

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND
CONCESSIONS

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May 16, 2017
Start: 1:30 p.m.
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HELD AT: 250 Broadway - Committee Rm.
16th Fl.

B E F O R E: RAFAEL SALAMANCA, JR.
Chairperson

COUNCIL MEMBERS: Darlene Mealy
Ydanis A. Rodriguez
Andrew Cohen
Mark Treyger

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

Jordan Press, Executive Director
Development & Planning
Housing, Preservation & Development, HPD

Gary Sloman, Director of Operations
Housing Supervision
Housing, Preservation & Development, HPD

Artie Pearson, Director of Land Use
Department of Housing, Preservation & Development

Jeremy Hoffman, Director
Participation Loan Program
Department of Housing, Preservation & Development

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND
CONCESSIONS

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[sound check, pause] [background
comments] [gavel]

CHAIRPERSON SALAMANCA: Alright, good
afternoon, everyone. I am Council Member Rafael
Salamanca, the chair of the Subcommittee on Planning,
Dispositions and Concessions. I would like to
welcome everyone today's hearing. We are joined by
Council Member Andy—Andy—Andrew Cohen, Council Member
Mark Treyger, Councilwoman Mendez, Council Member
Kallos and Council Member Levin. Today, we will hold
hearings on five items. The first four items are
applications for tax exemptions pursuant to Private
Housing Finance Law. The fifth is an application for
a mortgage loan pursuant to the Private Housing
Finance Law. The first item on the calendar for
hearing is LU 616 regarding a 40-year property tax
exemption pursuant to Article 11 for property located
at 911 through 917 on Atlantic Avenue and 1041
through 1047 Fulton Street in Brooklyn. This tax
emption will facilitated the creation 114 units of
affordable housing in two buildings at a range of
AMIs. These developments represent the off-site
affordable housing generated by the agreement between
Hudson Companies, Inc. and the New York City Economic

1
2 Development Corporation in connection with the 2015
3 disposition and redevelopment of the Brooklyn Public
4 Library in Brooklyn Heights. Although the site is in
5 Council Member Cumbo's district, the Brooklyn Heights
6 Library site also within Brooklyn Community Board 2
7 is located in Council Member Levin's district. I am
8 now opening up the public hearing on LU 616 and so
9 speaker, as a speaker if you could introduce
10 yourselves.

11 JORDAN PRESS: Hi, my name is Jordan
12 Press. I'm Executive Director for Development and
13 Planning in HPD's Office of Government Affairs. Land
14 Use No. 616 consists of an exemption area containing
15 the new construction of two buildings that will be
16 located at 1043 Fulton Street and 909 Atlantic Avenue
17 I Brooklyn Council District 35 known as the Brooklyn
18 Public Library Offsite. This project is being
19 developed under HPD's Inclusionary Housing Program,
20 and generates inclusionary housing square footage to
21 maximize the floor are ratio on its own site. Once
22 completed, the project will provide 115 rental
23 apartments with a mixture of units including 55
24 studios, 32 1-bedroom, 22 2-bedrooms and 5 3-bedroom
25 apartments plus a superintendent's unit. Under an

1
2 inclusionary agreement, 23 units will be restricted
3 at 60% of AMI and 60 units will be restricted at 80%
4 of AMI. Under a separate regulatory agreement, 31
5 units will be restricted at or below 125% of AMI.
6 The sponsor will finance the project with private
7 funds and all of the units will be permanently
8 affordable. Today, HPD is before the subcommittee
9 asking approval of the Article 11 tax benefit in
10 order to facilitate the project and to maintain
11 affordability of the residential units. My
12 understanding is Council Member Cumbo has been
13 briefed and has indicated her support for the
14 project.

