

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PLANNING, DISPOSITIONS, AND
CONCESSIONS

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November 21, 2016
Start: 01:25 p.m.
Recess: 02:16 p.m.

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

B E F O R E:

INEZ E. DICKENS
Chairperson

COUNCIL MEMBERS:

ANDREW COHEN
MARK TREYGER
YDANIS RODRIGUEZ
DARLENE MEALY

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

Artie Pearson
Director of Land Use
Housing Preservation Department

Lisa Talma
Asst Commissioner; Property Disposition & Finance
Housing Preservation Department

Cheryl Ighodaro
President
Precise Management

Jonathan Gagen
New Construction Finance
Housing Preservation Department

Carolyn Williams
Director of HUD Multi-Family Program
Housing Preservation Department

Gleb Lerman
L&M Development Partners.

Joanna Kandel
New Construction Finance
Housing Preservation Department

Ted Weinstein
Bronx Planning
Housing Preservation Department

Alex Yulfo
BFC Partners

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

Nancy Biberman
President
WHEDco

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[gavel]

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CHAIRPERSON DICKENS: Good afternoon.

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I am Council Member Inez E. Dickens, Chair of

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Subcommittee on Planning, Dispositions, and

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Concessions. I welcome everyone to today's

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hearings and I want to thank and acknowledge,

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of course, my Sergeant at Arms, Muhammad Ashad

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[sp?] and Jessica Pellegrino, my Land Use

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Director Raju Mann, Deputy Director Amy Levitan

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and my attorney, Dillon Casey. And of course,

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our project managers, Jeff Ewing and Liz Lee,

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who I do not think is here today. And I

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particularly wanted to say thank you to all of

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my Land Use staff as this is probably going to

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be my next to my last hearing in Planning. As

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of December 31st, I will be going to the New

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York State Assembly. And so, I wanted to thank

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HPD and the Land Use staff for all the

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dedicated and all of you, the developers, the

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advocates, the, the residents for the hard work

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that you put in volunteering to see to it that

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New York City does the very best that it can

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do. And so, I just wanted to say thank you. I

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probably will have one more Planning Committee

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meeting. Everyone has been trying to fast-track everything for fear of who takes my place. But whoever it is, I am sure will do extremely well and maybe better, although I doubt it, than me. We have been joined today by the council members on the committee: Andy Cohen, Mark Treyger, and Ydanis Rodriguez. Andy was here. I don't know where he, he is, he was here. We have seven items on our calendar today. We will hold hearings on all the applications except for Land Use item 515, 16, 17, 18, 19, and Land Use 522, all pertaining to Lexington Gardens 2, which was heard at our last subcommittee. Today's hearings are on the following applications: TMN 904 cluster, Land Use Items 502 and 503, Precise Management, Fulton Houses Land Uses item 523, Valle Apartment Land Use item 524, PRC Fox Street Maria Estella 1, Land Use item 525, which I want to remind you there will not be a vote on. We will hear it today on that last item but we will not be voting on it today. Melrose Commons North RFP Site B also known as Bronx Commons L... Land Use item 526 and 527. I am not going to open up the hearing for

1
2 Land Use Item 502 and 503 which is the TMN 904
3 Cluster Applications by HPD for UDAAP approval
4 and a 20-year tax exemption for four buildings
5 in my district. The four buildings located at
6 410 West 128th Street, 116 West 129th Street,
7 157 West 122nd Street and 111 West 131st Street
8 will undergo substantial rehabilitation and
9 will be occupied by the existing so there will
10 be no displacements as well as new residents. I
11 am going to ask each of the, the applicant, the
12 applicant as well as HPD to identify
13 yourselves, please. Begin.

14 ARTIE PEARSON: Afternoon, Chair
15 Dickens, members of the Subcommittee. I'm Artie
16 Pearson, Director of Land Use from HPD.

17 LISA TALMA: I am Lisa Talma, Assistant
18 Commissioner of Property Disposition and Finance at
19 HPD.

20 CHERYL IGHODARO: President Precise
21 Management.

22 ARTIE PEARSON: Land Use 502 and 503
23 are related items regarding a project known as TMN
24 904. Land Use #502 consists of the proposed
25 disposition of four city owned residential

1
2 buildings located at 410 to 18 West 128th Street,
3 157 West 122nd Street, 116 - 18 West 129th Street,
4 and 111 West 131st Street. The building located at
5 410 to 18 West 128th Street is a 56-unit building
6 that is partially occupied. The building located at
7 116 to 118 West 129th Street is a vacant building
8 with 19 units that shares an adjoining wall with an
9 adjacent occupied building that is not part of this
10 project. The other two buildings which are located
11 at 157 West 126th Street and 111 West 131st Street
12 are vacant SROs with four units each that will be
13 converted to Class A residential use. The sponsor
14 is proposing to undertake the redevelopment of the
15 four city owned buildings under HPD's multi-family
16 preservation loan program and upon completion of
17 the work, including the conversion of the two SROs,
18 there will be 83 residential units including one
19 superintendent's unit. The unit types will be one
20 studio, 53 one bedrooms, 17 two bedrooms, 11 three
21 bedrooms, and 4 four bedrooms. Existing tenants
22 will be offered preferential leases with rents set
23 at the higher of 30 percent of their income or the
24 current rent with a cap at 60 percent of AMI. Upon
25 vacancy, their rents for incoming tenants will be

