. We won't really see those tenants come to fruition I think until we're in construction and there's some interest there. But we get it that you can't just leave people hanging. I will say, just real quickly, I'm sorry, is that you know the retail space is critical, no question about it; the success of the underwriting does not depend on getting every last dollar and so where we can do mom and pop, that's what we're looking for; we're looking to extend -- although there are a number of (inaudible) tenants at 3rd Avenue, we want to extend that locally-owned business down Westchester and if it means that we have to be flexible on rent, we will do it. We think that's critical to the success (inaudible)... [crosstalk]

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CHAIRPERSON DICKENS: Now when you say security; does that include the gates?

AARON KOFFMAN: We haven't gotten into the minutia, but I will say Hudson, on all their other affordable housing jobs, we actually provide rolling gates on the inside of the window; not the outside, 'cause no one wants that steel wall. So it would be on the inside and we always provide that at our cost and then we turn it over to the landlord.

MEREDITH MARSHALL: Yeah, I'm gonna talk about some of the local tenants. What we've done in Harlem, in particular, with Noble Strategy, Harlem Gynecology, Hundred Black Men [sic], Franz Florist; a lot of these firms have additional build-out requirements beyond say \$30, maybe \$70 or \$100, so we invest in the tenant, so we built out the space and we added... we amortize it in the lease over 10-15 years, so we sort of share the risk; if they blow up and you know, do well (inaudible)... [crosstalk]

 $\label{eq:CHAIRPERSON DICKENS:} Then you share in the loss.$

MEREDITH MARSHALL: but if they... we share in the loss, but you know, we've lost probably Noble, but then another group took it over, so it's really

have 10% of the units would be at 30% AMI, which my

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND 1 CONCESSIONS 43 understanding, if my math serves me right, that's 50 2 3 units? 4 AARON KOFFMAN: We'll give you that extra unit, but yeah, 49, but we'll take (inaudible)... 5 COUNCIL MEMBER SALAMANCA: (inaudible), 6 7 yeah. AARON KOFFMAN: Yes, 10%, absolutely. 8 9 COUNCIL MEMBER SALAMANCA: Alright. I just don't see a breakdown here in terms of how many 10 11 units will be at 30% AMI for Building A and Building 12 В. 13 AARON KOFFMAN: I think just because 14 everything happened so fast, honestly since 15 yesterday, and we have to just coordinate with HPD; I 16 think you'll have that probably by the end of the day 17 or early tomorrow. 18 COUNCIL MEMBER SALAMANCA: Awesome. And 19 then in Building C and Building D we agreed that 26 units will be at 30% AMI and 7 units will be at 40% 20 21 AMI. 22 AARON KOFFMAN: Building C and E will be 23 at 26... yes, that's right, C... [crosstalk]

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COUNCIL MEMBER SALAMANCA: C... I'm sorry, yeah, C and E. Okay. So that gives us a total of 83 buildings at 30 and 40% AMI. Yes.

AARON KOFFMAN: Yes.

COUNCIL MEMBER SALAMANCA: Okay. My other question, in terms of Building D; just wanna confirm that the construction of that building will be at prevailing wages?

AARON KOFFMAN: Yes.

Awesome. And then my last concern that I had is security; I'm working with the Mayor's Office, I'm working with the local community residents and community leaders; not to far from you I'm having issues of heroin and opioid use; it's spilling out to the streets; I'm working with my local police department, but I'm concerned in terms of the open space that you have there; I'm concerned that that would be used as a hangout spot, so I just wanna get a commitment that you will have 24-hour manned security there; not to mention the surveillance cameras; that you'll have staff, in the building in this facility.

