

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON ZONING AND FRANCHISES

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May 2, 2017
Start: 10:12 a.m.
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HELD AT: 250 Broadway - Committee Rm.
16th Fl

B E F O R E: DONOVAN J. RICHARDS
Chairperson

COUNCIL MEMBERS: Daniel R. Garodnick
Jumaane D. Williams
Antonio Reynoso
Ritchie J. Torres
Vincent J. Gentile
Ruben Wills

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

Richard Lobel
Sheldon Lobel, PC

Frank Saint Jaca
Sheldon Lobel, PC

Emily Kurtz
Ridgewood Bushwick Senior Citizen's Council

Mario Procida, President & CEO
Procida Development Group

Peter Procida
Procida Development Group

Jordan Press, Executive Director
Development and Planning
NYC Housing, Preservation and Development

Bryant Brown, Representative
Service Employees International Union
SEIU/Local 32BJ

Michael Wadman, Vice President
Real Estate Development
Phipps Houses

Adam Weinstein, President & CEO
Phipps Houses

Eric Felzac
Civic Builders

Sharon Cromwell, New Development Leader
SEIU 32BJ

Marcos Morrillo, Building Super
Member 32BJ

Suzanne Kahn
Appearing for: Gustavo Garone
Building Service Worker

2 [sound check, pause] [gavel]

3 CHAIRPERSON RICHARDS: Alrighty. Good
4 morning. I'm Donovan Richards, Chair of the
5 Subcommittee on Zoning and Franchises. We're joined
6 today by Council Members Vincent Gentile, and also
7 Council Member Dan Garodnick. We will begin a public
8 hearing on several applications to day. Land Use
9 Items No. 608 and 609, the 600. Actually, we're
10 going to skip this one, right? We're going to go to
11 East New York, right or should I just. [background
12 comments, pause] Alright, so we will begin a public
13 hearing on several applications today, Land Use Items
14 No. 608 and 609, the 600 East 156th Street Rezoning.
15 Land Use—Land Use No. 610 and 611, the Westchester
16 Mews rezoning, and preconsidered Article 11 tax
17 exemption, and Land Use items No. 612 and 613 the
18 1860 Eastern Parkway Rezoning. So, now, we will go
19 to-- Sorry, I have to switch the order around today.
20 We will begin our public hearing on Land Use Items
21 No. 612 and 613, the 1860 Eastern Parkway Rezoning.
22 This application is for a rezoning from R6 and R6/C-
23 2-3 to an R88 to a C2-4 overlay and designation of a
24 Mandatory Inclusionary Housing area in order to
25 facilitate the development of the 10-story 100%

2 affordable building with 67 apartments and a
3 community facility at 1860 Eastern Parkway. Truly
4 Holy Church, the occupant of the existing one-story
5 building at the development site will occupy the
6 community facility space. The Zoning Text Amendment
7 would create a Mandatory Inclusionary Housing area
8 where options 1 and 2 would be available. The
9 property is located in Council Member Espinal's
10 district, and we will now hear from Richard Lobel
11 from—representing Atlantic East Affiliates, LLC;
12 Frank Saint Jaca, Atlantic—Atlantic East Affiliates,
13 LLC and Summer—I'm going to mess your last name up,
14 so I'll just say from Heritage Architecture, Atlantic
15 East Affiliates, LLC as well. [background comments]

16 RICHARD LOBEL: Thank you, Chair Richards
17 and thanks to the Subcommittee for hearing us today.
18 We have a very brief presentation and, of course, are
19 available any specific questions. Members of the
20 subcommittee, thank you for having us. Again,
21 Richard Lobel of Sheldon Lobel, PC. I'm joined by
22 Frank Saint Jaca of my firm as well as Emily Kurtz
23 from Ridgewood Bushwick Senior Citizen's Council, and
24 the application today is quite simply for a rezoning,
25 which would result in the building that you see to my

1 right. This is a 10-story affordable housing
2 building and it's fully affordable housing. It is—it
3 is at the level of option 1 or below. It actually
4 reaches very extremely low levels of affordability,
5 and the project 1860–1860 Eastern Parkway will be
6 100% affordable. The current occupant of the
7 property in question is True Holy Church, which has
8 been for close to 20 years. The church has 10,000
9 square foot church facility, and pursuant to
10 conversations with Ridgewood Bushwick as well as the
11 Brooklyn Borough President's Faith Based Initiatives,
12 the church will now be partnering with Ridgewood
13 Bushwick in order to develop a 10-story building.
14 There will be 67 affordable units. The church will
15 maintain its church space as well as certain
16 community facility space on the ground and several
17 stories, and the units would be above this building.
18 The rezoning is for a rezoning from R6 to an R8A with
19 a commercial overlay. You can just flip the slide
20 and just go the specifics of the rezoning. The
21 rezoning itself will—will cover only about 20,000
22 square feet of lawn area. The site itself is 8,000
23 square feet, and so at the intersection of these two
24 very wide streets Eastern Parkway and at Atlantic you
25

1 have a current or six, which--for 100 feet to the
2 east and west of Eastern Parkway along Atlantic that
3 would be rezoned to an R8A, with a C2-4 overlay.

4 [background comments] Correct. The--the actual change
5 as far as the land use is concerned is relatively
6 slight here, but this will allow for a building,
7 which the Community Board, the Brooklyn Borough
8 President's office and the City Planning Commission
9 have all found that's within the context of the
10 surrounding area. There will be various social
11 programs offered. Both with Ridgewood Bushwick in
12 the context of its operation of the building as well
13 as True Holy Church, which operates various social
14 service programs including a food pantry, which would
15 continue out of this location. The application has
16 received excellent support as we've worked our way
17 through the hearings. The--the Community Board in
18 particular found that this building was a welcome
19 addition to the neighborhood, and in particular given
20 the fact that Atlantic Avenue and Eastern Parkway are
21 120 feet and 110 feet wide here, really everyone
22 along the line has felt that this intersection in
23 particular can support the modest increase in
24 density, which would allow such a robust and
25

2 beneficial program for Community Board 16 and the
3 surrounding area. So again, Frank and I are here as
4 is Ms. Kurtz, and we'd be happy to answer any
5 specific questions.

6 CHAIRPERSON RICHARDS: Thank you so much,
7 and really appreciate your work on this project. Can
8 you just give a breakdown of the size of the units
9 you're doing, and you're doing 67 units, correct?

10 RICHARD LOBEL: Correct. We're doing 67
11 units. I'm joined by--

12 CHAIRPERSON RICHARDS: [interposing] The
13 breakdown of studios and the--

14 RICHARD LOBEL: Sure. I'm joined by
15 Summer Ahana (sp?). She was the project architect
16 and--

17 SUMMER AHANA: [interposing] Good
18 morning.

19 RICHARD LOBEL: --and they have been--have
20 addressed that question.

21 SUMMER AHANA: Yes. So, the project is
22 consisting of 67 units and the unit distribution is
23 at a percentage between zero bedroom 1 and 2 and 3
24 with a--distribution is really dictated by HPD's
25 standards. So, we are providing about 15% 2-bedrooms

2 and also about 15% zero and the--and the balance is
3 broken between 1-bedroom and 2-bedroom.

4 CHAIRPERSON RICHARDS: And which program
5 are you using? Have you picked the program through
6 HPD yet, or--?

7 RICHARD LOBEL: We're using the ELLA
8 Program.

9 SUMMER AHANA: The ELLA Program.

10 CHAIRPERSON RICHARDS: The ELLA Program.
11 Okay, good. Tell me what are you going to do for
12 parking?

13 RICHARD LOBEL: Well, there's no parking
14 that's proposed in the building, which was a thorough
15 conversation that we had with the Community Board due
16 to the limitations on the site itself. There's--there
17 would be relatively no opportunity for us to place
18 on-site parking. The idea here is that since this is
19 such a transit rich area, there's no parking required
20 by Zoning or within the transit zone, and the 100%
21 affordability of the building would allows us to
22 waive our parking requirements. So, despite that
23 that the Community Board still felt that the overall
24 benefits of the program, and the fact that we were
25 relatively close to the L-Line and--and a very robust

2 bus and other subway service really—really made it in
3 favor of—of allowing the project to proceed without
4 parking.

5 CHAIRPERSON RICHARDS: And the Borough
6 President raised concerns with the R8A. He was
7 concerned that it would lead to—it would incentivize
8 demolition and displacement of the small three-unit
9 residential buildings across Eastern Parkway. Can
10 you just speak to that a little bit?

11 RICHARD LOBEL: Sure.

12 CHAIRPERSON RICHARDS: And I'm very
13 familiar with the area.

14 RICHARD LOBEL: Okay, great. The—the
15 applicant. It's always really in the applicant's
16 best interest to reduce the scope of the rezoning to
17 limit the—the area that's devoted to the rezoning for
18 the reason that the applicants is required to do the
19 legal and our know due diligence required to rezone a
20 broader area. So, City Planning basically from a
21 land use context felt that it would be—that it
22 wouldn't provide precision context to allow rezoning
23 merely on one side of Eastern Parkway. They wanted
24 us to mirror that on the other side, and while we
25 understand the concerns of the Brooklyn Borough

2 President, the same arguments, which mitigate in
3 favor of the increase in the density to R8A on this
4 side of the block really holds for the other side of
5 the block. You have a--an intersection of two wide
6 streets You have basically the ability here to if it
7 is developed in--in a--in accordance with R8A, would be
8 we hear--from what we understand, and from
9 conversations with the Council Member at option.

10 CHAIRPERSON RICHARDS: Okay.

11 RICHARD LOBEL: So--so while we don't
12 representing hos applicants, and can't really speak
13 for them, to the extent that affordability was set
14 down here, it's likely that the units on sides of the
15 block now would be--would go to lower levels of
16 affordability, and so City Planning and the--the
17 Community Board agree with that.

18 CHAIRPERSON RICHARDS: Can you speak to
19 where is the entrance to the building?

20 SUMMER AHANA: So, will it be flatly only
21 at Atlantic or on Eastern Parkway? So--so, we have
22 two separate entrances.

23 CHAIRPERSON RICHARDS: Yeah, two. Okay.

24 SUMMER AHANA: Right, the one that they
25 show in entering on Eastern Parkway--

2 CHAIRPERSON RICHARDS: [interposing]
3 Okay.

4 SUMMER AHANA: --and the church is
5 entering on Atlantic.

6 CHAIRPERSON RICHARDS: Okay, and you
7 don't see any--you're--you don't have any concerns
8 with congestion or any of that?

9 RICHARD LOBEL: Well, we--

10 CHAIRPERSON RICHARDS: [interposing] It's
11 a very narrow block on Atlantic.

12 RICHARD LOBEL: I totally understand. I
13 mean we--we as part and parcel of every application we
14 have to produce an environmental assessment statement
15 that looked at the pedestrian uses and the--the--that
16 intersection and found that there wouldn't be any
17 negative impacts.

18 CHAIRPERSON RICHARDS: Any green
19 benefits, environmental benefits?

20
21 SUMMER AHANA: Oh, yes. So, the project
22 is designed as passive house, which a--

23 CHAIRPERSON RICHARDS: Okay. That's
24 fine. Yeah.

2 SUMMER AHANA: As you understand it's a
3 much higher standard in terms of energy efficiency
4 and also I chose the materials using, you know, we
5 use them all—the materials throughout the process.

6 CHAIRPERSON RICHARDS: Can you speak to
7 local hiring. How are you going to connect good jobs
8 with the local community?