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set at 60 percent of AMI. Rents will range from approximately \$707 for a studio to \$1142 for a four-bedroom unit. The work requires substantial rehabilitation. Besides new joists and interior walls, the scope includes new roofing, new heating, plumbing, mechanical, electrical, energy efficient windows and doors as well as kitchens and bathrooms. It should also be noted that three of the buildings are in historic districts of which one, which is 157 West 122nd Street, is landmarked. Because of the historic designations, these buildings will be rehabilitated in accordance with the landmarks preservations guidelines. During renovations, existing tenants of which there are only a couple will be relocated temporarily to units identified by the sponsor. Each tenant will be offered temporary relocation agreement and will have the right to return to a unit within the cluster of the size suitable for family composition. The sponsor plans to rehabilitate the four city owned buildings in conjunction with two privately owned properties and together the TMN 904 Project will contain 116 units. The second project under this Land Use action is 503 and that consists

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of UDAAP tax benefits for the four city owned buildings in order to help maintain affordability of the dwelling units. The term of the tax benefits will be for a term of 20 years. And I am going to turn this over to the sponsor to make any additional statements regarding the project.

CHERYL IGHODARO: Cheryl Ighodaro Precise Management, Sponsor for the Project. We, as was mentioned before, there will be no displacement. We are on the project. All the existing tenants will be relocated to a unit that suits their family size. We have applied for, we're going... we are... have applied for the tax credits for the entire project and most of the information has been covered.

ARTIE PEARSON: So, we are available to answer any questions that you have.

CHAIRPERSON DICKENS: And, and the... what, what, what are the... can you tell us again what the AMI range will be for all of the units, just the range?

ARTIE PEARSON: So the AMIs, will be the higher of 30 percent of their income or their current rent with a cap at 60 percent of AMI

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CHAIRPERSON DICKENS: Whichever is higher...

ARTIE PEARSON: Correc.

CHAIRPERSON DICKENS: ...I will assume?

ARTIE PEARSON: Correct.

CHAIRPERSON DICKENS: Alright, since this is a development in my district, I would like to... I am going to exercise Chairman's prerogative and give a statement and then I will open the, any questions up to my colleagues. During my 11 years in the New York City Council, I have fought vigorously to protect my community from aggressive development that results in the displacement of the indigenous population, a population that has struggled with very little support from banks, corporations and even government to revitalize the economic spirit of my community. The leadership and support of leaders such as Congressman Charles Rangel helps spur the support for small businesses through the creation of the Upper Manhattan Empowerment Zone giving birth to local MWBEs who are able to build and beautify the community which made it attractive to outsiders, those who before never had an interest in investing in Harlem. Now

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2 that others have shown interest in the community,
3 we are willing to spend the dollars in my community
4 which I welcome. I don't want to see the people
5 though, who laid that foundation for this new
6 renaissance, to be left behind nor pushed aside.
7 This UDAAP application brought before us by Precise
8 Management keeps 116 affordable housing units for
9 families of incomes between 50 percent to 60
10 percent for 20 years. It is specifically targeted
11 toward those families who live through and
12 persevered during those tough years in Harlem.
13 There are currently 53 residents who reside within
14 the building cluster, 13 of which are seniors who
15 will receive assistance to ensure they pay no more
16 than 30 percent of their income towards rent. The
17 majority of which reside in two former till
18 buildings, 410 and 418 West 128th Street and 116
19 through 118 West 129th Street who will now be
20 protected from predatory developers as a result of
21 being part of this cluster. The argument on TILS I
22 have been fighting with HPD since before I got
23 elected on the pros and cons and positives and
24 negatives of the TIL Program, but I am a strong
25 proponent of affordable home ownership so that

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they, that will help to alleviate displacement. The added bonus of this project is that it currently holds 112 units. The finished development will add an additional four units of affordable housing. There is one other bonus to that that I might add is that I was born at 410 West 128th Street where my mother lived at the time of my birth and who up until about 20 years ago, I had an aunt and uncle who continued to reside for more than 50 years in the same building. After reviewing the number of units, the level and duration of affordability for my residents, I ask my colleagues to join me in supporting this UDAAP application TMN Cluster Land Use item 502 and 503. I will now throw it open to my colleagues for any questions. Council Member Rodriguez?

COUNCIL MEMBER RODRIGUEZ: The year? Regulatory agreement?

CHAIRPERSON DICKENS: Yes.

COUNCIL MEMBER RODRIGUEZ: You said that...

CHAIRPERSON DICKENS: It's not a... go ahead. I'm sorry. Beg your pardon for cutting you off.

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2 ARTIE PEARSON: The tax abatement is
3 for 20 years.

4 CHAIRPERSON DICKENS: Twenty years. It
5 is not regulatory like it is with the ownership.

6 COUNCIL MEMBER RODRIGUEZ: So what
7 would happen after the 20 years?

8 CHAIRPERSON DICKENS: They gonna
9 [phonetic] come back to you if you're still here.

10 COUNCIL MEMBER RODRIGUEZ: Migrants. I
11 will be in the Caribbean by then.

12 LISA TALMA: Our regulatory agreement
13 will be written to 30 years or serve longer of 30
14 years or the terms of the tax abatement so we will
15 see to try to make that as long as possible but it,
16 the, the end of the regulatory agreement is an
17 opportunity for the building to come back and look
18 for what their extended affordability options can
19 be.

20 CHAIRPERSON DICKENS: And in addition,
21 part of it has been my argument with HPD is that,
22 which is not totally within their purview, is the
23 length of, of the tax abatements and that might be
24 something legislatively something we need to
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consider. Because frequently, even in the J51 Program, they only get ten years.

COUNCIL MEMBER RODRIGUEZ: So this is the most it can get? It cannot get like 30 years in this type of program?