2	AARON KOFFMAN: Yeah. So we understand
3	that that's an issue and we certainly don't want it
4	to develop in La Central, so yes, we have committed
5	to 24-hour on-site staffing for security; we also
6	have the ability to close gates that we've already
7	designed to seal off the courtyard and when we do
8	that, I believe there's some flexibility there; if
9	we've secured the facility, then I think there's some
LO	flexibility on that on-site staffing, but there is
11	24-hour on-site staffing planned for the courtyard.
L2	COUNCIL MEMBER SALAMANCA: Alright.
L3	Also, there's gonna be a skateboard park; I want to
L4	ensure that it's gonna be open and closed, very
L5	similar to the way Parks Department operates
L6	AARON KOFFMAN: Yeah.
L7	COUNCIL MEMBER SALAMANCA: sunrise and
L8	sundown.
L 9	AARON KOFFMAN: Confirmed.
20	COUNCIL MEMBER SALAMANCA: Awesome.
21	Alright. Awesome. Well thank you, Madame Chair.
22	CHAIRPERSON DICKENS: Thank you so much,
23	Council Member. I'm now going to ask my colleagues,

Council Member Treyger.

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Dickens. And I also wanna commend my colleague,

Council Member Salamanca; I think it really shows how
his great experience as a community board district
manager and being a very vocal and active presence in
his community has really paid dividends moving this
project along and improving it along the way, so I
wanna give a tremendous shout-out to my colleague

Council Member Salamanca for his outstanding work and
of course the Chair and her support and the land use
staff and to all the people involved.

I just have a couple of questions I wanted to make sure I... I represent the neighborhood of Coney Island and we have some similar discussions underway with regards to what the future of Coney Island's gonna look like and the South Bronx has some similarities (inaudible) the neighborhoods we serve.

First off, I'm very glad to hear that

32BJ is a part of this project, that's critical; I

myself am a proud former union member and I truly

support... big supporter of unions. The question I had

is that you mentioned the maintenance staff, the

porters, everyone will be 32BJ; is there a commitment

to have a job fair or a job recruitment effort to

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS

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2 hire local residents from the South Bronx to join 32BJ?

AARON KOFFMAN: Yeah, it's our preference to actually hire from the South Bronx and then basically open it up to 32BJ for their memberships. So yes, we will have those job fairs; we think a building is actually better run when the staff in the building are from the neighborhoods, so if something does go wrong; let's say the porters can rush over and get there quickly, and also they already know the neighborhood. So yes, in absolute terms, we will have a fair available.

COUNCIL MEMBER TREYGER: Right; I think
that would be a great event, Councilman Salamanca, to
have with your office; I'm sure it's already planned
already to make sure that those residents are not
just witnesses to this project, but active
participants in it as well and we did hear that there
is a commitment to hire locally; is that correct as
well; will there be local residents, as far as the
construction of the project or?

AARON KOFFMAN: Yeah. Yeah, of course.

Yeah. Again, where we can do local we will do local
and we will have our feed held to the fire at the

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community board level and obviously with CouncilMember Salamanca. So yes, of course.

COUNCIL MEMBER TREYGER: 'Cause I'm sure there's many skilled, qualified residents in the South Bronx that would love to be a part of this project.

With regards to the YMCA, I want you to know off the bat I'm truly grateful for the Y; the Y is a great institution; one of the areas of concern that I've had, just speaking personally from my community, is making sure that the affordability scale actually reaches the residents of the South Bronx that live there today. Sometimes we see projects in the City of New York that are done to somehow accommodate a community that it will be 20 years from now or 30 years from now, but our job as elected officials is to represent the people that are there today. So how do we make sure that the residents of the South Bronx today, those people who live here right now, will have access and will be able to afford the YMCA, because there was a misconception in the Coney Island project; some residents -- and this happened before my arrival; I was not the councilman at the time when this was

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negotiated, but my colleague, you should just be aware that there was a perception in the Coney Island community that the YMCA is completely free and that is not the case; there is a fee to join and in many... some of my residents particularly who live in NYCHA, they have complained and expressed their concerns repeatedly about affordability. So what does the affordability scale look like for this YMCA and how do we make sure that all residents will have affordable access to this site?

is here actually, if he can raise his hand; although he's not testifying, he's a Senior Vice President at the YMCA of Greater New York. So the YMCA has been a partner with us since we started designing in the competition 3 1/2 years ago and have stated repeatedly that nobody will be denied membership based on income. Now I've never heard it being free, so I don't know where that misconception came in Coney Island, but we've always been operating under some amount of fee for every person; however, that fee would be a sliding scale; I don't know if that's the right term, but it would be I think proportionate to their income and I think if it's beneficial, maybe

2 perhaps the YMCA cold draft I think what the plan is,

because I don't have it written down here, but the goal is that no one will be denied, regardless of

5 their income.