9 SUMMER AHANA: So, we basically I mean I
10 can speak for the development team. We are put—you
11 know, putting together a hiring plan where we're
12 going to look at local MWBE firms, and will hire
13 local subcontractors throughout the year booking.
14 (sic)

15 CHAIRPERSON RICHARDS: [interposing] And
16 do we have a percentage or goal or in mind of where
17 we're going?

18 EMILY KURTZ: Yeah, we're—we-

19 RICHARD LOBEL: [interposing] Do you
20 want—do you want to come up.

21 EMILY KURTZ: Yes.

22 CHAIRPERSON RICHARDS: Yeah, just come,
23 yes.

24 RICHARD LOBEL: Yeah. I'll just
25 introduce Emily Kurtz from Ridgewood Bushwick.

2 CHAIRPERSON RICHARDS: [interposing]

3 Bring the mic a little closer and state it on the
4 record, please.

5 EMILY KURTZ: Good morning. I'm Emily
6 Kurt. I'm with the Ridgewood Bushwick Senior
7 Citizen's Council. So the percentage of MWBE hiring
8 will--will be laid out by the funding that we have in
9 place, which we have an application in for 9% credits
10 with the State. The State will provide our MWBE
11 goals, and in addition HPD has recently implemented a
12 new MWBE program.

13 CHAIRPERSON RICHARDS: Uh-huh.

14 EMILY KURTZ: I do want to mention that
15 our development partner RISA--RISA Development Group
16 is also a registered MWBE with New York--with New York
17 State and the City. So we--while, I don't have the
18 percentages with me, we will be paying very close
19 attention and Ridgewood Bushwick does have job
20 development programs that we run through our social
21 services.

22 CHAIRPERSON RICHARDS: Okay. Uh-huh.

23 EMILY KURTZ: The agency and what we
24 started to do is to write the--an agreement into our
25 construction contract--

2 CHAIRPERSON RICHARDS: [interposing]

3 Okay.

4 EMILY KURTZ: --to make best efforts to
5 hire through--through the--our program and other local
6 programs to ensure--

7 CHAIRPERSON RICHARDS: [interposing] And
8 no goals on that?

9 EMILY KURTZ: I'm sorry.

10 CHAIRPERSON RICHARDS: Any goals on that,
11 it's a goal?

12 EMILY KURTZ: We--again, I don't have the
13 percentages with me, but--the--without--with the
14 contractor, without the conversations with the
15 contractor it's hard to say, but we do push up to the
16 highest extent possible to hire locally and to
17 support both the neighborhood and--and the programs
18 that we're providing.

19 CHAIRPERSON RICHARDS: Okay, well, I just
20 urge you to ensure those conversations are being had
21 before it gets to the full Land Use Committee so that
22 we can have specific goals laid out, the best
23 efforts--

24 EMILY KURTZ: [interposing] Okay.

25

2 CHAIRPERSON RICHARDS: --and we would
3 love to have those things in writing.

4 EMILY KURTZ: Okay, it-noted.

5 CHAIRPERSON RICHARDS: Okay. Alrighty.
6 [background comments] We're--we're--oh, we're joined by
7 Council Members Torres and Wills. Any questions from
8 my colleagues. [background comments] Council Member
9 Wills has a question.

10 COUNCIL MEMBER WILLS: Good morning. You
11 just stated that one of your development partners is
12 a registered MWBE, but can you be more specific? Is
13 it a minority? Is it just women or what?

14 EMILY KURTZ: Both minority and women-
15 owned.

16 COUNCIL MEMBER WILLS: Thank you very
17 much.

18 EMILY KURTZ: You're welcome.

19 COUNCIL MEMBER WILLS: Thank you, Mr.
20 Chair.

21 CHAIRPERSON RICHARDS: Alrighty, any
22 other questions from my colleagues? Okay, thank you
23 so much. It's an awesome project.

24 RICHARD LOBEL: Thank you chair.

25 EMILY KURTZ: Thank you.

2 CHAIRPERSON RICHARDS: We will go to a
3 Richard Lobel, Sheldon Lobel, PC.

4 RICHARD LOBEL: Chair.

5 CHAIRPERSON RICHARDS: Yes.

6 RICHARD LOBEL: Well, actually except if
7 there are any specific questions, we're happy to
8 conclude with that.

9 CHAIRPERSON RICHARDS: They had it
10 written so as they had it defined. Okay. Are there--
11 are there any other members of the public here who
12 wish to testify on this issue? [background comments]
13 Alright, seeing none, I will now close the public
14 hearing on Land Use Items No. 612 and 613, and I will
15 call a vote. [background comments, pause] Sorry,
16 well, then that's what we're doing. Okay. I don't
17 want to lay it over. [pause] Okay. Got it. So,
18 we'll be now voting on the Eastern Parkway
19 Application with a modification. The modification is
20 to remove Option No. 2 from the Mandatory
21 Inclusionary Housing Area. The modification would
22 allow for only Option 1, which is 25% of the
23 development at an average of 60% of AMI with 10% of
24 the units at 40% AMI to be applied to the rezoned
25 lots, and I will now call a vote on the five

2 following items: A recommendation to modify Land Use
3 items No. 612 and 613 as I described, and I also just
4 want to note that Council Member Espinal was in
5 support of these modifications. A yes vote is a vote
6 in support of these recommendations—recommendations,
7 and I will now ask the Counsel to please call the
8 roll. [pause]

9 LEGAL COUNSEL: A vote approve Land Use
10 Items 612 and 613 with modifications that have been
11 described. Chair Richards.

12 CHAIRPERSON RICHARDS: I vote aye.

13 LEGAL COUNSEL: Council Member Gentile.

14 COUNCIL MEMBER GENTILE: I vote aye.

15 LEGAL COUNSEL: Council Member Garodnick.

16 COUNCIL MEMBER GARODNICK: Aye.

17 LEGAL COUNSEL: Council Member Wills.

18 COUNCIL MEMBER WILLS: [off mic] I vote
19 aye.

20 LEGAL COUNSEL: Council Member Torres.

21 COUNCIL MEMBER TORRES: I vote aye.

22 LEGAL COUNSEL: The vote to approve with
23 modifications is approved by a vote of 5 in the
24 affirmative, 0 negatives and 0 abstentions, and
25 referred to the full Land Use Committee. [pause]

2 CHAIRPERSON RICHARDS: Alright, we'll
3 hold the vote open on this. Alrighty, so now we'll
4 begin our public hearing on Land Use Items No. 608
5 and 609, the 600 East-

6 FEMALE SPEAKER: [interposing] [off mic]
7 We're going to do some screens since we're the next
8 because I hear you. (sic)

9 CHAIRPERSON RICHARDS: So, I hear you.
10 [pause] Alright, I will now open the public hearing
11 on Land Use Items No. 610 and 611, the Westchester
12 News Rezoning and the Preconsidered Land Use Article
13 11 Tax Exemption. The applications are for the
14 zoning the map change that would rezone 16 lots
15 within Block 30-3805 from R-5 with the-with the fund
16 in R-5 with a C-2-2 overlay to an R6 with a C2-4
17 overlay, commercial overlay. A zoning text amendment
18 would create a Mandatory Inclusionary Housing Area,
19 with Options 1 and 2 available. It would also amend
20 sections 23-154 to allow increased FAR in R6
21 districts mapped within an MIH district, and amend
22 Section 23-153 to apply the same maximum lot covered
23 ratio of 65% to all developments in R6 districts
24 mapped within an MIH district. The development site
25 consists of two vacant lots, both 123 and 124, that

2 would be redeveloped into two buildings separated by
3 a 60-inch-60-foot rear yard equivalent that includes
4 206 units of affordable housing, ground floor retail
5 in a community facility space. The tax exemption
6 under the Private Housing Finance Law would exempt
7 the residential and community facility uses at the
8 development site from real property taxes for a
9 period of 40 years. The property is located in
10 Council Member Palma's district, and we now are
11 joined by Jordan Press, the Executive Director the
12 Development and Planning from HPD; Peter-what's the
13 last? Procida from--?

14 PETER PROCIDA: [off mic] From Procida.

15 CHAIRPERSON RICHARDS: Procida, okay.
16 You got handwriting like me.

17 PETER PROCIDA: [off mic] Thank you.

18 CHAIRPERSON RICHARDS: And-and Mario
19 Procida, Procida Development Group as well. We're
20 joined by them. So I'll allow you to make your
21 opening statements, and we'll go from there. [pause]
22 Hit your mic.

23 MARIO PROCIDA: [coughs] Good morning-
24 good morning Chairman, Council Members and Counsel.
25 On behalf-my name is Mario Procida on behalf of

2 Procida Development Group. We're here to present
3 both the Zoning Map Change Amendment and the Zoning
4 Text Amendment for our project, which is Westchester
5 Mews located on Westchester Avenue at 2044
6 Westchester Avenue between Pugsley and Olmstead in
7 the Bronx. The map change proposed and into the
8 Zoning Map effectively will extend a pre-existing
9 zone change from—which—which was R6 and extend the R6
10 zone for the balance—oh, this doesn't work so well.
11 SO much for the pointer. It extends the zone, the
12 R5--the R6 from what was the—which end of the site,
13 Pete?

14 PETER PROCIDA: The—from the corner of
15 Posley and Westchester. It extends the—the zoning
16 from R5 to R6 for the balance of the block as well as
17 mapping from the corner of—or from the edge of the
18 previous rezoning to the corner of Westchester and
19 Olmstead, a C2-4 overlay. The rationale behind the
20 C2-4 overlay is that this is an area well served by
21 public transit with multiple parking garages on the
22 block. Therefore, the C2-4 overlay allows us to
23 decrease the amount of parking required for
24 commercial space in—in this development.

2 MARIO PROCIDA: Our development will
3 include 206 units of affordable housing, which would
4 be developed in accordance with the Mix and Match
5 Program. We will also be utilizing the Our Space
6 Program, and it's an extension of the previously
7 completed development of 134 units of low-income
8 housing—low-income tax credit units immediately to
9 the west of the property. Those are plain. (sic)
10 Our building's front on both—go to Site Plan. Our
11 buildings front on both Westchester Avenue and on
12 Newbolt.

13 CHAIRPERSON RICHARDS: [interposing] In
14 the future bring hand-outs because I prefer that you
15 do.

16 MARIO PROCIDA: We have hand-outs.

17 CHAIRPERSON RICHARDS: Do you have hand-
18 outs?

19 MARIO PROCIDA: We have hand-outs. I
20 apologize.

21 CHAIRPERSON RICHARDS: That would be
22 great.

23 MARIO PROCIDA: I'll take care of that
24 right now.

2 CHAIRPERSON RICHARDS: Make sure for the
3 members of the committee. Can I see them? You may
4 continue.

5 MARIO PROCIDA: Okay. So, we front on
6 both Westchester and on Newbolt. We have separate
7 building entrances on both Westchester and Newbolt
8 and a shared courtyard in the middle of the--of the
9 development. Our unit mix--

10 PETER PROCIDA: It's right here.

11 MARIO PROCIDA: --contains 47 studios or
12 23% of the units; 60 1-bedrooms or 32% of the units;
13 64 2-bedroom apartments. [background comments]

14 PETER PROCIDA: It's 40--there are 48
15 studios, 65 1-bedrooms, 57 2-bedrooms and 35 3-
16 bedroom apartments. The--there's 15% of the units,
17 which are developed using the--Our Space AMI level.
18 Then percent will be at 37% of AMI; 35% will be a
19 50%.

20 CHAIRPERSON RICHARDS: Can you start over
21 again.

22 PETER PROCIDA: Yes. Fifteen percent
23 will be Our Space.

24 CHAIRPERSON RICHARDS: Okay,

25 PETER PROCIDA: Ten percent--

2 CHAIRPERSON RICHARDS: That's formerly
3 homeless.

4 PETER PROCIDA: Yes, and 10% will be at
5 40% of AMI; 50-35% will be at 57% of AMI, and 40%
6 will be at 80% of AMI. The building B will have 82
7 units approximately 8,000 square feet of ground floor
8 retail. This is the building that fronts on
9 Westchester Avenue, and Build-Building B, which is on
10 Newbold Avenue will have 124 units and approximately
11 1,200 square feet of community facility space on the
12 ground floor. This is a ground apartment. If you
13 flip to the ground floor plan, you'll see that we
14 have a separate residential entrance off-off-off of
15 Westchester. We've got about 12,000 square feet of
16 retail. We are currently marketing that space to
17 potential supermarkets, and we're also in discussions
18 with the Ghetto Film School about potentially using
19 the ground floor space as well.