ARTIE PEARSON: This project currently is seeking UDAAP tax benefits and the UDAAP tax benefits are only 20 years.

COUNCIL MEMBER RODRIGUEZ: Up to 20 years.

ARTIE PEARSON: Up to 20 years.

COUNCIL MEMBER RODRIGUEZ: Thanks.

CHAIRPERSON DICKENS: That's why I said legislatively we might consider something. I will be gone but I will help you. Are there any other questions? Council Member Mealy?

COUNCIL MEMBER MEALY: I just want to know when you... this not... well when you move the tenants over, how long will the remodel endue until they can get back into their apartment? Will you be down-zoning some of tenants also?

COUNCIL MEMBER RODRIGUEZ: Downsizing.

COUNCIL MEMBER MEALY: Downsizing.

Thank you.

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CHERYL IGHODARO: The tenants will receive apartments that are suitable to their family size and at the same time we will not... the construction period...

COUNCIL MEMBER MEALY: So how long would it take?

CHERYL IGHODARO: About 12 months. Construction period should be about 12 months.

COUNCIL MEMBER MEALY: Okay. And?

CHERYL IGHODARO: And then they will be located... they will be located back...

COUNCIL MEMBER MEALY: Like zig-zag?

CHERYL IGHODARO: ...to an apartment... To their family size. What we have done is we have interviewed and seen all the tenants in order to get their family sizes so that we make sure that there's a unit available for them to come back to.

CHAIRPERSON DICKENS: Is this going to be... this is going to be a gut rehab or substantial rehab?

CHERYL IGHODARO: It's a... It's a substantial rehab.

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CHAIRPERSON DICKENS: Is there a

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possibility of checker boarding which is what I

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mean...

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CHERYL IGHODARO: No checker boarding.

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COUNCIL MEMBER MEALY: Oh, okay.

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CHERYL IGHODARO: No checker boarding.

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COUNCIL MEMBER MEALY: I just want to

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congratulate you Council Member Dickens. That... This

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is real affordable housing, especially in

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Manhattan. I salute you. And that's all I can say.

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Congrats.

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CHAIRPERSON DICKENS: Thank you. Are

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there any other questions from my colleagues?

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Council Member Treyger?

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COUNCIL MEMBER TREYGER: Thank you,

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Chair Dickens. I know this is not officially the

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last hearing but boy will you be missed and we, we

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have learned, I know I have learned as a... as a... my

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first term, I've learned a lot under your

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leadership and I listened very intently to the

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questions you asked, the issue that you raise and I

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will tell you New York City residents are very

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fortunate to have a forceful and effective advocate

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not just for your district but really for all

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residents in the... on the issue of affordable and quality housing because affordability and quality needs to go hand in hand. And so, I am very grateful for your leadership and for your friendship. But this is not the last one so I am not going to get too emotional today. But, I do just have a question about once the work is completed and done on the topic of quality because certainly I think the Chair deserves a lot of credit for making sure that these apartments reach the needs of her constituents, but with regards to the ongoing maintenance of these apartments, this is an issue that we see time and time again if something breaks, if something goes wrong, how is that being handled in these apartments?

 CHERYL IGHODARO: We have a 20... we have a 24-hour maintenance line and we also have supers on-site and porters. These buildings will have two superintendents and then we will also have additional handyman and porters. When a tenant has an issue regarding a repair that's needed in their unit, they can call it directly into the office which is then input into a computer system. The work is directed to the superintendent. The

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property manager then go... project manager goes out to ensure that the work is done and that it is done in a quality way. We have vendors and we have 20... an emergency 24-hours... We have vendors that we... when there is an emergency, whether it is electrical or no heat or plumbing issue, we have vendors and superintendents on-site to address all those issues. I'm extremely concerned because of my involvement in housing for quite a few years that one of my pet peeves is seeing a project rehabbed every five years. You know, a new program comes up and you have to rehab. I... it is my goal and my pet peeve to make sure that the project and the properties are maintained in a way that is expected.

COUNCIL MEMBER TREYGER: Correct, and I appreciate that answer because as we certainly want to fight to make sure that our residents have access to affordable housing, I do believe that they equally deserve to have quality housing.

CHERYL IGHODARO: Yes.

COUNCIL MEMBER TREYGER: Because out folks are not sardines. We don't just stuff them in somewhere. They deserve to live in a good quality

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of life. But when... one issue that we have in my district that just to make sure that we try to address this city-wide, is that sometimes in these call-in centers when they make phone calls, you have folks that speak other languages. So, are there other languages available in this call center that make sure that we break down any type of language barriers?

CHERYL IGHODARO: The 24-hour number does have... is bilingual and also my office has... there are people who speak French, Spanish, English, you know more than one language and we have supers who also speak more than one language so we don't... we are able to address that issue.

COUNCIL MEMBER TREYGER: Right. And these supers have already been hired or...

CHERYL IGHODARO: No, no. Well, the supers have not been hired. The question I was responding to was on overall factors.

COUNCIL MEMBER TREYGER: Right.
Correct.

CHERLY IGHODARO: Yes.

COUNCIL MEMBER TREYGER: Right.

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CHERYL IGHODARO: And we take that into consideration when we hire.

COUNCIL MEMBER TREYGER: And hopefully we can hire then locally in the council members' community. That would be a win-win for residents as well. Thank you very much, Chair, for your time.