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CHAIRPERSON DICKENS: Council Member, I'm just gonna inter...

COUNCIL MEMBER TREYGER: Yeah.

CHAIRPERSON DICKENS: interrupt; that's an excellent question and I would like Council Member Salamanca to get something in writing from the Y that so states it, because the fees are high at the Y and so I would like him to have something in writing that says it'll be on -- if sliding scale is not the correct term -- whatever it is, based upon maybe the AMI that they're residing at or how is it gonna be done for the area residents? I apologize, Council Member.

COUNCIL MEMBER TREYGER: Sure. Look,
this is a very important... This is a major achievement
on the part of the councilman; I just wanna make sure
that we learn from each other best practices, because
here again, I wasn't the councilman at the time when
it was negotiated for Coney Island, but I have to be
honest with you; I've heard a number of concerns

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raised by my constituents about affordability and again, we were told it's gonna be a community center and so some folks think that you walk in, it's a free service; it's not, especially when you have the Parks Department recreational centers that charge \$25 for the whole year compared to some centers that charge \$60 a month and for a family that maybe has \$9,000 a year or \$10,000 a year of income, that's either, you know, paying for a critical service in their home or paying a fee for a community center. I will tell you that some people were told they couldn't go in because they couldn't afford to pay the fee and so I just wanna make sure that this is a resource to the South Bronx that's affordable, accessible to all and I would certainly urge, recommend -- by the way, I do wanna note that in reviewing the notes of the HPD hearing when it did concern Coney Island, there were things in writing with regards to children having these cards that they could get free access, and I do know that the YMCA in some neighborhoods has certain hours; it's called the "Strong Kids Program" where certain hours after school are for free, but it's not all day and it's for certain ages. But when you have someone who is maybe 25, 30 years old looking to

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maybe after work use the Y services, you know they're asked to pay. So I just wanna again just make sure that this is a great resource that's affordable and accessible to all and I think that something in writing to my colleague I think will be very helpful.

Thank you. Thank you, Chair.

CHAIRPERSON DICKENS: Excellent question, considering that the Harlem Y, which charges about \$800 a year when I went in because I wanted to use it for exercise for weight reduction; in order to get it for \$650 a year I had to coerce six of my friends to come in and join at \$650 a year in order so I could get it to \$650 myself, so I think it's a great question. Council Member Cohen.

Dickens. You know first I wanna say; it is my understanding, I believe, that this lot has been vacant in excess of 30 years, Councilman Salamanca's been in office for 10 minutes and suddenly we're getting 900 units of affordable housing, so my hat is off to him; I think that -- and I really don't think it would be but for his commitment, so that's great.

My questions I think are really related to HPD as opposed to the specifics of this project,

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but I -- like this sheet here I think is very helpful, the affordable, but I'm wondering if, in terms of... is there a chart or do you have the data -- and I think it would be helpful in the future just a general like -- in Building A, 19 units are gonna be at 30% of AMI, but like 30% of units... 30%, if they're all studios versus four bedrooms, that's significant; is there like a... like do you... is there data like on the square footage at the 30% and the square footage that's at...

[background comments]

CHAIRPERSON DICKENS: ...negotiated and got that increased. So I just wanted to note that the affordability distribution page that you're looking at, those numbers have changes significantly based upon his tenacious spirit to get these numbers increased.