20 MARIO PROCIDA: I think that's-that
21 covers us and we're-any questions?

22 CHAIRPERSON RICHARDS: Are you using
23 Fresh? Have you-is Fresh eligible on this?

24 MARIO PROCIDA: It is not a Fresh
25 eligible-eligible site.

2 CHAIRPERSON RICHARDS: It is not
3 eligible. Okay. Alrighty. Go through parking.

4 MARIO PROCIDA: We have no parking
5 contemplated for the development. It's not required
6 by the zoning. Immediately next door to the east on
7 our Park West development, there is a parking lot.
8 It is a public lot, although it's an accessory use
9 lot. There is also in the immediately adjacent
10 parcel there's another parking garage structure there
11 as well, which is just is totally for parking our
12 recent or the experience relative to parking is—has
13 been that it is not necessary for the residential
14 units, and it's been primarily used by the community.

15 CHAIRPERSON RICHARDS: And community
16 facilities are just for residents in the building or—
17 or will it be open to the public?

18 MARIO PROCIDA: We have not found—we have
19 not really gone out for a tenant.

20 CHAIRPERSON RICHARDS: Okay.

21 MARIO PROCIDA: And we will probably have
22 a social service provider.—

23 CHAIRPERSON RICHARDS: Okay.

24 MARIO PROCIDA: That is primarily going
25 to be working with residents in the building.

2 CHAIRPERSON RICHARDS: Okay. Awesome. I
3 was going to raise that question. [background
4 comments] We're going to go to Chair Greenfield in
5 one second. So you're going from an R5 you said to
6 an R6.

7 MARIO PROCIDA: Yes, the--

8 CHAIRPERSON RICHARDS: [interposing]
9 Okay.

10 MARIO PROCIDA: --our prior development
11 was developed with an R6 zone. There was a zone
12 change that effectively stopped at the property, at
13 the property line for the subject development. We
14 went into meet with City Planning looking to extend
15 the prior zone change. City Planning had made the
16 suggestion to extend the R6 over the entire block.

17 CHAIRPERSON RICHARDS: So not
18 specifically just for this? So say--just say that
19 again.

20 MARIO PROCIDA: Extend the R6 zone over
21 the entire block.

22 CHAIRPERSON RICHARDS: So over the entire
23 site.

24 MARIO PROCIDA: Yes.

25 CHAIRPERSON RICHARDS: Okay.

2 MARIO PROCIDA: They thought that was a
3 better approach.

4 PETER PROCIDA: City-City Planning's
5 justification is that the two buildings on Newbolt
6 Avenue on the corners are both currently over-built
7 given their R-5 zoning. Once brought into the R6
8 zone, the build-one of the two buildings will become
9 compliant with current zoning, and one will remain
10 over-built. So there's really only a couple of
11 potential development sites, which are occupied by
12 single-family row houses.

13 CHAIRPERSON RICHARDS: And go through
14 your green space.

15 MARIO PROCIDA: The-the park at the
16 moment we're still working on the planning for the
17 park and a lot of that will be contingent upon
18 whether or not the Ghetto Film School comes on board,
19 and that's still a bit fluid. Otherwise, it will be
20 landscaped park and garden for the wide enjoyment--

21 CHAIRPERSON RICHARDS: [interposing] So
22 you're either-either or? You're going to do either?

23 MARIO PROCIDA: Well, no. The green
24 space will be for the quiet enjoyment of the
25 residents--

2 CHAIRPERSON RICHARDS: [interposing]

3 Okay.

4 MARIO PROCIDA: --of the building.

5 CHAIRPERSON RICHARDS: Okay.

6 MARIO PROCIDA: However, the Ghetto Film
7 School if they come in may have some uses for--for the
8 green space as well, which would activate the space.

9 CHAIRPERSON RICHARDS: Okay. Alright, I'm
10 going to Council Member--and--and HPD, can you just
11 speak to the tax exemption?

12 JORDAN PRESS: Yes. Thank you, Chair
13 Richards. This Preconsidered Land Use item if
14 related to Land Use No. 610 and 611 known as
15 Westchester Mews. As my friends to my right have
16 stated, Westchester Mews is a proposed exemption area
17 located at 2035 Newbolt Avenue and 2044 Westchester
18 Avenue in the Bronx in Council District 18. The
19 developer plans to construct two buildings that will
20 be mixed use and mixed income under HPD's Mix and
21 Match Program. As they testified to, the combined
22 buildings will provide 48 studio apartments, 65 1-
23 bedrooms, 57 2-bedrooms, 35 3-bedroom units as well
24 as a 2-bedroom supers unit for a total of 205 rental
25 units plus one unit for a superintendent. Building A

2 at 2044 Westchester Avenue will be 11 stories tall
3 and include 82 rental units. This building will
4 include 8,090 square feet of commercial space in
5 Building B at 2035 Newbolt Avenue. It will be 10
6 stories tall, and will include 124 rental units.
7 Building B will include 1,319 square feet of
8 community facility space. In order to help maintain
9 affordability of the residential units, the sponsor
10 is seeking Article 11 tax benefits that will coincide
11 with the Regulatory Agreement for a term of 40 years.

12 CHAIRPERSON RICHARDS: Okay, and what was
13 the rationale of—I mean—I mean obviously I know why
14 people like tax exemptions, but can you just speak to
15 that a little bit more

16 JORDAN PRESS: [interposing] So--

17 CHAIRPERSON RICHARDS: Why HPD is HPD is
18 considering doing this project.

19 JORDAN PRESS: Right. So the targeted
20 household incomes, as they testified to, are going to
21 be—generate very low income at 30%, 40%, 60% and 80%
22 of AMI, and given that—that—

23 CHAIRPERSON RICHARDS: [interposing] How
24 many of the units are going to be at 30% of AMI?

25 MALE SPEAKER: Thirty-one.

2 JORDAN PRESS: Thirty-one or about 15%.
3 Given—given those low—that low rental income that the
4 property will be—will be taking in order to achieve
5 the public benefit of—of affordable housing, full
6 property taxes would not make for a—a sustainable
7 project, and the—the tax exemption is—is required for
8 project feasibility.

9 CHAIRPERSON RICHARDS: How many projects
10 are you doing these tax exemptions on, that you're
11 considering?

12 JORDAN PRESS: Many, many.

13 CHAIRPERSON RICHARDS: Many, many more?
14 Okay, just—it just—just crossed my mind because we
15 have other projects that obviously come in before the
16 committee, and I haven't seen you doing a lot of
17 Article 11s on those projects.

18 JORDAN PRESS: Yep.

19 CHAIRPERSON RICHARDS: And I'm not
20 knocking that.

21 JORDAN PRESS: [interposing] Yeah, no,
22 no, I mean, so--

23 CHAIRPERSON RICHARDS: I'm just saying,
24 you know, but I just want to know what the--

2 JORDAN PRESS: [interposing] Right, so,
3 yeah.

4 CHAIRPERSON RICHARDS: --know what--how do
5 you decide.

6 JORDAN PRESS: So, two reasons. One is
7 if the project is a very low-income project, it can
8 apply for 420-C, which is not discretionary. It's an
9 as-of-right tax benefit, and the other is 421-A,
10 which is now back. Also an as-of-right benefit that
11 is often combined in these kinds of zoning actions
12 that come before your committee.

13 CHAIRPERSON RICHARDS: Okay, I'm going to
14 go to Chair Greenfield, who has joined us.

15 COUNCIL MEMBER GREENFIELD: Thank you Mr.
16 Chairman. I have just two questions. What
17 environment standards is this project being built to,
18 if any?

19 MARIO PROCIDA: I'm not sure I understand
20 the question. Do you mean like Enterprise Green
21 communities or--or things of that nature.

22 COUNCIL MEMBER GREENFIELD: No, LEAD
23 Centers or other centers or whatever.

24
25

2 MARIO PROCIDA: We are compliant within a
3 Prize Green Community [coughs]—green community
4 standards.

5 COUNCIL MEMBER GREENFIELD: Okay, and
6 they're minimal standards. You're not going above
7 their--

8 MARIO PROCIDA: [interposing] There are
9 certain items that we may go beyond the Green
10 Communities. We've scored about the minimum
11 threshold [coughs] but that's where we-what we're
12 being built to.

13 COUNCIL MEMBER GREENFIELD: Got it, and
14 then just a curiosity question. Westchester Mews,
15 what exactly is a Mew and why—why is this a mew? I
16 Googled this actually. I don't think this is a mew
17 technically. I mean technically a mew is a row—a
18 street of houses or apartments that have been
19 converted from stables—

20 MARIO PROCIDA: Yes.

21 COUNCIL MEMBER GREENFIELD: --or just
22 like former stables.

23 MARIO PROCIDA: [interposing] Right, it's
24 actually--

2 COUNCIL MEMBER GREENFIELD: Has this
3 been—have there been stables on this property here?

4 MARIO PROCIDA: Maybe quite a while ago.

5 COUNCIL MEMBER GREENFIELD: This is false
6 advertising honestly. [laughs]

7 MARIO PROCIDA: I've actually had to look
8 this up myself when—when the targeting of Mews came
9 up.

10 COUNCIL MEMBER GREENFIELD: [interposing]
11 Did they come to the same conclusion as me?

12 MARIO PROCIDA: The name could use some
13 work, but we have time to adjust that once we get to
14 market.

15 COUNCIL MEMBER GREENFIELD: But there
16 just to be clear, there have been on stables on this
17 location?

18 MARIO PROCIDA: Not to our knowledge.

19 COUNCIL MEMBER GREENFIELD: And you're
20 not doing it on stables, which will look like
21 stables?

22 MARIO PROCIDA: Not at the moment.

23 COUNCIL MEMBER GREENFIELD: Alright, I
24 still think it's a little false advertising,
25 honestly.

2 MARIO PROCIDA: I-I appreciate your
3 comments, but we'll send that to the market.

4 COUNCIL MEMBER GREENFIELD: [interposing]
5 Only because we know we know—we know everybody wants
6 to live above stables, don't you? Do you know why?

7 MARIO PROCIDA: Go ahead.

8 COUNCIL MEMBER GREENFIELD: Because
9 everybody loves ponies. You never watch Seinfeld.
10 Okay, alright.

11 MARIO PROCIDA: I watch it actually all
12 the time.

13 COUNCIL MEMBER GREENFIELD: I'll leave
14 it. I will leave it at that.

15 MARIO PROCIDA: But I-I think I must have
16 missed that episode.

17 COUNCIL MEMBER GREENFIELD: Oh, go to the
18 classic episodes, the pony episodes.

19 PETER PROCIDA: The dinner with Elaine
20 and the--the grandma had a pony.

21 COUNCIL MEMBER GREENFIELD: It really is.

22 MARIO PROCIDA: Wow.

23 COUNCIL MEMBER GREENFIELD: I'm going to—
24 I'm going to send you the clip. It's worth watching.

25 MARIO PROCIDA: Well that would be great.

2 COUNCIL MEMBER GREENFIELD: Okay. Thank
3 you, Mr. Chairman.

4 MARIO PROCIDA: Thank you. Definitely
5 Land Use worthy. [laughter] Alright, thank you all.
6 If there any other questions I'm--

7 COUNCIL MEMBER GREENFIELD: [interposing]
8 Mr. Chairman, I think in the age of Donald Trump, we
9 have to make sure that when folks are putting
10 themselves out there and making a representation, it
11 has to be factually correct.