CHAIRPERSON DICKENS: I, I want to add to Council Member Treyger in talking about that is that many years ago DHER and H... and HUD, H-U-D, had a program where as residents were moved into a new or substantially rehabbed unit that they were taught how to maintain and frequently we don't really know what we need to do in order to avoid the pitfalls of being a, a renter and that is something I have advocated with HPD that we learn how to care for our units and particularly with today we frequently have individual heating units and all kinds... where we, we try to do something with it ourselves. And so I, I think it is really a good idea that we begin to have something like they did several years back where they, they did teach us at the... when they were renting the units of teaching, having a class for, say, ten units together or 20 units together, because it is not

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targeted toward anyone individual, it is about take out your garbage on a regular basis, don't leave it in the... in your home. You know, different things that we can do as residents because you really, even though you're renting, you own that unit. That is your unit. And, it is incumbent upon us to do what we can to take care of it because a rat, a roach, a mice, he don't have an address and an apartment number. He, you know, they get into the building and it, it, it... they go throughout. So, you can have a neighbor that is immaculate and one that is not quite so. So sometimes if you kind of give us an educational course to help us to know what we can do.

 CHERYL IGHODARO: Well one of the things that we do when we're renting up a new project and during this... with, with new tenants who come into a building is we hold mandatory orientation meetings and the mandatory orientation meetings are such that a handbook is also given out to the tenants to explain how to, just in general, how to use stoves, how to empty where the garbage is disposed of, how to take care of the wood

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2 floors, those types things. So, we do do mandatory
3 orientation meetings and then it's part of our...

4 CHAIRPERSON DICKENS: Well I'm, I'm glad
5 to hear it.

6 CHERYL IGHODARO: ...and we hand out the
7 handbook on what to use on parquet floors, all
8 types...

9 CHAIRPERSON DICKENS: I am glad to hear
10 that. I appreciate that. Are there any other
11 questions from my colleagues? Seeing none, are
12 there any questions or statements to be made from
13 the members of the public? Seeing none, I will
14 close the public portion on Land Use Item 502 and
15 503. And I am now opening up the hearing for Fulton
16 Houses Land Use 523 Application in Council Member
17 Johnson's district. This application is by HPD for
18 a tax exemption for a period of 40 years... Did you
19 hear that Council Member Rodriguez? I wanted to
20 make sure. Under Article 11 of the Private Housing
21 Finance Law, this will facilitate a new building
22 containing 160 permanently affordable apartments
23 for property located at 401-411 West 18th Street in
24 Manhattan. Artie Pearson, you will remain and
25 Jonathan is it Kagan?

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JONATHAN GAGEN: [off mic] Gagen.

CHAIRPERSON DICKENS: Gagan. Please identify yourselves.

ARTIE PEARSON: Afternoon, Chair Dickens. Again, I am Artie Pearson, Director of Land Use from HPD's Office of Governmental Relations.

JONATHAN GAGEN: [off mic] I'm Jonathan Gagen... [cross-talk]

CHAIRPERSON DICKENS: Please turn your mic on or pull it closer to you.

JOHNATHAN GAGEN: Okay. Johnathan Gagen HPD New Construction Finance.

ARTIE PEARSON: Land Use Number 523 consists of an amendment to a project known as NYCHA Fulton Houses. On December 10, 2013, the council approved Resolution number 2073, amending the zoning map in order to facilitate new construction on an under-utilized site on the grounds of NYCHA Fulton Houses. Development of the new residential units is the result of a request for proposals that came about from an agreement tied to the West Chelsea Hudson Yards rezoning which ultimately established the special West

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2 Chelsea District. The Fulton Houses Project
3 represents the collaboration between HPD and NYCHA
4 to address the needs for permanently affordable
5 housing that targets a mix of incomes. Land Use
6 number 523 is located at 401-411 West 18th Street
7 which is Block 716, Lot 15 and will be the second
8 building to be constructed in the rezoned area, the
9 first of which was... Elliott Chelsea completed in
10 2011. The proposed sponsor for Land Use 523 will
11 lease the site from NYCHA and under HPD's M²
12 Program will construct 160 residential apartments
13 including a superintendents unit and 8,000 square
14 feet of community facility space, the use of which
15 has not yet been determined. Within the new
16 building there will be a mix of unit types
17 including 51 studios, 70 one bedrooms, 38 two
18 bedrooms and superintendent's units and rents will
19 range from approximately 470 for a studio to about
20 3200 for a two bedroom which represents 47 percent
21 of AMI to 160 percent AMI. The income tiers range
22 between 50 percent and 165 percent of AMI. As
23 required by the RFP, the new owner will enter into
24 a regulatory agreement providing that for
25 perpetuity approximately 20 percent of the units

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2 will be rented to households whose income do not
3 exceed approximately 50 percent of AMI.
4 Approximately 30 percent of the units will be
5 rented to households whose incomes do not exceed
6 approximately 100 percent of AMI. Approximately 20
7 percent of the units will be rented to families and
8 individuals whose incomes do not exceed 160 percent
9 of AMI and the rest of the units will be rented to
10 households whose incomes do not exceed 165 percent
11 of AMI. And currently, HPD is before the council
12 seeking approval of Article 11, tax benefits be
13 applied to Block 716, Lot 15 in order to facilitate
14 affordability of the residential units and we can
15 answer any questions that you may have.

16 CHAIRPERSON DICKENS: Jonathan, do you
17 have anything you want to add?

18 JONATHAN GAGEN: No, nothing.

19 CHAIRPERSON DICKENS: Alright before I
20 open it up to my colleagues, the M² Program is
21 something I am beginning to hear more and more
22 about. I didn't hear it being utilized a lot until
23 just here, really this year. There seems to be a
24 lot of applications. Is that... does that have
25 anything to do with the fact that what the state

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has not done? That's one. Number two, also, and when I was reading to understand the M² Program, it seems to have been for a little higher AMI than what most of the programs that have been coming before this committee.

