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 20, 2016 Start: 1:13 p.m. Recess: 1:42 p.m.

HELD AT: 250 Broadway - Committee Rm.

16th Fl

B E F O R E: INEZ E. DICKENS

Chairperson

COUNCIL MEMBERS: Darlene Mealy

Ydanis A. Rodriguez

Andrew Cohen Mark Treyger

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

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

Kerry LaBotz, Director
Low-Income Housing Tax Credits, C.F. 15 Program
Housing Preservation and Development, HPD

Lisa Talma, Assistant Commissioner Property Disposition and Finance Housing Preservation and Development, HPD

Naji Radcliffe, Director Homeownership Programs Housing Preservation and Development, HPD 2 [sound check, pause]

[gavel]

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I'm Council Member Inez E. Dickens, Chair of the Subcommittee on Planning, Dispositions and Concessions. I welcome everyone to today's hearings, and I want to acknowledge my sergeant-at-arms and thank him, Mohammad Ashad. I also want to thank my Land Use Deputy Director Amy Levitan, and my attorney Julie Lubin. We are joined today by Council Members that are members of the committee by Andrew Cohen, who would ordinarily get the gold star today, but I get it, [laughs] and the Council Member Ydanis Rodriguez. We have eight items. It's so unusual for me to look out and see so few people at-at out-at-at this hearing, but it-it's good to know that at least we don't have a contentious issue today. We have eight items on our calendar, but at this time we will be laying over two of them, Land Use Item 428 known an as Blake and Hendricks and Land Use Item 453, Cluster 4 of the Southeastern Queens vacant homes. Today, we will be holding a hearing and voting on six

applications: Land Use Item 427 Hope east of Fifth,

re-syndication. Land Use Item 454 through 457 known

CHAIRPERSON DICKENS: Good afternoon.

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as Southeastern Queens vacant homes, which is

Clusters 1, 2, 3 and 5. As I mentioned before,

Cluster 4 is being laid over, and pre-considered Land

Use item La Central (sic) Tax Exemption.

I am now going to open up the hearing for Land Use Item 427, an application by HPD for the disposition of properties at 212 East 117th Street in Speaker Melissa Mark-Viverito's district pursuant to Article 16 of the general Municipal Law to Hope east of Fifth, HDFC. The sponsor will be rehabilitating one multiple dwelling to create 14 rental dwelling units, and I see now that we have up Artic Pearson, Director of Land Use at LIHPD, and Kerry La Botz (sic) Director of HTC at HPD. Please identify yourselves and—and you can begin.

ARTIE PEARSON:

KERRY LABOTZ: Good afternoon Chair

Dickens and members of the Subcommittee. I'm Artie

Pearson, Director of Land Use from HPD's Office of

Governmental Relations, and I'm joined by Kerry

LaBotz, the Director of the Low-Income Housing Tax

Credits, C.F. 15 Program. Land Use No. 427 consists

of the proposed disposition of one city-owned

building located at 212 East 117th Street and known

2 as Host East of Fifth HDFC, Inc., which is located in the Speaker's district in Manhattan District 8. 3 Originally, the property was approved for disposition 4 5 by the Board of Estimate on June 21, 1990 to Casa 6 Communal Housing Development Fund Company, Inc. 7 Financing for the project was provided by the State Homeless Housing Assistance Corporation in the form 8 of a mortgage in order to develop the property for 9 low-income and homeless households. By 2000 Casa 10 Communal Housing Development Fund Company, Inc. 11 12 abandoned management of the property and over time the building conditions deteriorated. Because of the 13 14 unacceptable conditions, the property was referred to 15 HPD's 7A program by tenants and former council member 16 Phil Reed. Besides rodent infestation the building included a lack of essential services such as heat, 17 18 hot water, and electricity. The property then entered the 7A program on November 28, 2000 and 19 20 Hope's Community's executive director then Mark Alexander was named the administrator. In 2004, the 21 2.2 state assigned the mortgage to the city. On June 15, 23 2005, the corporation counsel began foreclosure proceedings based on Casa Communal's failure to make 24 25 timely payments of taxes, water and sewer charges and assessment under the mortgage. On June 8th of 2016,
the city—the city obtained a successful and—a
foreclosure a referee's deed, and HPD entered into a
net lease agreement with Hope Community for the