12 CHAIRPERSON RICHARDS: It can't be fake.

13 COUNCIL MEMBER GREENFIELD: Fake the mew,
14 it can't be a face-fake mews.

15 CHAIRPERSON RICHARDS: Okay, got it.

16 COUNCIL MEMBER GREENFIELD: No fake mews.

17 CHAIRPERSON RICHARDS: [laughing]

18 COUNCIL MEMBER GREENFIELD: And no-no
19 fake mews.

20 CHAIRPERSON RICHARDS: [laughing] Thank
21 you all for your testimony. We will go to the next
22 panelist Bryant Brown representing SEIU 32BJ.

23 [background comments] You may have to change that
24 before it gets to Land Use, my friends.

2 BRYANT BROWN: Good morning, Council
3 Members. Thank you for the opportunity to testify
4 this morning. My name is Bryant Brown and I'm here
5 speaking on behalf of my union, the Service Employees
6 International Union, Local 32BJ. 32BJ represents
7 70,000 building service workers in New York City.
8 Over 4,000 of us live in Community District 9 where
9 this development is proposed. I am here to tell you
10 just how important it is that Procida commit to
11 creating high quality jobs at Westchester Mews.
12 Westchester Mews is going to create badly needed
13 affordable housing in the Bronx. My union and I
14 understand how important this is. Many of us have
15 struggled to stay in New York City as rents have
16 risen, but we also know that we need good jobs just
17 as much as we need housing. We cannot build our way
18 out of the affordable housing crisis. As long as
19 there are working people earning too little to afford
20 the rising housing costs, families are going to
21 continue to get priced out of their homes. Building
22 service jobs can be jobs that pay \$11 an hour with no
23 benefits, or they can be good quality jobs that pay
24 wages that allow people to afford to put a roof over
25 their head, save for retirement, and access health

benefits. My union brother—brothers and sisters and I have been able to stay in the city and support our families because we were lucky to have these kinds of jobs. We need to make sure that Westchester Mews is creating good jobs, not poverty jobs for Bronx residents. This is why I'm calling on City Council to ensure that Procida commits to creating high quality, family sustaining jobs at Westchester Mews and in all of its upcoming developments across the city. Thank you.

CHAIRPERSON RICHARDS: Thank you. Any questions from my colleagues? Alright, thank you. Thank you for your testimony. Alright, are there any other members of the public who wish to testify on these items? Alright, seeing none, I will now close the public hearing on Land Use Items No. 610 and 611 and we now—and we now move onto-- Sorry, this is hopping all around today. We will now move onto— begin our public hearing on Land Use Items No. 608 and 609, the 600 East 156th Street Rezoning. The applications are for a zoning map change and zoning text amendment to facilitate the development of a surfaced parking lot and a one-story parking garage into a mixed use project that includes 100%

2 affordable housing and a charter school facility.

3 The parcel is currently zoned M1-1 for light
4 industrial and commercial uses, and is proposed to be
5 remapped as a R8A district, a Mandatory Inclusionary
6 Housing area where Option 1 would also be created.

7 This property is located in Council Member
8 Salamanca's district, and I'm—he just—he's joined
9 here. Do you have a statement? You can read it, and
10 just before I go to Council Member Salamanca, before
11 we move onto this item, I just want to acknowledge
12 Council Member Anna Palma fully supports the
13 Westchester Mews Affordable Housing at 204
14 Westchester Avenue/2053 Newbolt Avenue. I wanted to
15 put that on the record as well. Procida does not
16 only understand the importance of providing
17 affordable housing in my district, but they are
18 engaged open-minded developers who care about the
19 welfare of the community. We have met on multiple
20 occasions with the Land Use Division to discuss the
21 AMI breakdown unit count bedroom, prospectively to
22 tenants' community facility, tenants and many other
23 specifics conducive to best serving the character and
24 needs of this neighborhood. I encourage the
25 Subcommittee Zoning—of—of Zoning and Franchise to

2 support the application. Just wanted to make sure I
3 read that in the record, as she requested it, and we
4 will now move onto Council Member Salamanca, and then
5 we will being the hearing.

6 COUNCIL MEMBER SALAMANCA: Good morning,
7 and thank you Chair Richards for the opportunity to
8 speak today regarding Land Use Item 608 and Land Use
9 Item 609, a development located at 600 East 156th
10 Street in my district that is up for consideration
11 today. In my district, just like the districts of
12 many of my colleagues, the creation of affordable
13 housing is one—is one of the most, if not the most
14 pressing issues we hear from constituents, and every
15 day, my office is working to assist as many
16 individuals as possible with their housing needs. It
17 is why I take the language process very seriously.
18 That's because in my mind virtually everyone of these
19 projects has the capability to be transformative so
20 community is done correctly. And along with ensuring
21 that the zoning and MIH text are right for a project,
22 there are many other aspects that I believe must
23 always be reviewed. That is no different from the
24 project we are hearing today. Over the past few
25 months, I have been in direct contact with the CEO of

2 Phipps Houses, the developer for this project as well
3 as HPD who, of course is providing considerable
4 financing. In voicing my concerns with both parties,
5 I must say that I remain incredibly dismayed that two
6 very important factors for this project have yet to
7 be addressed in a way that would make me feel
8 comfortable enough to support its approval. I'd like
9 to put both of these concerns on the record today.
10 First, the CEO Phipps has not been able to assure me
11 that the permanent jobs created through this project
12 will be fair wage jobs with good benefits for his
13 employees. I have heard unsettling statistics and
14 concerns regarding low hourly wages as well as the
15 failure to provide even basic health insurance to
16 employees of other Phipps Houses in the South Bronx.
17 This is unacceptable not only because it goes against
18 what is the right thing to do, but a failure to
19 create any jobs that fail to pay less than fair wage
20 completely undermines the ability for our residents
21 to then be able to afford the new housing we are
22 creating. We must support fair wage jobs that
23 provide good benefits for our working families.
24 Secondly, I am absolutely frustrated with HPD's
25 failure to work with me further on the affordability

1 aspects of this project specifically with units that
2 will be set aside for the Our Space Program for
3 formerly homeless families. While I understand and
4 support efforts to find permanent and affordable
5 housing for formerly homeless families, the creation
6 of these units cannot undermine an effort to also
7 provide units for non-homeless families at an
8 extremely low or very low incomes. This is a very
9 frustrating problem that comes up for projects in my
10 district time and time again, and I fear that we are
11 creating a dangerous precedent in which we are
12 working furiously to try to create housing for
13 currently homeless families without also working to
14 create housing for those who in essence are the most
15 vulnerable to becoming homeless in the future. Those
16 whose incomes are 30% of an AMI or below.

17 Additionally, it is a difficult conversation to have
18 with my constituents. Many who have been on the
19 losing end of countless HPD housing lotteries, when I
20 have to tell them that the community preference is
21 diluted even further into the Our Space Program, we
22 need to address this. To close, I want to make this
23 abundantly clear if Phipps or HPD does not work with
24 me to address these issues, I will not hesitate to
25

2 vote against these items. Specifically both Land Use
3 Item 608 and 609 as well as an impending Article 11
4 needing approval that I understand will be coming
5 before the Council in the coming weeks. The stakes
6 are too important not to take this seriously. Thank
7 you, Chair Richards, and thank you to the members of
8 the committee for your return today.

9 CHAIRPERSON RICHARDS: Thank you, Council
10 Member Salamanca. You may begin. [background
11 comments] Yeah, so we're joined by Adam Weinstein,
12 Phipps Houses CEO, Seltzer-Seltzer-

13 ERIC SELZER: Selzer.

14 CHAIRPERSON RICHARDS: Selzer. Okay.
15 Got it here and like me, too. (sic) Civic Builders
16 Michael Wadman sponsor of Phipps Houses. You may
17 being.

18 MICHAEL WADMAN: Alright. Thank you,
19 Chair Richards.

20 CHAIRPERSON RICHARDS: State your name
21 and who you're representing.

22 MICHAEL WADMAN: This is Michael Wadman,
23 Vice President of Real Estate Development at Phipps
24 Houses, the sponsor of the actions under
25 consideration. Thank you very much for meeting here

1 today and considering our item. 600 East 156th
2 Street is being developed by Phipps, the largest not-
3 for-profit housing developer in New York. There are
4 several other team members who are also very
5 experienced in this area including our affiliated
6 property management company, architect, contractor,
7 et cetera. We propose to build an approximately 175-
8 unit building. It will provide moderate income, very
9 low income and extremely low income rental housing.
10 We are proposing to use the Mix and Match Program,
11 which allows to provide 80% of median as well as 30%
12 of median income units, which are the income levels
13 that we understand to be of most concern both to the
14 Councilman and to the Community Board in this area.
15 An element of this project that we also think brings
16 a lot of value is charter school located on the lower
17 two floors of the building. It's approximately
18 30,000 square feet. It will serve K-4, approximately
19 450 students. This is a location map. The red
20 rectangle in the middle is our site. As you can see,
21 it's about a block from the 25 stop the south. It's
22 also several blocks away from the hub commercial
23 district in this neighborhood. This is a prime area
24 for Phipps. We have approximately 2,000 housing
25

1 units in this general area in both Community Boards 1
2 and 3, and look forward to providing more housing to
3 the residents of that area. That's another picture.
4 This is facing south, the sit at East 156 between
5 Eagle and Caldwell. The proposed zoning action this
6 is a leftover M1-1 site surrounded by a residential
7 district, and we are proposing to upzone to an R8A
8 with the Mandatory Inclusionary Housing Option 1.
9 That's a picture of what the building will look like.
10 This is looking east up the street. The lower two
11 floors there that you see are dark are the base,
12 which is the school and the housing is located above
13 it. This is the front entrance on—on East 156th.
14 The awnings you see there would be the school
15 entrance. The windows there are classrooms along
16 that side of the building. This is an example floor
17 plan for the school. You see classrooms and a gym, a
18 combination gym/cafeteria area as well as more
19 classrooms on the second floor. This is a
20 residential entry, which is around the corner on
21 Caldwell, which is a residential street. The total
22 development cost here is about \$85 million, \$86
23 million including construction costs of about \$60
24 million. In terms of sustainable design, this will
25

2 be an Enterprise Green Community Certification that
3 will also be providing solar panels on the roof to
4 provide electricity. There will also be a
5 cogeneration facility and some green space for
6 tenants located on the roofs. Construction
7 employment opportunities as always there are the
8 primary jobs created here. We haven't selected a
9 general contractor, but we'll work closely with them
10 for local hiring as well as Minority and Women Owned
11 subcontractors. Permanent employment at this site
12 would be with Phipps' Property Management company as
13 well as at the school, and similar efforts will be
14 made in terms of those jobs. A couple other items
15 that were--were questions of the previous
16 presentation. So I'll include them now.
17 Affordability was something--

18 CHAIRPERSON RICHARDS: It's all getting
19 cheat sheet, my friend.

20 MICHAEL WADMAN: Yes, there is an
21 advantage to going third. So, the--as I mentioned,
22 the program here is Mix and Match. We're proposing
23 50% of those units to be at 80% of median income, 30%
24 of the units to be at 50% of median income and 20% of
25 the units to be at 30% of area median income. As

1 Councilman Salamanca mentioned, there have been
2 ongoing discussions about the 30% of median income
3 units, and how many of them would be through the Our
4 Space Referral and how many of them would be through
5 the standard lottery. Phipps is open to working out
6 the appropriate ratio on those two items. There are
7 financial consequences that we would have to work out
8 as well, but we are not at all opposed to any
9 particular ratio being the one that proceed on. The
10 other questions that the other groups got were about
11 unit distribution. Similarly, we have about 15—we
12 have 15% three bedrooms in keeping with HPD
13 guidelines. About 45% of the units are twos; about
14 30% are 1's and a little bit more than 5% are
15 studios. We are most interested in providing the
16 larger family sized units and typically don't provide
17 a lot studios for this kind of project. I think
18 those were the main items that I heard previously.
19 What's that? [background comments] Yeah, so I guess
20 as I—as I mentioned, the local hiring we—we would be
21 working with the contractor. We have worked with the
22 community board previously on that issue. In keeping
23 with some of the previous questions, we haven't
24 developed the percentage goals yet either, but I
25

2 understand that's of interest and being developed
3 soon. So we will think about that when we get back
4 to the office.