ARTIE PEARSON: I am going to let Jonathan talk about the...

CHAIRPERSON DICKENS: Okay.

ARTIE PEARSON: ...the M² Program and how... yes.

JONATHAN GAGEN: Okay. Yeah, in terms of State involvement it's, it's unrelated to the state. It's one of the new term sheets that came out a couple years ago and, you know, to answer your second question, the intention is to sort of increase the percentage of moderate income units. So, as you can see from the term sheet, it, it's, it... the mix allows for a higher percentage of moderate income units.

CHAIRPERSON DICKENS: Because I notice I've gotten several applications in my district for the M² Program. And that's why I started doing the research on it to, to see exactly what it was about because it does seem that the rents were somewhat

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higher. Does my colleagues have any questions? And I'm going to suggest that if you don't, are not familiar with the M² Program, that you please do get familiar with it because I think we're going to be seeing more and more applications under that. And the rents are slightly higher so we need to be very much aware and cognizant. Do any of my colleagues have any questions? Seeing no questions from my colleagues, do any of the members of the public have any questions or statement to be made? Thank you. I will now close the public hearing on Fulton Houses Land Use 423. I am now opening up the hearing for Land Use for 524, Valley Apartments Application in Council Member Levin's district. This application is by HPD for the termination of a prior tax exemption and approval of new partial Article 11 tax exemptions for a period of 40 years for property located at 200 Manhattan Avenue in Manhattan. The property contains five multi-family buildings which will be rehabilitated. Artie and... will remain and Carolyn Williams and the gentleman, did you fill out one of...

GLEB LERMAN: I did. Gleb Lerman.

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CHAIRPERSON DICKENS: Gleb... Alright

Gleb Lerman. Please identify yourselves.

ARTIE PEARSON: Artie Pearson, Director of Land Use from HPD's Office of Governmental Relations.

CAROLYN WILLIAMS: Carolyn Williams, Director of HUD Multi-Family Program HPD.

GLEB LERMAN: Gleb Lerman, I'm with L&M Development Partners.

CHAIRPERSON DICKENS: Oh L&M.

ARTIE PEARSON: The Land Use 524 consists of an exemption area containing five multiple dwellings known as Valley Apartments. Valley Apartments is located at 12-18 and 20-22 West 109th Street, 200-204 Manhattan Avenue and 133-135 West 104th Street and is a Section 8 based Article Five Housing Development. A new owner will acquire Valley Apartments who will finance the acquisition and rehabilitation of the development with a private loan and investor equity. There are 126 residential units including superintendent's apartment and there are no vacancies. Unit types include studios, one's, two's and three bedroom apartments. Household incomes will not exceed 50

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2 percent of AMI at initial occupancy and tenants
3 will pay no more than 30 percent of their income
4 towards rent. The rehabilitation will not require
5 any residents to be relocated and some of the work
6 includes façade work, roof replacement, electrical
7 upgrades, elevator modernization, installation of
8 security cameras and upgrades to kitchen and
9 bathrooms and common areas. The sponsor will enter
10 into a 40-year regulatory agreement restricting the
11 use of the development to low income rental housing
12 and will enter into a new half-contract for 20
13 years. HPD is before the Planning Subcommittee
14 seeking consent to the voluntary dissolution of the
15 current owner, terminate the current tax exemption
16 and approve a new partial Article 11 tax exemption
17 for a period of 40 years that will coincide with
18 the term of the regulatory agreement in order to
19 facilitate the continued affordability for the
20 Valley Apartment's Complex and Council Member
21 Levine has been briefed and has indicated support
22 for this project and we can answer any questions
23 that you may have.
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CHAIRPERSON DICKENS: Thank you so much. Mr. Lerman, do you have anything you would like to add?

GLEB LERMAN: We appreciate HPD's cooperation. And we look forward to getting this done.

CHAIRPERSON DICKENS: Do any of my colleagues have any questions? Council Member Mealy? Please.

COUNCIL MEMBER MEALY: Yes. Could you explain to me how the partial is going to go?

ARTIE PEARSON: So rather than having a full tax exemption for this particular development, only a partial exemption is required for the term of the regulatory agreement.

COUNCIL MEMBER MEALY: So it's 40 years so it's going to be 20?

ARTIE PEARSON: No, no, no. It'll be a full 40 years but they will not be paying full taxes. They will only be paying partial. I mean, they won't get a full exemption, they will get a partial exemption.

COUNCIL MEMBER MEALY: Oh, okay then. Alright. Thank you.

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2 CHAIRPERSON DICKENS: Are there any
3 other questions from my colleagues? Seeing none,
4 are there any members of the public wishing to give
5 testimony or make a statement? Seeing none, I will
6 now close the public hearing on Land Use 524 Valley
7 Apartments and I will now open up the hearing for
8 PRC Fox Street/Maria Estella One, Land Use Item
9 425... 525, I'm sorry, but we are not voting on it
10 today. HPD seeks an amendment to a previously
11 approved Article Five plan and project to carve out
12 two parcels located at 100 Fox Street and 960
13 Simpson Street in the Bronx, approval for the owner
14 to lease these two parcels to the developer and an
15 Article 11 tax exemption for these two parcels for
16 a period of 40 years to facilitate the construction
17 of two new buildings totaling 199 affordable rental
18 units. The properties are located in Council Member
19 Salamanca's district. We have before us, of course,
20 Artie and Joanna Kandel. Alright. Please identify
21 yourselves.