COUNCIL MEMBER COHEN: Yeah, absolutely;
I think from the testimony there was no 30%
affordability before... yes. And again, it's not
really specific to this project, so that's why I'm
kinda directing it at HPD, but 30% of the units are
not... not all units are created equal and that's why
it would be helpful I think for us to know in

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general, if that data's available if it could be produced.

working with the development team to accommodate the request for the 30% of AMI units and as with all of our projects, when there's multiple income tiers we try to have the bedroom distribution be representative of the entire project so that not one income tier is scaled towards one type of unit size, etc.; that they're reflective of all the unit sizes within the building.

COUNCIL MEMBER COHEN: So in this particular case, in Building A, of the 19 units, some are studios, some are 1-bedroom, some are 2-bedrooms; the whole...

AARON KOFFMAN: Yes.

Again, I would just say to HPD that I think it would be helpful in the future if... you know we have two good pages; if we had one more page that either reflected like the affordability by square footage or maybe by bedrooms, I think that that would give us a great, you know, just a more accurate sense of the distribution of affordable units. Thank you.

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AARON KOFFMAN: Yeah, sure. And just to go quickly to answer the size question is roughly about 550 sq. ft. for a studio, 750 for a one; 950 for a two, 1150 for a three and 1350 for a four, on average, we've got some awkward units there, but... and of course meeting HPD's new design standards as well, so I think they're generously laid out.

COUNCIL MEMBER COHEN: That's great. Thank you.

CHAIRPERSON DICKENS: Are there any other questions from my colleagues? Are there any members of the public wishing to give testimony? Bryant Brown... hi Bryant; how are you; would you like to come up and say a few words? Please approach the table and give your name.

[background comments]

BRYANT BROWN: Good afternoon Council

Members. My name is Bryant Brown and I am here

testifying on behalf of SEIU 32BJ. I would like to

first begin by also commending Council Member

Salamanca as well as Chairperson Dickens; thank you

all again for the opportunity to testify before you.

32BJ is the largest property service union, representing 7,000 building service workers

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across the city and 145,000 nationwide. 32BJ members
maintain, clean and provide security services in

4 schools, commercial and residential, both market rate

5 and affordable buildings all across the five

6 boroughs, including at projects like La Central.

I am here today to speak in support of this project because the development team has committed to providing the community with good quality, permanent building service jobs and muchneeded affordable housing. The city has an affordable housing crisis; SEIU 32BJ has always had the position that we cannot simply build our way out of this problem, as long as there are hardworking people earning too little to afford the rising housing costs, families are going to continue getting priced out of their homes and this crisis will continue. Considering the fact that the poverty rate in the Bronx is over 30%, the highest of any borough in the city, it is essential that we encourage developers to provide affordable housing and high quality jobs; projects like La Central can provide both; this is why we support the La Central development; this is a well-rounded project that includes over 900 units of affordable housing,

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including supportive housing as well as community and retail space. Also, and importantly, the developers are committed to creating good building service jobs that pay families sustaining wages and benefits; these are the types of jobs that have allowed building service workers to support their families in the Bronx and to continue calling New York City home. For these reasons we urge the City Council to support this project; it is not only good for the local community and all New Yorkers in need of good jobs and affordable housing, but it also sets a strong precedent for new developments across the city by demonstrating that good jobs and affordable housing are not mutually exclusive and must in fact go hand in hand. Thank you.

CHAIRPERSON DICKENS: Thank you so much,
Mr. Brown and I'm very happy that Council Member
Salamanca was able to negotiate that in, so when you
speak to Kyle and the membership, let them know that
you had a very strong advocate in Council Member
Salamanca.

Are there any other members of the public wishing to give testimony? Seeing none, I will now close the public portion of this hearing; I will now

1	SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 59
2	phenomenal, phenomenal development and I wanna thank
3	the development team for putting together such a
4	project, and of course I wanna thank HPD, who
5	sometimes doesn't have such a great relationship with
6	the Council Members. This meeting is hereby
7	adjourned.
8	[gavel]
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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 September 12, 1016