5 CHAIRPERSON RICHARDS: [interposing]
6 Before it gets to the Land—the full Land Use
7 Committee or before we vote it out of here.

8 MICHAEL WADMAN: I understand. Go ahead.

9 ADAM WEINSTEIN: As he mentioned, that—
10 that's particularly important because there'll be--

11 CHAIRPERSON RICHARDS: [interposing]
12 State your name.

13 ADAM WEINSTEIN: I'm sorry. Adam
14 Weinstein—

15 CHAIRPERSON RICHARDS: [interposing]
16 Okay.

17 ADAM WEINSTEIN: --Phipps Houses. The
18 school will have even more jobs than a normal
19 residential building will have. It's a mixed-use
20 project so there will be, you know, quite an
21 opportunity.

22 CHAIRPERSON RICHARDS: [interposing]
23 Yeah, but outside of—so I would if you're going to
24 say that sort of give us on the construction side--

25 ADAM WEINSTEIN: Yes, yeah we do.

2 CHAIRPERSON RICHARDS: Then, you know,
3 it's separate breakdown, and are you working with any
4 local organizations to do tracking and, if not, I
5 would recommend you work with Council Member
6 Salamanca on the local hiring efforts.

7 MICHAEL WADMAN: We'd be happy to do so.

8 CHAIRPERSON RICHARDS: Okay. So
9 obviously, Council Member Salamanca and he'll get
10 more in-depth with this, has raised concerns about
11 the ratio of the—the lower units going to homeless
12 families and not really his district getting
13 consideration here. Since we have HPD here, we're
14 happy to have HPD here today because they don't come
15 here often, has there been any consideration in
16 chopping up the 50% AMI units? So there are 52 units
17 at 50% AMI. Could we perhaps give, you know, some
18 more subsidy dollars perhaps towards the goal of 30
19 to make Council Member Salamanca happy here?

20 MICHAEL WADMAN: I would say on—overall
21 on the question of the unit mix and—and the AMIs this
22 is a topic that we always want to work closely with
23 the Council Member and the Council and the developer
24 on to reach a--

2 CHAIRPERSON RICHARDS: Right, I knows
3 that political answer. Okay. So, can we consider,
4 and if you can't give a yea or nay, but I'm just
5 giving you that to consider, you know, perhaps to
6 make sure that, you know, that while we—we-we
7 definitely in this committee support housing for the
8 homeless, and we want to ensure that in any ways we
9 can minimize the homeless crisis in New York City, we
10 want to and we want to assist the Admin in doing
11 that, but also not taking away from preservation and
12 also other efforts to ensure that local residents
13 will have access to better quality housing in these
14 neighborhoods, too. So am I making sense here? So
15 if there's ways to make sure we can get to both, that
16 would be awesome here? So if there's ways to make
17 sure we can get to both, that would be awesome here.

18 MICHAEL WADMAN: We would agree.

19 ADAM WEINSTEIN: We would agree that it
20 would be awesome to get to both of those goals, and--
21 and I would say are working hard in—in this district
22 and other around the city to bring housing in a mix
23 of different incomes while trying to solve this
24 tremendous crisis of homelessness that we have in the
25 city.

2 CHAIRPERSON RICHARDS: And are there any
3 other M1 districts in the vicinity here that we're
4 going to look at? Okay. So this particular area was
5 vacant I'm assuming or--?

6 ADAM WEINSTEIN: There--there have been a-
7 - [coughs]

8 CHAIRPERSON RICHARDS: [interposing] was
9 there any manufacturing in this zone.

10 ADAM WEINSTEIN: --this is their parking
11 operator for some time. The business--excuse me.
12 [coughs] The business owner also owned the site, and
13 was interested in relocating also on the site.

14 CHAIRPERSON RICHARDS: The business owner
15 who previously- No problem, let's get you some
16 water. That's the greatest water in New York City by
17 the way. It's the coldest water certainly.

18 ADAM WEINSTEIN: It is ice cold.
19 [laughter] So, anyway the previous owner had run a
20 very small business there for quite a while and
21 decided they were ready to leave and sell the site,
22 and so we bought the property from there. They
23 vacated shortly thereafter, and then basically, as I
24 said, it's surrounded by residentially zoned

2 property. So this was really holdover from quite a
3 while ago.

4 CHAIRPERSON RICHARDS: And what's the
5 timeline of the school--

6 ADAM WEINSTEIN: [interposing] Yeah, so--

7 CHAIRPERSON RICHARDS: --being operable.

8 ADAM WEINSTEIN: Yeah, so the development
9 obviously is subject to working out the issues that
10 have been mentioned today and receiving the rezoning
11 approval. We want to close the financing in December
12 of this year. It will be approximately two years of
13 construction to complete both the school and the
14 housing with the goal of delivering the housing--I'm
15 sorry, the school in the middle of--sorry, that will
16 be 2020 given the construction schedule. [coughs]

17 CHAIRPERSON RICHARDS: So the school
18 would be open in 2020?

19 ADAM WEINSTEIN: Correct in the fall.

20 CHAIRPERSON RICHARDS: Operable like
21 children in it?

22 ADAM WEINSTEIN: Correct.

23 CHAIRPERSON RICHARDS: Okay.

24 ADAM WEINSTEIN: Yes.

2 CHAIRPERSON RICHARDS: Alright, I'll go
3 to Council Member Salamanca now.

4 COUNCIL MEMBER SALAMANCA: Thank you, Mr.
5 Chair. I do not have many questions because we have
6 been speaking and negotiating and it was important
7 for me to make this statement on the record so that
8 the—everyone understands my concerns and what my
9 position is on the record. Again, you know, I don't
10 want to be the devil, of course. HPD, you understand
11 my position on the Our Space. My community is in
12 dire need of low-income units, and that's what I
13 fight for 30% AMI and while I understand the—the
14 homeless crisis in the City of New York, you know, my
15 community is overburdened with homeless shelters I
16 have 27 homeless shelters in my Council District.
17 Over 460 cluster sites in my Council District, which
18 I'm working with the administration to try to reduce
19 those numbers, and while I understand that homeless
20 families in permanent housing, I have low-income
21 families in my Council District who have fought day
22 in and day out to ensure that they don't—they—they-
23 that they—they again are part of the VHS system. And
24 when we're bringing in units to our council district,
25 I need to ensure that I protect these low-income

1 units so that they have access to them. And, this
2 Our Space Program while historically we have--you
3 know in my prior life as a district manager, and HPD
4 would come with projects it was 5% to fight for
5 homeless families. And now, HPD is proposing a new
6 term sheet and is increasing that Our Space Program
7 to 10%. I cannot support that because I need to
8 protect as many units as possible for my low-income
9 families. In terms of the ULURP process, you know, I
10 have concerns. It's something that I want to warn my
11 colleagues. A few months ago we approved in this
12 body, we approved the ULURP for Concourse Village
13 West where there a certain amount of units, and unit
14 sizes that were approved. After that unit was
15 approved, they came back for an Article 11, and in
16 that timeframe, I did--I did not know that they can do
17 this. They changed the amount of unit counts that
18 were originally approved in the ULURP, and so there's
19 lack of trust here from my office with HPD, and I
20 think that we need to continue to have these
21 conversations and that is why I am requesting moving
22 forward that all ULURPs and all Article 11s when we
23 agree on something it is written on the resolution to
24 ensure that these changes do not occur without
25

2 notice. And then finally, again the wages, Phipps,
3 Adam, you know, these workers who are-these employees
4 who are working in your buildings are my
5 constituents. I think it's unfair for employees in
6 my council district to be getting paid \$10 to \$12 an
7 hour, okay, and-and if they want health insurance for
8 their families, we're talking about up to \$800 a
9 month. They cannot afford that, and so it is my
10 responsibility to protect their rights, and that's
11 what I'm doing so now.

12 CHAIRPERSON RICHARDS: Can you speak to
13 that.

14 MICHAEL WADMAN: I would and I agree with
15 the council member completely. These are our
16 employees and we're a long-term employer and large
17 employer in the Bronx and have I think a track record
18 of success being an employer who cares about
19 employees irrespective of membership in a union and
20 providing a fair wage and providing benefits is
21 essential to us. I am, for the record, I-I-so I
22 completely agree on the record with the council
23 member. I question some of the-the data that you've
24 been-shared. I-we employ 108 maintenance workers and
25 36 superintendents. Of those, 36 are-are not members

1 of the union. It doesn't matter. We pay what is the
2 fair wage standard, the relevant new hire rate for
3 that employee irrespective of their joining a union
4 or not. We supply benefits, the very same benefits I
5 get. We supply retirement benefits. In the form of
6 pension and 401-K. We have two locations, and I
7 think the council member is aware of them, both in
8 your district, one of which is represented by a
9 union, the other has been organized a union now. At
10 which we have two employees by virtue of the fact
11 that what-of their timing, two employees who are
12 paid-one is paid \$12 an hour and one is paid slightly
13 less than \$12 an hour. And it is purely an accident
14 of those two contracts, those two-we-as you well
15 know, we can't raise rates when union activity is
16 taking place at a location. So this poor gentleman,
17 you know, unfortunately couldn't get the raise. I'm
18 sure it will be dealt with in the union negotiation
19 that takes place subsequently. And in the second
20 location the union is negotiating with the employer
21 right now. So I am-I am very confident that both of
22 those situations will be rectified, and with regard
23 to benefits, in-in those two instances we hired
24 maintenance companies to-because we couldn't staff up
25

2 those large buildings fast enough. We won't do that
3 again. We terminated the maintenance company at one
4 of the locations, and I think it's very likely we'll
5 terminate them at the other location.

6 CHAIRPERSON RICHARDS: A question from
7 Council Member Wills followed by Greenfield. We've
8 also been joined by Council Members Williams and
9 Levin.

10 COUNCIL MEMBER WILLS: So I basically—Oh,
11 I'm sorry.

12 CHAIRPERSON RICHARDS: And Palma.

13 COUNCIL MEMBER WILLS: So I basically
14 have the same questions that Council Member Salamanca
15 expressed, and then you answered it. I would just
16 strongly encourage you to continue to work with him
17 diligently and HPD also. You've done a lot of good
18 work. We're working with you with a few projects in
19 my district. So, we—we'll be watching it because
20 support the other members, and he has some really
21 valid points. I appreciate the fact that you put on
22 the record that you look out for workers no matter
23 they're part of a union or non-union, but again, I
24 strongly encourage you to work with Salamanca on
25 this.

2 CHAIRPERSON RICHARDS: Council Member
3 Greenfield. Chair Greenfield, please.

4 COUNCIL MEMBER GREENFIELD: Thank you
5 very much, Mr. Chairman. So, Jordan, how are you?

6 JORDAN PRESS: I'm excellent and brushing
7 up on my Seinfeld trivia while I sit here.

8 COUNCIL MEMBER GREENFIELD: For the
9 record, the pony episode is certainly one of the best
10 episodes in Seinfeld.

11 JORDAN PRESS: We're going make all of
12 employees go. (sic)

13 COUNCIL MEMBER GREENFIELD: [interposing]
14 You might have to have a showing within the Land Use
15 just so people can appreciate the historic
16 significance of that episode. Let me ask you this
17 question regarding--regarding the--the challenge that
18 we have here today, and I want to understand the
19 position of--of HPD. So, the--the Our Space
20 Initiative, I mean that's what you guys call it
21 Initiative, right. Essentially, what you're doing
22 is--and correct me if I'm wrong--you're providing a
23 deeper or better subsidy for the developer to utilize
24 the Our Space Initiative for what essentially would
25 be the same AMI level. Is that correct?