22 ARTIE PEARSON: Artie Pearson, Director
23 of Land Use, HPD's Office of Governmental
24 Relations.
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2 JOANNA KANDEL: Joanna Kandel, New
3 Construction Finance HPD.

4 ARTIE PEARSON: So Land Use Number 525
5 is really.. it consists of the proposed amendments
6 of a plan and project, proposed leasing of a
7 portion of a site located at 1000 Fox Street and
8 960 Simpson Street, which is Block 2724, Lot 103
9 and part of Lot 5 and tentatively known as Lot 220,
10 and a proposed new tax exemption for a project to
11 be known as PRC Fox. On July 17, 1980, the Board of
12 Estimate approved the Maria Estella Houses. One
13 Article Five redevelopment housing company
14 authorizing the construction of 235 Section 8 based
15 residential units plus one superintendent's unit as
16 well as a development of open space. The Maria
17 Estella Houses was conveyed to a new owner and in
18 conjunction with a refinancing/rehabilitation
19 transaction, the council approved an Article 11 tax
20 exemption on June 13, 2012, Resolution 1389. The
21 current owner now wishes to lease 1000 Fox Street
22 and 960 Simpson Street in order to facilitate
23 development of additional residential housing on
24 HPD's Mix and Match Program. The new project area
25 which currently consists.. currently contains an

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2 underutilized parking.. playground and parking lot
3 requires deletion from the 1980 plan and project.
4 Under HPD's Mix and Match Program, a new sponsor
5 will lease the development area and undertake the
6 new construction of two new residential buildings
7 that will contain 200 units of residential housing.
8 The building proposed for 1000 Fox Street will be
9 an eight-story building containing approximately
10 120 units and the distribution will be eight
11 studios, 66 one bedrooms, 26 two bedrooms, 19 three
12 bedrooms. Sixty units will be affordable to
13 households at or below 40 percent of AMI and 59
14 units will be at or below 100 percent of AMI. The
15 superintendent's unit will be located within the
16 1000 Fox Street building. The building includes 24
17 at-grade parking spaces, laundry room, landscape
18 rear garden, gym and bike storage. The building
19 proposed for 960 Simpson Street will be six stories
20 and contain 80 residential units and the unit
21 distribution there will be five studios, 45 one
22 bedrooms, 17 two bedrooms and 13 three bedrooms.
23 Eight units will be affordable to households
24 earning at or below 30 percent of AMI. These eight
25 units will be spread throughout the building and

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are anticipated to receive project based Section 8 vouchers from HPD. Thirty-two units will be affordable to households at or below 40 percent of AMI and 40 units at or below 100 percent of AMI. This building will also contain bicycle storage, laundry room, gym and landscaped backyard. HPD is before the Planning Subcommittee seeking approval to amend the 1980 plan and project in order to delete lots 103 and part of Lot 5, approve the amendment in order for the current owner to lease the new project area to a leasee, and approve an Article 11 tax benefit that will be applied to Lot 103 and part of Lot 5, which will become Lot two, 220, that will coincide with a new regulatory agreement for a term of 40 years. And Joanna and I are available to answer any questions that you might have.

CHAIRPERSON DICKENS: Do my colleagues have any questions? I'm losing my colleagues. Council Member Mealy?

COUNCIL MEMBER MEALY: The base Section 8 vouchers from HPD with tenant... with rent set a 100 percent fair market rent... That's... what percentage will be fair market rent?

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2 JOANNA KANDEL: So 100 percent of FMR
3 will be the income... the... what's coming with the PBV
4 from HPD however the tenant's rent will be set at
5 30 percent of their income so HPD will be providing
6 the balance between 30 percent of the tenant's
7 income and 100 percent of FMR.

8 COUNCIL MEMBER MEALY: Thank you.

9 CHAIRPERSON DICKENS: Are there any
10 other questions from my colleagues? Seeing none,
11 are there any members of the public wishing to give
12 testimony or make a statement? Seeing none, I will
13 close the public hearing on Land Use 525, PRC Fox
14 Street, Maria Estella. And I am now opening up the
15 hearing for Melrose Commons North, RFP Site B, also
16 known as Bronx Commons Land Use Item 526 and 527.
17 These are applications by HPD for an amendment to
18 an existing UDAAP to reflect changes to the project
19 previously approved in 2015 and a full tax
20 exemption under Article 11 of the Private Housing
21 Finance Law for a term of 40 years. These actions
22 will facilitate the construction of a new building
23 containing 304 units of affordable rental housing,
24 a superintendent's unit, and a commercial and
25 community facility space. The property is located

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in Council Member's Salamanca's district. I am now going to call up the... those giving testimony. Artie, you are on the hot seat again and Ted Weinstein. Good seeing you again. And who's with you?

ARTIE PEARSON: Afternoon, Chair Dickens. Again, I am Artie Pearson, Director of Land Use from HPD's Office of Governmental Relations and I am joined by Joanna Kandel.

JOANNA KANDEL: Joanna Kandel, New Construction Finance HPD.

TED WEINSTEIN: Ted Weinstein, HPD Bronx Planning.