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Land Use No. 247 is a 14-unit residential building with a mix of unit types including one to four-bedroom apartments, and there are no vacancies. Units are currently occupied by households with average rents less than 30% of 60% of AMI. sponsor intends to rehabilitate the property along with other buildings in their portfolio and work of the building will include upgrades to the HVAC system, boiler replacement and kitchen and bathroom upgrades including the building located at 212 117th Street, which is Land Use 247. The sponsor's portfolio consist of 39 buildings with a total of 506 dwelling units. All the units will be rehabilitated to meet the Enterprise Green Community Standards and for example Energy Start Quality refrigerators, energy efficient boilers, motion sensing, lighting and low-low fix-low blow fixtures will be installed. All the units throughout the portfolio will be restricted to 60% of AMI.

CHAIRPERSON DICKENS:

How many?

IND CONCLOSIONS

2 KERRY LABOTZ: I just need one minute.

3 Three.

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 $\label{eq:chairperson} \mbox{CHAIRPERSON DICKENS: Can you tell me} \\$ what they are?

KERRY LABOTZ: I cannot. They are recent, and they are mostly clustered in a few units. They are nature of I think mostly cosmetic from what I reviewed on HPD and for this morning--

CHAIRPERSON DICKENS: [interposing] Uhhuh.

KERRY LABOTZ: --the Class B are, you know, a lot of that has to do with the peeling paint, and there are some Class B violations. With our language (sic) they are currently reviewed.

CHAIRPERSON DICKENS: With the peeling paint are there any—is there any lead paint issues involved in this building?

KERRY LABOTZ: There are lead paint violations. I do not know if there's lead paint, but they are working to lift those violations, and do the—the testing required.

CHAIRPERSON DICKENS: So then the testing is going to be done or is it being done presently for the lead, and if it turns out that there is lead

you tell me what they are, please?

1	AND CONCESSIONS 12
2	KERRY LABOTZ: There's-to best of my
3	recollection those appear to be all lead based.
4	CHAIRPERSON DICKENS: Oh, lead based.
5	KERRY LABOTZ: Yes.
6	ARTIE PEARSON: I'll give you a little
7	more information about that based on what I have in
8	my file here.
9	CHAIRPERSON DICKENS: Please give me that
10	information.
11	ARTIE PEARSON: Sure. I find that there
12	are one, two—a couple of lead violations, but they're
13	old. They're still on the system. Defect letters
14	have been sent out to the owner, and a defect letter
15	would just indicated that some work has been done,
16	and the owner just needs to-to fix that.
17	CHAIRPERSON DICKENS: Now, lead-lead-
18	based violations are given by HPD, is that correct?
19	ARTIE PEARSON: That's correct.
20	CHAIRPERSON DICKENS: Alright, or if—how
21	would HPD issue a lead-based violation without having
22	any real knowledge if it's lead-based?

ARTIE PEARSON: Well, the testing has to be done, and with lead violations, the city gives the

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2 own

owner 45 days to make that repair, and if they do not, then the City is required to go with the next--

CHAIRPERSON DICKENS: [interposing] Yeah,

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but now you're telling me that you don't even know if there are lead-based—they're violations, or you don't know they're real, and if you— If testing is done and found that there is no lead, I don't understand how HPD issues lead violations without having tested themselves. Do you just go out and give a violation on property and say, you know, find out if there's

ARTIE PEARSON: No, an inspector would have to go in, and he would have to test the paint and come back with a-a positive, um, determination that lead is there.

lead. Is that the-what the-how it's done?

CHAIRPERSON DICKENS: So then—then it's not really what was originally stated in them——or an inspector goes out, and tests and ascertains that there's a positive to the test. Therefore, there's an indication that there's a strong possibility of lead being—lead based paint and then a violation is issued. Is that what—is that safe to say?

ARTIE PEARSON: That's my understanding. That's my understanding.

2 CHAIRPERSON DICKENS: Council Member

3 Cohen.

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COUNCIL MEMBER COHEN: I just want to be clear from the testimony, the Speaker supports this application.

ARTIE PEARSON: That's correct.

COUNCIL MEMBER COHEN: Alright.