2 JORDAN PRESS: That's correct.

3 COUNCIL MEMBER GREENFIELD: Okay. So, to
4 Chair Salamanca's point, there's—there's actually a
5 bigger public policy question over here. It's not
6 simply one that's just applying to his project, which
7 is essentially you're disincentivizing developers
8 from building traditional low-income 30% AMI units.
9 Instead, you're incentivizing them to build units for
10 formerly homeless. It's a pretty significant policy
11 shift. When did you folks decide to that? How did
12 you make that announcement? What consultation did
13 you have with the City Council, and let's talk about
14 the practical of locations. 30% AMI is the lowest
15 AMI level. Have you considered that you're now
16 taking housing away from folks who are on the verge
17 on becoming homeless, and you're sort of putting
18 those folks, which in this case happens to be Chair
19 Salamanca's constituents, at the back of the line?
20 Right, because now you're prioritizing folks who are
21 current homeless as opposed to the folks who are
22 literally about to be homeless. In no particular
23 order do you have to answer those questions.

24 JORDAN PRESS: So, yeah. So I—I actually
25 don't want to get too far ahead of ourselves because

2 in the coming days we are going to be releasing a new
3 term sheet that changes all of our subsidy levels
4 across the ELLA and the Mix and Match Programs and--
5 and brings a little bit more equal treatment to
6 those. I'd be happy to brief you and all the other
7 members of the committee offline on those since
8 they're not quite out the door yet. But let me--let
9 me mention one important point--

10 COUNCIL MEMBER GREENFIELD: [interposing]

11 Okay, so to--to be fair, Jordan, I don't want to focus
12 on the future. I want to focus on this project.
13 Let's just talk about--I'm--I'm more than happy to have
14 the bigger policy conversations, but the reality is
15 that the policies that you've made have impacted this
16 project. But for your Our Space Initiative, there--
17 this would be a traditional ELLA 30% AMI, and--and
18 you've now skewed it in favor of--of currently
19 homeless as opposed to folks who are on the edge of
20 being homeless. That's a legitimate concern that the
21 chair has.

22 JORDAN PRESS: Well, let me say one
23 thing, and then--and then I'll pass it off to--to the
24 Chair. (sic) First of all, this project is going to
25 be closing after our new term sheets are in place,

2 and we will be applying the standards of those new
3 term sheets to this project. Those new term sheets
4 will include--

5 COUNCIL MEMBER GREENFIELD: [interposing]

6 The new term sheets that we don't yet have or are
7 aware of at the hearing we're having today about this
8 project. Now, Jordan, I just want to be fair. I
9 mean fair is fair. It's not fair to say, you know,
10 trust us. We'll get back to you in a couple of weeks
11 on some new term sheets.

12 JORDAN PRESS: So, we've—we've briefed

13 Council staff on—the term sheets, and I look
14 forward to speaking with you directly about them, but
15 those will include a 10% requirement of Our Space
16 units across all ELLA and Mix and Match projects
17 regardless of district and borough. Speaking to the
18 concern that there's a concentration in this district
19 or any other district where—where we bring these
20 projects, we are going to make that a—a standard
21 across all of our ELLA and Mix and Match.

22 COUNCIL MEMBER GREENFIELD: Great. So,

23 just to be fair, I just want to actually have a
24 conversation about this. So, essentially what
25 you're—what HPD is deciding is you're giving a

2 preference—you're—you're giving preferences, right,
3 that's a big policy shift. You're giving a
4 preference to currently homeless folks as opposed to
5 folks who live in districts who I think we could all
6 agree are marginal and may, in fact, be homeless,
7 right. I think that's really the point that Chair
8 Salamanca is making, which is you're taking away the
9 housing from those folks who live in his district who
10 are literally on the brink in—in favor of folks who
11 are currently homeless. It's a policy decision that
12 you're making. I'm not disagreeing with it. I'm
13 just trying to understand that. It's a pretty big
14 deal. So we should--

15 JORDAN PRESS: [interposing] Yeah, but in
16 fairness--

17 COUNCIL MEMBER GREENFIELD: [interposing]
18 Yeah.

19 JORDAN PRESS: --this--this project has an
20 excellent mix of-of AMIs all on--all on the lower end
21 that are going to be available. Half of those will
22 be available under our standard community preference
23 to residents of the district.

24 COUNCIL MEMBER GREENFIELD: Now, Jordan,
25 in fairness, we're talking about the lowest AMI,

1 right, and the lowest AMI is always as you know and
2 this committee knows and the Chair can certainly tell
3 you that's our biggest struggle is always to get the
4 lowest AMI and essentially you're taking some of
5 those lowest AMI units off the market by (a)
6 currently incentivizing developers to do that, (b)
7 what you're saying is you're going to be making that
8 an official policy where you have to do that. That's
9 a very significant shift. What about the concern
10 that council members like Salamanca have where that
11 shift is going to disadvantage the local communities
12 where folks have been waiting for years to try to get
13 some sort of affordable housing and to the Chair's
14 point, they finally feel like they can get this super
15 low affordable housing, and then boom HPD comes in
16 and says sorry folks, we're taking away a large
17 portion of that. Instead, we're giving it to folks
18 who are currently homeless. So you folks who have
19 hung in there, you've tried your best, and you paid
20 your rent and you struggled every month. And, you
21 almost—you saw the light at the end of the tunnel.
22 We're taking that away from you. You can understand
23 why that's pretty frustrating.

2 JORDAN PRESS: Well, I still—I-I still
3 believe, you know, at—at 10% of the total units given
4 the crisis faced in the city, I--

5 COUNCIL MEMBER GREENFIELD: Ten percent
6 of the total units to be fair, Jordan, is much larger
7 percentage than the 30% AMI is, right?

8 JORDAN PRESS: So, I--

9 COUNCIL MEMBER GREENFIELD: [interposing]
10 I don't want to—I'm not—I don't want to quibble. I
11 don't want to, you know, get into one of these verbal
12 spats. I think you understand what I'm—what I'm
13 getting a little.

14 JORDAN PRESS: I understand.

15 COUNCIL MEMBER GREENFIELD: There is a
16 big policy question that has been raised by this, and
17 we've heard this in the past, and I think it's
18 something that we have to discuss in terms of—in
19 terms of going forward. You heard—the chair was very
20 clear about this particular project that if there are
21 not changes, he's not going to support the project,
22 and I certainly support his position. I think we
23 need to have a conversation about that balance. I
24 understand what it is that you're seeking to do, but
25 at the same time, there are folks in these districts

2 who have struggled and have barely held on, and they
3 finally see a new project coming, and then you're
4 talking away those very low-income or extremely low-
5 income--to use a term that you guys use--units in
6 favor of folks who are currently homeless as opposed
7 to folks who about or potentially may go homeless. I
8 think that's a legitimate policy question that we can
9 disagree on or certainly engage in a more robust
10 conversation on. Wouldn't you agree, Jordan?

11 JORDAN PRESS: I-I would look forward to
12 those ongoing conversations--

13 COUNCIL MEMBER GREENFIELD: [interposing]
14 Okay.

15 JORDAN PRESS: --with you and the
16 Council. I-I just want to ask the developer if they
17 want to make a-a point about how they viewed perhaps
18 our subsidy in the-in the mix.

19 MICHAEL WADMAN: Just re-returning to the
20 project at hand for a moment, you know, we-we have
21 indicated to both HPD and the Councilman that we're
22 more than willing to have 30% of median units that
23 are not Our Space. They band at that income level,
24 and a standard ELLA project is 10%. We've already
25 indicated we would provide that same band within this

2 project. We would like to provide some Our Space
3 units in addition, you know, that would not be--

4 CHAIRPERSON RICHARDS: [interposing] So,
5 of the units would at--

6 MICHAEL WADMAN: At 30% of median and
7 subject to higher.

8 CHAIRPERSON RICHARDS: [interposing] For
9 local residents?

10 MICHAEL WADMAN: Correct.

11 CHAIRPERSON RICHARDS: Okay.

12 MICHAEL WADMAN: And then the Our Space
13 band would be some number of units subject to this
14 ongoing conversation.

15 CHAIRPERSON RICHARDS: [interposing] So
16 that 10% will be 20% of the total units of 30. So--

17 MICHAEL WADMAN: So yeah, of that 20%, at
18 least half of those could be lottery units. Is what
19 we've already said, and the rest some number up to
20 rest depending on this conversation, were relatively
21 value neutral on what that ratio is, and this is
22 obviously a conversation that's--that's bigger than
23 this project and me. But I did want to make that
24 point that we are providing already the same amount
25 that would be done under standard ELLA, and the rest

2 of the income mix here is, you know, we think is very
3 in keeping with what—with what the community has—has
4 asked for. So, those are only—the only points I
5 wanted to make about our specific project, and that
6 we are working--

7 COUNCIL MEMBER GREENFIELD: [interposing]
8 Is—is it fair to say that you were encouraged to use
9 the Our Space Initiative because of the considerable
10 subsidy that you're getting from HPD as a result?

11 MICHAEL WADMAN: So there—there are a
12 couple of things related to that.

13 COUNCIL MEMBER GREENFIELD: No, let's
14 just clear. If there was no subsidy you'd still use—
15 you still would do the additional Our Space units?

16 MICHAEL WADMAN: So—so the Our Space
17 units really don't serve exactly the same income
18 band. That is the income maximum, but the incomes of
19 people coming out of shelters for those units are not
20 30% of the median units. They're much lower than
21 that, and the rents that one can charge to that
22 population is strict shelter rent, which is much
23 lower than the 30% of AMI median rent. So, it's not
24 fair to treat those as completely interchangeably.

2 It is true that the subsidy is deeper for those units
3 that are at an even lower rent--

4 COUNCIL MEMBER GREENFIELD: [interposing]
5 I understand. My question, though, is--

6 MICHAEL WADMAN: And without-without--

7 COUNCIL MEMBER GREENFIELD: --without
8 those subsidies you wouldn't be doing it.

9 MICHAEL WADMAN: That is true of all
10 these income bands. You know, you need more subsidy
11 to provide deeper affordability. So, HPD's Mix and
12 Match there's a very straight mathematical set of
13 options. If you do 30% of median you get this
14 amount. If you do 40 you get this, you know, et
15 cetera. Now, I have to go across that. (sic)

16 ADAM WEINSTEIN: I-I just want to maybe
17 clarify. The-the-the important point is that the
18 rent would be lower and thus the ability to carry
19 firs-the first mortgage debt is lower, and so what
20 the subsidy in effect does is offset that loss
21 between the homeless unit, partially. It's not fair
22 to say it-it doesn't-there's a little bit of
23 incentive. I think you're-you're-the chair is
24 correct. The-the-but it's-it's not as enormous a
25 subsidy as you would think because you lose project

2 sources—sources of funding for the project by-by
3 rent--

4 COUNCIL MEMBER GREENFIELD: [interposing]

5 I understand. My point—the point that I'm making is
6 that the HPD has broad power in terms of how they
7 would like to see projects work and they do that by
8 essentially providing you with the term sheets and
9 the subsidies, and then they provide subsidies for
10 one band or in this particular case one—one project
11 of specifically for the Our Space Initiative that are
12 deeper than other subsidies. When you look at those
13 numbers it all factors in when you're trying to
14 crunch the number and say okay, well, this makes
15 financial sense for us. And while you're certainly
16 an affordable housing developer and you care about
17 affordable housing as well, you also care about
18 financing your projects and making sure that they're
19 economically sustainable, right? And so, my point is
20 that HPD has made a decision to subsidize this Our
21 Space units even further than other traditional
22 units, and by default they're incentivizing these and
23 disincentivizing the others, and I'm not saying that's
24 wrong necessarily. All I'm saying is that we need to
25 have a robust conversation about that, and this isn't

2 directed at either developer. It's directed at my
3 very dear friends at HPD. We need to have a robust
4 conversation about the implications of making such a
5 citywide decision, which is to say that we are now
6 saying that we are placing a preference over homeless
7 housing, over those folks who are on the cusp of
8 being homeless, and that's a legitimate public policy
9 debate, and I'm describing because I'm just
10 expounding on what Chair Salamanca's frustrations
11 are. Thank you very much.