ARTIE PEARSON: Lane Use Numbers 526 and 527 are related items to a previously approved project known as Bronx Commons, also known as Melrose Commons North RFP Site B. On August 13, 2015, Resolution Number 834, the council approved the UDAAP designation project approval and disposition of city owned land located at Block 2834, Lots 20 and 123 as well as air rights over Lot 120. The original project consists of the new construction of a mixed use residential building comprised of 277 units of rental housing including

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one for superintendent. HPD is now proposing to amend the project as follows; the building will be constructed under HPD's Mix and Match Program. The number of units will be increased from approximately 277 to approximately 305, including the superintendent's unit. The commercial and/or community facility space will change from a combined 49,700 square feet to approximately 23,143 square feet of commercial space and approximately 16,802 square feet of community facility space. The amendment also incorporates five percent of the units distributed throughout the building for formerly homeless families. The proposed units include 35 studios, 76 one bedrooms, 175 two bedrooms and 18 three bedroom units plus the super's unit for a total of 305 residential units. The estimate of initial rents will now be set at tiers affordable to households up to 30 percent, 50 percent, 60 percent, 70 percent, 80 percent, and 90 percent of AMI and targeted household income tiers will range between 30 percent to 110 percent of AMI. It is anticipated that approximately 14,000 square feet of the community facility space will be occupied by the Bronx Music Heritage Center which

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2 will provide free arts programming and arts
3 enrichment for the community and will provide
4 musicians and performing artists with performance
5 opportunities, rehearsal space, and a recording
6 studio. Approximately 2,500 square feet of
7 community facility will be set aside for the non-
8 profit partner to use which will probably serve as
9 office space, neighborhood planning or youth
10 programs, home based child-care training or social
11 services and/or family support. The retail space
12 will rent for approximately \$15.50 per square foot
13 and anticipated uses include small businesses and
14 other tenants that support neighborhood needs and
15 compliments of Bronx Music Heritage Center
16 including at least one restaurant or a café. Also,
17 as part of the Bronx Commons amendment, Land Use
18 526 seeks approval for Article 11 tax benefits in
19 order to facilitate the long term affordability of
20 the residential units. And, we can answer any
21 questions that you might have at this point.

22 CHAIRPERSON DICKENS: Thank you so
23 much for your testimony. Do my colleagues have any
24 questions? Council Member Treyger?

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2 COUNCIL MEMBER TREYGER: Thank you,
3 Chair. I am just trying to review here. So, the
4 number of units will increase as a result of these
5 changes; is that correct?

6 ARTIE PEARSON: That's correct.

7 COUNCIL MEMBER TREYGER: And how does
8 that impact the size of the apartments and, you
9 know, whether the, the configuration of whether it
10 is one bedroom, two bedroom or so on, does that
11 have an impact on that?

12 ARTIE PEARSON: You can take that.

13 TED WEINSTEIN: What happened here was
14 that the... there was a change of architects and they
15 realized that the original plan wasn't using the
16 full amount of floor area that would be allowed. So
17 that really... that was, that was really it. And
18 then...

19 COUNCIL MEMBER TREYGER: But were there
20 like any apartments like scaled down from three
21 bedrooms to one bedroom?

22 TED WEINSTEIN: They were able to add
23 another, I think, two floors on, on part of the
24 building.

COMMITTEE ON PLANNING, DISPOSITIONS, AND CONCESSIONS

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COUNCIL MEMBER TREYGER: Right, but I'm saying...

TED WEINSTEIN: So no, it did not impact the size of the apartments.

COUNCIL MEMBER TREYGER: Cause these apartments are good for families or just for a single person, is there a breakdown of that or?

TED WEINSTEIN: Yeah, it was 35 studios, 76 one bedrooms, 175 two bedrooms, and 18 three bedrooms...

COUNCIL MEMBER TREYGER: Right.

TED WEINSTEIN: So it provides a range.

COUNCIL MEMBER TREYGER: Right. So... but I'm saying the charts that we have, is this after the changes?

TED WEINSTEIN: Yes.

COUNCIL MEMBER TREYGER: Okay. With regards also to the super and maintenance workers, can you speak to maintenance of, of this building? And, and by the way, what are the... like the, the existing conditions and how will maintenance be handled? Right.

ARTIE PEARSON: This project is in new construction...

COMMITTEE ON PLANNING, DISPOSITIONS, AND CONCESSIONS

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COUNCIL MEMBER TREYGER: Right.

ARTIE PEARSON: ...project.

COUNCIL MEMBER TREYGER: Right.

ARTIE PEARSON: So, you want to know
going forward how the...

COUNCIL MEMBER TREYGER: Correct.

ARTIE PEARSON: ...maintenance issue is...

COUNCIL MEMBER TREYGER: Right, correct.

ARTIE PEARSON: ...going to be handled?

COUNCIL MEMBER TREYGER: Right.

ARTIE PEARSON: Okay. Do you want to
get the developer up here? We'll ask the developer
to come to the mic and talk about that.

COUNCIL MEMBER TREYGER: Sure.

ALEX YULFO: Alex Yulfo, BFC Partners.

At this part, we are underwriting two supers and
four porters who we'll locate on site. We will hire
a third party manager with strong experience in the
Bronx. We are considering several at this time who
kind of understand the area and have been dealing
with projects like this all the time.

COUNCIL MEMBER TREYGER: Will the super
be living in this, in this building?

COMMITTEE ON PLANNING, DISPOSITIONS, AND CONCESSIONS

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ALEX YULFO: Yeah. We have one live-in
3 super at this time.

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COUNCIL MEMBER TREYGER: And how do
5 you... you mentioned there were two supers or one
6 super?

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ALEX YULFO: Sorry, one super and four
8 porters.

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COUNCIL MEMBER TREYGER: One super and
10 four porters. And these porters, do they live here
11 or they live somewhere else? How does that work?