CHAIRPERSON DICKENS: Are there any questions or anyone from the public wishing to make a statement? Seeing none, I will now close [gavel] the public portion on Land Use Item 427, and I will now open up the public hearing for Land Use Item 454, 455, 456 and 457, Southeast Queens Vacant Homes Clusters 1, 2, 3 and 5 and again Cluster 4, as I previously stated is being laid over. There are applications by HPD for the proposed UDAAP approval and property tax exemption under Section 696 of the General Municipal Law. Cluster 1 at 32-10 102nd Street is in Council Member Julissa Ferreras-Copeland's district. Cluster 2 at 89-55 208th Street is in Council Member Barry Grodenchik's district, and Cluster 3 at 80-44 162nd Street is in Council Member Rory Lancman's district. Cluster 5 at 144-41 158th Street and 171-15 144th Avenue, and 222-33 143rd Road

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in Council Member Donovan Richard's district, and I see that we still have with us Artie Pearson, the Director of Land Use at HPD, who has been joined by Lisa Talma, the Commissioner of HPD. Please identify yourselves and—and open up your statements.

ARTIE PEARSON: Again, Artie Pearson,
Director of Land Use in HPD's Officer Government
Information.

LISA TALMA: I'm Lisa Talma, Assistant

Commissioner of Property Disposition and Finance at

HPD.

ARTIE PEARSON: Land Use Nos. 454, 455, 456 and 457 consists of six new homes located in Queens Council Districts 21, 23, 24 and 31 and they are slated for redevelopment under HPD's Small Homes Rehab NYCHA Program. Each home was foreclosed upon as a result of a default on a HUD FHA mortgage over 20 years ago. The homes were turned over to NYCHA, and by HUD to operate as part of their public housing portfolio. Over time the homes became vacant and currently are in dire need of rehabilitation. NYCHA with approval from HUD selected the sponsor to convey the property. Each will undergo a gut rehabilitee through the Small Homes Rehab NYCHA program, which is

an affordable housing program for a one to four			
family home. Upon completion of the rehabilitation			
the sponsor will convey the properties to low to			
moderate income families earning up to 100% AMI as			
per program guidelines. The sponsor has committed to			
conducting marketing outreach events in the			
communities where the homes are located in order to			
reach as many potential local applicants as possible.			
HPD is before the Planning Subcommittee seeking UDAAP			
tax benefits in order to offer the homes at			
affordable purchase price upon completion of the gut			
rehabilitation, and Council Member Ferissa-Ferreras-			
Copeland, Lancman, Grodenchik and Richards have all			
indicated support for the project, and we are			
available to answer any questions that you may have.			

CHAIRPERSON DICKENS: Thank you so much.

Ms. Talma, do you have anything you want to add?

LISA TALMA: Just-just a small

20 corrections. In terms of the affordability, the

21 properties will be sold to families who are low to

22 moderate income earning up to 120% AMI. Just a small

23 correction there.

Τ	AND CONCESSIONS 19
2	CHAIRPERSON DICKENS: [interposing] Can
3	you give me just quickly the nature of the work? Is
4	it structural as well as cosmetic?
5	LISA TALMA: It's basically gut
6	rehabilitation on pretty much every building.
7	CHAIRPERSON DICKENS: Uh-huh.
8	LISA TALMA: So there's substantial work.
9	CHAIRPERSON DICKENS: So if it's gut
LO	rehab, that's substantial.
L1	LISA TALMA: Correct, correct.
L2	CHAIRPERSON DICKENS: Uh-huh, uh-huh and,
L3	and, I-I assume that all of the council members are
L 4	in strong support except we're not talking about
L5	Cluster 4 but in Clusters 1, 2, 3 and 5.
L 6	LISA TALMA: Yes, the—the Council people
L7	for-for these properties have called in their
L8	support.
L 9	CHAIRPERSON DICKENS: Now, these houses
20	will they occupied or is this going to be done-how is
21	it going to be chosen? Is it going to be for those
22	who will purchase?

LISA TALMA: How—how the purchases will

24 be chosen? The properties will be subject to the HPD

- 2 marketing guidelines, and will be subject to the lottery. 3
- 4 CHAIRPERSON DICKENS: Who will be 5 conducting the lottery?