12 CHAIRPERSON RICHARDS: Jordan, so on the
13 formerly and on the program, so we've been hearing
14 policy shifts or proposals from the Admin on
15 homelessness. So I'm—I'm anxious to know. So, are
16 you prioritizing—and I think one way to certainly
17 work with communities as this policy shift happens,
18 which is a good policy. So no one is debating that.
19 I think that we need to address more homelessness in
20 our—in our city and within the housing we're
21 building. Are you prioritizing people who were
22 formerly homeless from these neighborhoods?

23 JORDAN PRESS: I'm really glad you asked
24 that questions.

25 CHAIRPERSON RICHARDS: Okay.

2 JORDAN PRESS: The—and I don't want--

3 CHAIRPERSON RICHARDS: [interposing] And
4 so—so, what I'm getting at is if you were homeless
5 from this neighborhood now are you able to come back?

6 JORDAN PRESS: Exactly and--

7 CHAIRPERSON RICHARDS: Yeah.

8 JORDAN PRESS: --I'm—I'm really glad you
9 asked that question. Not speaking for the Department
10 of Homeless Services who issues these referrals, but
11 I'll say that I know that they make an effort—the
12 Department of Homeless Services when they make
13 referrals makes an effort to place residents in the
14 community where they wish to live going forward.
15 Often times, and this is anecdotal, but often times
16 we understand that people want to live in the
17 community from which they came from. And it is
18 natural to assume that there is some connection
19 between the placements that will occur by DHS
20 referral into these units that, you know, some
21 percentage, perhaps a healthy percentage would be
22 from residents from that district, and in—and in that
23 way you are addressing the homelessness crisis of
24 residents in that district.

2 CHAIRPERSON RICHARDS: You said the
3 assumption. Assumption means assumption, right? So,
4 can we get definitive, and I know there are housing
5 concerns--

6 JORDAN PRESS: Yes.

7 CHAIRPERSON RICHARDS: --and those sort
8 of things that--

9 JORDAN PRESS: Again, as-as I-as I
10 stated, it is probably, you know--

11 CHAIRPERSON RICHARDS: [interposing] But
12 how-so DHS is-would work with the developer or work
13 directly with you, or how does that-?

14 JORDAN PRESS: No, so-so DHS works with-
15 with the shelter residents--

16 CHAIRPERSON RICHARDS: Right.

17 JORDAN PRESS: --to place them into the
18 neighborhood where they wish to live.

19 CHAIRPERSON RICHARDS: You say because I-
20 that has not been our experience in the Council, but
21 if you're saying moving forward this is going to
22 happen. So I'm must interested in knowing are we-are
23 we really shifting to that policy?

24 JORDAN PRESS: Yeah, and I-I-I would
25 actually as we delve into this a little bit further

2 feel much more comfortable having this this
3 conversation with DHS at the table. So, I'd-I'd--

4 CHAIRPERSON RICHARDS: [interposing] So I
5 would suggest that perhaps, you know, the Chair
6 should be briefed on this. Certainly--

7 JORDAN PRESS: [interposing] Absolutely.

8 CHAIRPERSON RICHARDS: --with HPD because
9 obviously a lot of these projects when they come
10 before the subcommittee and Land Use and Council
11 Member Salamanca's committee, and then perhaps a
12 briefing for the Council on this as well so that--

13 JORDAN PRESS: [interposing] Sure.

14 CHAIRPERSON RICHARDS: --everyone is up to
15 speed on this--

16 JORDAN PRESS: [interposing] Happy to do
17 it.

18 CHAIRPERSON RICHARDS: --so as these Land
19 Use projects come before us, we're well versed on it,
20 and--and know what to expect, but--and once again, I
21 think it's a good thing. I think attaching these
22 things to ELLA and Mix and Match and other programs
23 is a great thing quite frankly--

24 JORDAN PRESS: [interposing] Thank you.

2 CHAIRPERSON RICHARDS: --but we want to
3 make sure it is assigned to them as well.

4 JORDAN PRESS: Yep.

5 CHAIRPERSON RICHARDS: Alright, I'm going
6 to go to Council Member Williams.

7 COUNCIL MEMBER WILLIAMS: Thank you very
8 much, Chair. Thank you. I was chairing another
9 hearing so I couldn't be here sooner, but I was
10 listening to the conversation. One, I just want to
11 say it's just good to hear this—it sounds like two
12 kind of policy shifts that are happening, which I've
13 been screaming about for some time. One is that I'm
14 just happy to hear homelessness and housing being
15 discussed at the same time. We very often have those
16 discussions separately, which is a frustrating thing,
17 and two is that we're not mandating these certain
18 types of housing across—across projects and across
19 those ELLA and Mix and Match no matter where they
20 are. That's a concept that seems to have alluded
21 this body, and the Administration with MIH. So
22 hopefully one day somebody can explain why we can do
23 it now when we couldn't with MIH. We're suffering
24 the consequences of that, but I guess it's better
25 late than never. My hope is one day we'll look at

2 MIH and change that to use the same concept that
3 you're using now that we see is correct, and apply it
4 to MIH so we don't have to suffer through continuing
5 same discussions. But I also wanted to say I do
6 understand Council Member Salamanca's frustration,
7 and hopefully there can be some more discussion about
8 it. I don't think he's opposed to giving up any
9 percentage to folks who are homeless. I think he
10 just wants to have an addition discussion, and my
11 hope is that that discussion will continue, and I
12 have received some of the potential information, and
13 we need to read through and get briefed. I do like
14 what I'm hearing, but I want to make sure that the
15 discussion continues with all of the Council, and
16 it's not just the administration having a solitary
17 conversation, and then making a decision. Thank you.

18 CHAIRPERSON RICHARDS: Thank you.

19 Alrighty, any other questions? Alright, we're going
20 to open up a—we'll close. Thank you. We'll have the
21 next panel come up. Eric Selzen or Selzer, Civic
22 Builders.

23 MICHAEL WADMAN: So I think unless there
24 are questions about the Charter School specifically,
25 Eric wouldn't be any good.

2 CHAIRPERSON RICHARDS: Any questions on
3 the school?

4 COUNCIL MEMBER GREENFIELD: I had one
5 quick question on the school. So can you just
6 explain they're a charter school developer or this is
7 a charter school, an actual charter school? How
8 does-how does the economics work on that? Can you
9 just sort of give us the basics of what exactly that
10 is? Is there a specific charter school that's going
11 to go into the site or do you-are you sort of-sort of
12 a broker for charter schools, and I couldn't really
13 understand that in terms of how that works.

14 ERIC FELZAC: So, my name is Eric Felzac
15 with Civic Builders. Civic Builders is a non-profit
16 real estate development for charter schools.

17 COUNCIL MEMBER GREENFIELD: Okay.

18 ERIC FELZAC: We are currently working
19 with Phipps to design and help finance the community
20 facility space for-for a specific charter school in
21 mind, which happens to be Brilla Charter School.

22 CHAIRPERSON RICHARDS: [off mic]
23 [interposing] Say that again. Can you speak-[on mic]
24 can you speak into the mic.

2 COUNCIL MEMBER GREENFIELD: You can pull
3 the mic a little closer.

4 CHAIRPERSON RICHARDS: Yes.

5 COUNCIL MEMBER GREENFIELD: The mic
6 moves. You don't have to move the chair. It's
7 easier. There you go.

8 ERIC FELZAC: [laughs]

9 COUNCIL MEMBER GREENFIELD: Okay.

10 ERIC FELZAC: So, we're currently working
11 with Brilla Charter School--

12 COUNCIL MEMBER GREENFIELD: Okay.

13 ERIC FELZAC: --which is in the South
14 Bronx, and we have a term sheet with them. They're
15 sort of in agreement with us that they will take this
16 space.

17 COUNCIL MEMBER GREENFIELD: And so,
18 basically based on the fact that they're going to pay
19 rent, they're going to pay rent based on the rent
20 that they get paid for by the city of New York that
21 you worked that out through them, and you're the
22 folks who are developing it. In a certain you're
23 what? You're purchasing it or it's sort of a condo
24 or what does that look like? Is it--is it a condo

25

2 with Phipps, or how does that—what does that
3 structure actually look like?

4 MICHAEL WADMAN: Hi. Michael Wadman from
5 Phipps again. So the structure here is actually a
6 lease. It's a master lease to Civic Builders.
7 Silver—Civic Builders really performs the real estate
8 development function and then they lease it to the
9 operator. We've been working together to design the
10 space to make sure that it works for their—for their
11 operator, and they would pay basically a below
12 marking kind of community facility level rent to us
13 for the life of the project.

14 COUNCIL MEMBER GREENFIELD: Got it and
15 then you, Civic, you then go and lease it a charter
16 school?

17 ERIC FELZAC: Correct.

18 COUNCIL MEMBER GREENFIELD: Okay, and
19 this charter school has already been approved?

20 ERIC FELZAC: Yes.

21 COUNCIL MEMBER GREENFIELD: And they
22 currently have a location and they're moving here or
23 it's a new school?

24

25

2 ERIC FELZAC: So, they're currently
3 operating in the South Bronx, and once this project
4 is complete, they'll be moving their operations here.

5 COUNCIL MEMBER GREENFIELD: Got it. So,
6 how far are they currently from this site?

7 MICHAEL WADMAN: It's about a mile and a
8 half. It's in the Motthaven neighborhood.

9 COUNCIL MEMBER GREENFIELD: Okay, and
10 this assumes their expansion needs as well, I
11 presume.

12 MICHAEL WADMAN: Correct.

13 COUNCIL MEMBER GREENFIELD: Okay, great.
14 Thanks very much.

15 CHAIRPERSON RICHARDS: Council Member
16 Salamanca.

17 COUNCIL MEMBER SALAMANCA: A question
18 about the charter school. We haven't met yet. How
19 many charter schools are—are—are you—is your
20 organization or your company contracted with Phipps
21 throughout the city of New York?

22 ERIC FELZAC: This is our first
23 partnership with the Phipps.

24

25

2 COUNCIL MEMBER SALAMANCA: Okay, alright.

3 So you are currently open in the Motthaven district
4 right? That's the Speaker's District that you're in.

5 ERIC FELZAC: Right, so I-I am not with
6 the charter school. I am with Civic Builders not
7 Brilla. Brilla is the actual charter school. We are
8 the developer.

9 COUNCIL MEMBER SALAMANCA: Alright. So
10 Phipps, it's important that I meet with the Charter
11 School that is-is proposing to come to this facility.
12 I've-I've already instructed my team.

13 MICHAEL WADMAN: No problem.

14 COUNCIL MEMBER SALAMANCA: Has-has this
15 charter school met with the local community board,
16 and-and they've gotten a letter of support?

17 ERIC FELZAC: So-so I have attended local
18 community board meetings with Phipps to-to field
19 questions on behalf of the charter school and to-to
20 hear the concerns of the-the community. We have not
21 received a-a letter of support.