12

ALEX YULFO: At this time, the only one
13 super will be live-in and the porters will live
14 in the area.

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COUNCIL MEMBER TREYGER: So how will
16 residents be... what is the process, the procedures
17 for residents to report any issues in the building?

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ALEX YULFO: Well that will be run
19 through the third-party manager, whoever we choose,
20 but there will be a 24-hour line that they'll be
21 able to reach and they will always have service
22 available to them depending on their needs.

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COUNCIL MEMBER TREYGER: Right. Just as
24 I mentioned to the, to the previous applicant, I
25 have a number of these types of developments or

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2 buildings in my district and we... they, they also
3 mention they have the 24-hour call service, but we
4 continue to see major language issues exist. You
5 know we're a very diverse city, a diverse
6 community, and many times my office actually has to
7 translate the issues back and forth with the
8 residents and management not that... you know,
9 that's, that's a part of our job, I'm okay with
10 that, but I think it is worthwhile to have staff
11 that's reflective of the community that you're
12 serving so can speak to how you'll deal with a
13 language access?

14 NANCY BIBERMAN: Council Member, I am
15 Nancy Biberman. I am the president of WHEDco, the
16 Women's Housing and Economic Development
17 Corporation. We're based in the Bronx. We have been
18 there for 25 years and this is our third major
19 development in the Bronx. So, speaking to the first
20 two and you know by you know explicit statement,
21 this is how we will operate building number three
22 going forward. We have, in addition to maintenance
23 staff, we live as an organization. We have office
24 space and programs, home-based child-care, head
25 start, after school youth programs, a commercial

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2 kitchen that is an incubator for small businesses,
3 high school, getting middle school kids into high
4 performing high schools, so we have offices and
5 staff in our buildings during all of working hours
6 and our staff is multi-lingual reflecting the
7 Borough in which we work. So, in addition to you
8 know off hours, the superintendent will be there
9 and there is a call center. We get called. We staff
10 members get called in the middle of the night you
11 know if there is some crisis that requires
12 immediate attention and if it can wait until day,
13 there are multi-languages to address the needs of
14 residents as well as members of the community.

15 COUNCIL MEMBER TREYGER: Okay. Very
16 good. Alright, thank you, Chair.

17 CHAIRPERSON DICKENS: Thank you so
18 much. Are there any other questions from my
19 colleagues? Seeing none, are there any members of
20 the public wishing to give testimony or to make a
21 statement? Seeing none, I will now... does the
22 Council Member Salamanca support this by the way?

23 ARTIE PEARSON: We're still discussing
24 some issues with him but yes, he is supportive of
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the project. There is just a few items that we need to work out.

CHAIRPERSON DICKENS: How, how few are the items?

ARTIE PEARSON: Yes, as far as I know, it's resolved. Yes. The AMIs, right?

UNKNOWN FEMALE: [off mic] No, no.

ARTIE PEARSON: No. Oh, I'm sorry. I am thinking of the other project. Yes, he supports this project. Yes.

[background comments, laughter]

CHAIRPERSON DICKENS: Alright. I thank you so much for your testimony. I know you had a lot of, lot of, lot of projects.. I want to, to thank you for coming to give testimony. I am now going to close the public hearing on Land Use Items 526 and 527. Today we will vote on all projects except Land Use Item 525 which we are laying over. All those projects that we heard today, except for that one, we will be voting on. We will also be voting on Lexington Gardens Land Use 515 through 519 with modification. The modification will change the mandatory inclusion area housing option from two to one. And note for the record that the

COMMITTEE ON PLANNING, DISPOSITIONS, AND CONCESSIONS

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2 applications we are voting on today have the full
3 support of the local council members and my support
4 as well. I will now couple Land Use Items 502, 503,
5 523, 524, 526, and 527 and 522 that we are
6 approving and it was held over from a prior hearing
7 in case you don't remember and technically we are
8 approving for a tax exemption and a modification to
9 519 and, and 515. I will couple all those with a
10 vote to approve and to approve Land Use Items 515
11 and 519 for modifications only. I will now call on
12 counsel to call the role on a vote to approve.

13 COMMITTEE COUNSEL: Chair Dickens?

14 CHAIRPERSON DICKENS: I vote aye.

15 COMMITTEE COUNSEL: Council Member

16 Mealy?

17 COUNCIL MEMBER MEALY: Aye.

18 COMMITTEE COUNSEL: Council Member

19 Rodriguez?

20 COUNCIL MEMBER RODRIGUEZ? [off mic]

21 Aye.

22 COMMITTEE COUNSEL: Council Member

23 Cohen?

24 COUNCIL MEMBER COHEN: Aye.

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COMMITTEE ON PLANNING, DISPOSITIONS, AND CONCESSIONS

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COMMITTEE COUNSEL: Council Member
Treyger?

COUNCIL MEMBER TREYGER: Aye.

COMMITTEE COUNSEL: By a vote of five
in the affirmative, zero in the negative, and zero
abstentions. Land Use Items 502, 503, 522, 523,
524, 526, and 527 are approved and Land Use Items
515, 516, 517, 518, and 519 are approved with
modifications and all items are referred to the
full Land Use Committee.

CHAIRPERSON DICKENS: I want to thank
the members of the public, my colleagues of course,
my Land Use staff, my counsel for attending today's
hearings. I want to remind everyone that we have a
full Land Use Committee tomorrow, Tuesday, November
the 22nd, over at the Committee Room in City Hall
at 11:00 a.m. prompt. This hearing is hereby
adjourned.

[gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date December 15, 2016