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- LISA TALMA: I have to follow HPD Guideline and the developer for these properties is RUN LLC, Restoring Urban-Urban Neighborhoods.
- CHAIRPERSON DICKENS: Thank you. We've also been joined by Council Member Darlene Mealy of Brooklyn. Thank you. Alright, do any of my colleagues have any questions? Council Member Cohen.
 - COUNCIL MEMBER COHEN: Could you just explain so that I understand it, it's a federal program. They're city-owned houses, though. Who-who owns the houses currently.
 - LISA TALMA: Currently, the houses are owned by NYCHA.
 - COUNCIL MEMBER COHEN: By NYCHA and that's how we get here. Okay.
- 21 LISA TALMA: Exactly.
- 2.2 COUNCIL MEMBER COHEN: And NYCHA is 23 conveying them. Do you know-I'm-I'm often concerned about-like I like the affordable ownership model, but 24 I'm always, you know, concerned when it doesn't work 25

out that—that making sure that people who ultimately end up owning these homes have the experience and knowledge and understanding of what they're getting into that—that—that some—I find that when it doesn't work, it's because the owners don't, you know, don't have any experience with homeownership and it's—it's a challenge, though. Is—does the program have supports to make sure that these people who buy these homes will ultimately be successful?

for these properties has offered to have meetings inin various communities to inform people of the
lottery opportunity, but they've also offered to
guide the people who attend those—those meeting in—in
terms of getting ready to purchase the home. There
are also other non-profits that offer homeownership
counseling, and classes.

COUNCIL MEMBER COHEN: Yeah, but are—are you providing—are you hooking up these owners with the not-for-profits who provide those services?

LISA TALMA: Do the members—Sorry. Just a quick question. [off mic] Do the members who are offering those at cost—

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1 AND CONCESSIONS 22 2 CHAIRPERSON DICKENS: [off mic] Would you 3 like to come up? [laughs] So that we can hear thethe answer directly, and please identify yourself. 4 NAJI RADCLIFFE: I'm Naji Radcliffe, 5 6 Director of Homeownership Programs at HPD. 7 CHAIRPERSON DICKENS: From what? I'm 8 sorry. I didn't hear that. NAJI RADCLIFFE: Naji Radcliffe, Director 9 of Homeownership Programs at HPD. RUN in the process 10 of them providing homeownership opportunities will 11 12 often hook up the applicant with the homeownership class. There is plenty to finish the class and 13 14 provide a certificate so that they can be processed 15 to purchase the home. 16 COUNCIL MEMBER COHEN: Is that--17 NAJI RADCLIFFE: [interposing] That is 18 more a routine. COUNCIL MEMBER COHEN: --is that required 19 20 as part of their purchasing process? Is that required as part of the purchasing process? 21 2.2 NAJI RADCLIFFE: Yes.

difference? Like some of the people who were fortunate enough to get these homes will have never

COUNCIL MEMBER COHEN: And is there any

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had ownership, and then some of them might-certainly have never been landlords. If they're—if they're buying a multi-family home, does the—do the not-for-profits offer education and material for dealing with those issues?

NAJI RADCLIFFE: I know that homeownership is included in the course. I have not sat in the course. So I don't know how extensive they get with owners that have rental properties.

That I—that I can't tell you.

interested in that, and finding out more about that because again, you know, owning a home I know for myself like, you know, it's a—it's a lot of work.

[laughs] And so they're making sure that people—and—and I don't' have tenants to deal with. So if someone is buying a home and we've never owned a home and has never been a landlord, I mean those people need support if they're going to be successful. So we should just really make sure that that's in place.

NAJI RADCLIFFE: You're absolutely right.

COUNCIL MEMBER COHEN: Thank you, Chair.

CHAIRPERSON DICKENS: Thank you, and those are great questions because I with--along with

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HPD wrote a program for affordable homeownership. part of it, I asked for classes that—and will—would be mandated for the homeowners to not only learn what it is to be a homeowner, but to be a homeowner with a tenant, and sadly to say I did not keep up on top of that because we-the recession came in and the program was-didn't get started until after. You know, it was a time frame be-before it got started but that isit's-it's very critical to the survival and the continuation of the property of being maintained for new homeowners with tenants to be able to understand thoroughly what their responsibility is and what is the responsibility of their tenants, and how to provide a good lease that-that office of protection. So it's-it's a great question actually.

COUNCIL MEMBER COHEN: Maybe it is a new legislating opportunity for us. [laughter]

CHAIRPERSON DICKENS: Well, then maybe you can build on what I already started. [laughs] Thank you. Are there any other questions from my colleagues? Council Member Mealy.

COUNCIL MEMBER MEALY: [off mic] No.