22 COUNCIL MEMBER SALAMANCA: Alright, so I
23 think it's important that this charter school if
24 they're operating in Motthaven, they're in Community
25 Board 1. They should have a conversation with the

2 Community Board, and get a letter of support and how-
3 how long has this charter school existed in the
4 Motthaven area?

5 ERIC FELZAC: For about two-two years I b
6 believe.

7 COUNCIL MEMBER SALAMANCA: Yeah, I-I
8 think that immediately after this hearing you should
9 reach out to the charter school and you should have a
10 joint meeting with Community Board 1 and my office.

11 ERIC FELZAC: Okay.

12 COUNCIL MEMBER SALAMANCA: Alright, thank
13 you, Mr. Chair.

14 CHAIRPERSON RICHARDS: Thank you.
15 Alrighty, thank you. Alright, we'll call the next
16 panel. 32BJ Sharon Cromwell, Marcus Marillo, Suzanne
17 Kahn, Marcos Morrillo [background comments] SEIU
18 32BJ. We're going to go-yes. [background comments,
19 pause] Alrighty, you may state your name and begin.

20 SHARON CROMWELL: Good morning. My name
21 is Sharon Cromwell. I am the new Development Leader
22 at SEIU 32BJ, and we are here today to call attention
23 to the issues at Phipps Houses Developments and to
24 ask the Council to opposed the development at 600
25 East 156th Street. Whenever we come to-whenver we

2 get involved in new legislation, whenever we come
3 before this body, we are very consistently calling
4 for affordable housing and for good jobs. We—we
5 insist that affordable housing does not have to come
6 at the expense of good building service jobs, and we
7 believe that housing should mean good jobs because we
8 know addressing the affordable housing crisis and
9 addressing the income inequality crisis calls for
10 both of those—both of those things to be done. For
11 years Phipps has seemed to recognize this, and 32BJ
12 considered Phipps a partner in ensuring that working
13 conditions met the industry standard that 32BJ
14 members have fought hard for and won and set
15 throughout the city and then set throughout the
16 Bronx. You know, 32BJ members and 13 of Phipps older
17 buildings are on family sustaining wages and high
18 quality health insurance—insurance and retirement
19 benefits. Unfortunately, this is no longer the case
20 and those workers in one of Phipps' newer
21 developments are struggling to get by. So that
22 development is Cortlandt Corners where workers at the
23 building who have been at the building for three
24 years are receiving wages below \$12 an hour, and at
25 this point many have only received a single raise in

1 that three-year time period. These workers and their
2 families are surviving on roughly 30 to 40% AMI. So
3 while the contractor at Cortlandt Corners technically
4 offered workers health insurance, the plan cost was a
5 minimum of \$100 per month for individual insurance or
6 \$916 per month for family insurance, which is about
7 half of the employees' gross income. So, as a
8 result, at least three of the 13 workers at the
9 complex rely on Medicaid for health insurance and the
10 majority of the rest are using subsidies to buy their
11 own insurance on the New York State Health Insurance
12 Exchange—Exchange. You know, these—these conditions
13 and these standards are in stark contrast to other
14 industry standards where workers are receiving family
15 health insurance fully paid by the employer. We
16 think that Phipps can do better in the Bronx. We
17 don't want to be in the position where we're calling
18 on a project like this to not be moving forward. We
19 strongly believe that new affordable housing needs to
20 be built, but we also know that we need to create
21 good jobs, and that's why we're here today.
22 Community—sorry—the Community Board recommended that
23 this project only move forward if the developer
24 committed to a local hiring plan, and as well as
25

2 ensuring good jobs for building service workers.

3 That's just hasn't been done yet, and so that's why

4 we're calling for this project not to forward. Thank

5 you. [pause]

6 MARCOS MORRILLO: Good morning. I wrote
7 the testimony in opposition to the proposed rezoning
8 of East 156th Street.

9 CHAIRPERSON RICHARDS: [interposing]
10 Please state your name for the record as well.

11 MARCOS MORRILLO: My name is Marcos
12 Morrillo

13 CHAIRPERSON RICHARDS: Gracias.

14 MARCOS MORRILLO: I-I want to testify in
15 opposition to the proposed rezoning of East 156th
16 Street Zoning of Bronx Heights Community of May 2nd
17 of 2017. Good morning. My name is Marcos Morrillo.
18 I am a Bronx resident, a building super and SEIU 32BJ
19 new member. 32BJ members maintain clean and provide
20 security service in residential buildings all across
21 the five boroughs including one like the proposed
22 development at 600 East 156th Street. Through our
23 job we receive access to high quality healthcare and
24 can save for retirement. I believe that all workers
25 in New York should have the same opportunity. That

2 is why I am here today opposing the proposed rezoning
3 of 156th Street. The way workers are treat-treated
4 at Phipps buildings across the city verifies (sic)
5 significantly. In a number of its existing property,
6 Phipps has created high quality building service jobs
7 for workers like me. At these buildings Phipps
8 ensures supers, boarders and handy persons with
9 family sustaining salary, good health and retirement
10 benefits. But at other Phipps, building service
11 workers report making wage well below the area
12 standards while receiving no meaningful benefits. I
13 know how hard it is for working people to make it in
14 this city. Its housing price rising, my union
15 brother and sister have to struggle to stay in their
16 home. Thanks to our union job, we are able to do
17 that, but I can't imagine how I would be able to keep
18 my family here if I have to pay out of my pocket for
19 health insurance. I definitely would not be able to
20 save for retirement. 32BJ members know how important
21 it is that affordable housing developer can do it in
22 our city, but it's not helpful if the job they
23 created add to the health increases instead of
24 helping to solve it. We want to work with Phipps and
25 other developers to make sure that employment

2 practice of that—of those buildings help further the
3 mission instead of undermining it, but if the
4 developer hasn't committed to this, we don't think
5 the Council should support the projects. Thank you.

6 CHAIRPERSON RICHARDS: Thank you, sir.

7 State your name for the record as well.

8 SUZANNE KAHN: I'm Suzanne Kahn (sp?)

9 and I'm actually here delivering testimony on behalf
10 of Gustavo Garone, who is a building service worker
11 at the houses, Cortlandt Corners complex in the
12 Bronx. He really wanted to be here today to tell you
13 about his experience, but unfortunately, the time
14 doesn't work for him to be at the job. So, I'm just
15 going to read what he had say on his behalf.

16 I have been working at Cortlandt Corners
17 since August 2013. When I was hired by Phipps'
18 contractor at Cortlandt Corners, my salary was \$11.50
19 an hour. After a year, it went up to \$11.79 an hour
20 and since 2014, it has stayed there. So this isn't a
21 recent issue. My wages have been stuck in the same
22 place for three years. As we all know, the cost of
23 living has gone up in that time. So it has gotten
24 harder and harder for me to make ends meet. My co-
25 workers and I have struggled to get by on our salary.

2 Many of us rely on Medicaid for health insurance
3 because the insurance our employer offered was far
4 too expensive on our salaries. We work at one of
5 Phipps Houses affordable housing complexes, and we
6 cannot afford to rent the majority of the units in
7 the building in the building where we work. One of
8 my co-workers has lived in a shelter with his
9 daughters for the last three years. Over the past
10 year at hearings like this Phipps has said repeatedly
11 the time to discuss workers rights is after a
12 development is built. I'm here to say that waiting
13 until then is too late for the workers like me who
14 would well be hired at poverty wages and have to
15 spend years fighting to increase their pay. Phipps
16 Houses is a stated mission of helping the people of
17 New York City build healthy and prosperous
18 communities, but I am part of the community and
19 Phipps has done nothing to make sure that I can
20 prosper. I believe this committee should vote no on
21 this project. Thank you.

22 CHAIRPERSON RICHARDS: Thank you. A
23 question from Council Member Salamanca.

24 COUNCIL MEMBER SALAMANCA: Good morning.
25 Thank you for your statements. I have a few

2 questions just to get some clarity here. In-in your
3 statement you mentioned that Phipps is being
4 inconsistent in terms of salary, wages and benefits
5 in certain buildings. It seems that they are paying
6 these fair wages and the benefits are being provided,
7 but it seems that in some-in some of the buildings
8 such as the ones in my district, they are getting low
9 wages, and they-obviously their health insurance is
10 far-is far above what the employees can-can actually
11 afford. Can you explain the inconsistency of why?

12 SHARON CROMWELL: I can start off on that
13 and maybe Suzanne can jump in. Like I said, we've
14 had a longstanding relationship with Phipps Houses,
15 and there are I think, you know, and Adam Weinstein
16 has said this before, but they have had-they have a
17 lot of buildings in their portfolio that are union
18 where they are paying good wages, and they are paying
19 good benefits. And we, you know, recently looked
20 through their portfolio and saw that over the past
21 decade or more they've actually not been paying at
22 that-at that-the wage rate and more importantly I
23 think and where-where is an actual big divergence is
24 the benefits. And so when we were talking to the
25 workers at Cortlandt Corners this is what we found

2 out that they are being offered an insurance package
3 that is just way beyond what they can afford, and why
4 we're here is because we want to merge that so that
5 there is like a uniform standard that our workers are
6 experiencing when they're working in-in Phipps
7 buildings, and we don't think that divergence has to
8 exist. Anyone else want to answer?

9 SUZANNE KAHN: I think you it. We do
10 provide the actual numbers, though.

11 COUNCIL MEMBER SALAMANCA: My other
12 question is in Cortlandt Corners, there are 13
13 employees, correct?

14 SHARON CROMWELL: I believe that is
15 correct.

16 COUNCIL MEMBER SALAMANCA: Out of the 13,
17 how many actually have health insurance?

18 SUZANNE KAHN: I don't want to give you a
19 number that isn't correct. I know that we've talked
20 to three that are receiving Medicaid.

21 SHARON CROMWELL: We can do the breakdown
22 of those are receiving Medicaid--

23 SUZANNE KAHN: [interposing] Yeah, we can
24 do that.

2 SHARON CROMWELL: --who is going on the
3 Exchange and who, if anyone is getting it from the-
4 from the contractor, the employer provided one.

5 COUNCIL MEMBER SALAMANCA: Alright.
6 Thank you, Mr. Chair. That's it for now.

7 CHAIRPERSON RICHARDS: Thank you. Any
8 other questions from my colleagues? Alright, seeing
9 none, we're going to close this out. [background
10 comments] Does anyone else want to testify on this
11 item? Alrighty, seeing none, I will close the public
12 hearing. This is 612 and 613 right. [background
13 comments, pause] 608 and 609. We will close the
14 public hearing on Land Use Items 608 and 609, and we
15 will now call the vote again, a recommendation to
16 modify Land Use Items No. 612 and 613 in East New
17 York in Council Member Salamanca's-Espinal's district
18 and he's in support and we'll now-Counsel will now
19 call the roll.

20 LEGAL COUNSEL: Council Member Williams
21 vote to approve 612 and 613 with modifications.

22 COUNCIL MEMBER MILLER: I just want to
23 say congratulations to Council Member Espinal. I'm
24 delighted to vote on a modification that will amend
25 MIH to get to the lower AMI. So I vote aye.

2 LEGAL COUNSEL: The vote to approve the
3 612 and 613 with modifications approved by a vote of
4 6 in the affirmative, 0 negative and 0 abstentions
5 and referred to the full Land Use Committee.

6 CHAIRPERSON RICHARDS: Alrighty, thank
7 you. Thank you all for a very exciting hearing
8 today. [pause] Alright, so we'll be laying over Item
9 600—laying over the 600 East 156th Street Application
10 and the Westchester Muse Application for
11 consideration. With that being said, this hearing is
12 now closed. [gavel]

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C E R T I F I C A T E

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



Date May 31, 2017