CHAIRPERSON DICKENS: Thank you. Are

25 there any questions or statement to be made from the

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public? Seeing none, I will close the public hearing on these four Clusters, Land Use 454, 55, 56 and 57 and I'm now opening up the hearing for pre-considered Land Use La Central tax exemption and application submitted by HPD to facilitate La Central, a new mixed-use development for which other actions were recently approved by the Council in Council Member Salamanca's district in the Bronx. The real property tax exemption pursuant to Section 577 of the Private Housing Finance Law would affect properties located at 430 Westchester Avenue, 599 Brook Avenue, 625 Brook Avenue, 626 Bergen Avenue, and 503 East 153rd Street all in the Bronx. We have again Artie all by herself.

ARTIE PEARSON: Again, I'm Artie Pearson from HPD's Office of Governmental Relations. The pre-considered item is related to the recently approval La Central project as—as you just indicated, Chair Dickens. It is in Council District 17 in the Bronx. On September 14, 2016, the Council approved the ULURP UDAAP for the new construction of 992 residential units as well as some other action. The pre-considered item on today's agenda consists of the majority of the development site. The disposition

and 26; and Block 2361, Lot 50.

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- 2 areas will be conveyed to HDFCs that will undertake the new construction of the rental units, and this 3 4 project envisions providing tax benefits in order to facilitated affordability of the rental units. 5 Therefore, HPD is before the subcommittee seeking 6 7 approval for the Article 11 tax benefits that you mentioned. The disposition has been previously 8 approved, and the tax benefits will apply with Block 9 2294, Lot 32; Block 2363, Lot 1; Block 2361, Lots 1 10
 - CHAIRPERSON DICKENS: Thank you so much,
 Artie. I want to remind my colleagues that at the
 last Planning Committee hearing we heard La Central,
 and today we are now going to vote and La Central's
 tax exemption. Ae there any questions from our
 colleagues? Council Member Cohen.
 - COUNCIL MEMBER COHEN: Just two questions. One, why are we doing it separately? Is there—is there a procedural reason or is just when the work paperwork got in.
- 22 ARTIE PEARSON: It's a technical amendment.
- COUNCIL MEMBER COHEN: Alright, if there
- 25 | had been-

don't know-just so I understand. If there had been 421-A today, you don't know what-you don't know if it was ever contemplated to do it under 421-A or--?

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1 AND CONCESSIONS 28 2 ARTIE PEARSON: I do not. Not at the 3 time that the-documents were put together. 4 COUNCIL MEMBER COHEN: Thank you, madam. 5 CHAIRPERSON DICKENS: Are there any other 6 questions from my colleagues? Seeing none, are there 7 any members of the pubic wishing to make a statement. Seeing none, I will now couple Land Use items-8 LEGAL COUNSEL: [off mic] First, close 9 10 the public hearing. 11 CHAIRPERSON DICKENS: I'm closing the 12 public hearing. I apologize on La Central Tax 13 Exemption and I now will couple Land Use Items 427, 14 454, 455, 456 and 457 and pre-considered Land Use La 15 Central Tax Exemption for a vote to approve on all. 16 I note for the record that the applications we are 17 voting on today have the full support of the local 18 council members as well as my support. I will now call on counsel to call the roll on a vote to 19 20 approve. 21

LEGAL COUNSEL: A vote to approve LU 427, 454, 455, 456, 457 and Pre-Considered LU La Central Tax Exemption. Chair Dickens.

> CHAIRPERSON DICKENS: Aye.

LEGAL COUNSEL: Council Member Mealy.

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1	SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 29
2	COUNCIL MEMBER MEALY: Aye.
3	LEGAL COUNSEL: Council Member Rodriguez.
4	COUNCIL MEMBER RODRIGUEZ: Aye.
5	LEGAL COUNSEL: Council Member Cohen.
6	COUNCIL MEMBER COHEN: Aye.
7	LEGAL COUNSEL: The vote to approve Land
8	Use Items 427, 454, 455, 456, 457 and Pre-Considered
9	LU La Central Tax Exemption is approved by a vote of
10	4 in the affirmative, 0 in the negative and 0
11	abstentions and referred to the full Land Use
12	Committee.
13	[gavel]
14	CHAIRPERSON DICKENS: I would like to
15	thank the members of the public and my colleagues, my
16	counsel and my Land Use staff for attending today's
17	hearing. I'm glad that we were able to pass on
18	everything, and this meeting is hereby adjourned.
19	[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 22, 2016