15 CHAIRPERSON SALAMANCA: Alright, thank
16 you. Council Member Levin.

17 COUNCIL MEMBER LEVIN: Thank you very
18 much Chair Salamanca. I just wanted to thank HPD for
19 working to get this very important part of this
20 entire Land Use development package moving quickly
21 and expeditiously, and so I—I support this—this
22 Article 11 tax exemption as well being approved by my
23 colleagues here at the subcommittee. This is the
24 affordable housing that was part of the Brooklyn
25 Public Library Land Use project that was in the 33rd

District that we approved back in December of—of 2015 so for my colleagues' reference. Thank you very much.

CHAIRPERSON SALAMANCA: Thank you. Are there any members of the committee that would like to speak? No. Are there any more members of the public who wish to testify? Alright, seeing none, I will close the public hearings on LU 616. The second item is the Lower East Side People's Mutual Housing Association, LU 615. This application is a partial tax exemption to preserve existing rental housing for low-income families in 18 multiple dwellings in the Lower East Side of Manhattan containing 210 dwelling units. The units are currently occupied. Units which become vacant will be targeted to households at an AMI of 80% or below during the exemption period 40 years retroactive to July of 2015. These buildings are in the districts of Council Member Mendez and Council Member Chin. I am now opening up the public hearing on LU 615. Mr. Speaker.

JORDAN PRESS: Land Use No. 615 consists of an exemption area that contains 18 buildings scattered throughout Council Districts 1 and 2 in Manhattan. These buildings were originally approved

1
2 for disposition by the Board of Estimate in 1990, and
3 City Council in 1991 and 1992 as low-income rental
4 housing known as Lower East Side People's Mutual
5 Housing Association. [coughs] The properties are
6 located at 168 Attorney Street, 45 Clinton Street, 15
7 Clinton Street, 28 Clinton Street, 165 Suffolk
8 Street, 17 Avenue D, 136 Avenue C, 218 East Seventh
9 Street, 327 East Eighth Street, 169 Avenue B, 171
10 Avenue B, 173 Avenue B, 391 East Tenth Street, 166
11 East Second Street, 523 East Sixth Street, 295 East
12 Tenth Street, 539 East Eleventh Street, and 419 East
13 Twelfth Street. The combined portfolio contained one
14 studio, 46 1-bedrooms, 104 2-bedroom, 53 bedrooms and
15 four 4-bedroom apartments plus five superintendent
16 units for a total of 210 low-income rental units with
17 no vacancies. In addition to the residential units,
18 there are eleven commercial spaces. Targeted
19 household income AMIs are below 80% and rents range
20 from \$489 for a studio to \$1,692 for a 4-bedroom
21 unit. Currently, the owner is experiencing financial
22 hardship as tax abatements and tax exemptions phase
23 out. Therefore, HPD is seeking approval for Article
24 11 tax benefits retroactive to July 1, 2015, which
25 will cover the period when the arrears began to

1
2 accrue. The retroactive tax exemption will also
3 cover the commercial space for a period of two years
4 only at which time the commercial will no longer
5 receive tax benefits. In order to maintain continued
6 affordability of the low-income units, the
7 residential portion of the portfolio will receive a
8 partial tax exemption that will expire 40 years from
9 the effective date coterminous with the term of the
10 regulatory agreement. Council Members Chin and
11 Mendez have been briefed and support the project.

12 CHAIRPERSON SALAMANCA: Thank you Mr.
13 Press. I'm going to now hand it off to Council
14 Member Mendez.

15 COUNCIL MEMBER MENDEZ: Thank you, Mr.
16 Chair. Good afternoon, Mr. Press. How are you
17 today?

18 JORDAN PRESS: Very well, thanks.

19 COUNCIL MEMBER MENDEZ: So, just, I know
20 there's a lot of rent stabilized units in there. I
21 don't know if they're all rent stabilized. Could you
22 just tell me that for the record?

23 JORDAN PRESS: [off mic] They are.

24 COUNCIL MEMBER MENDEZ: All of them.

25 JORDAN PRESS: [off mic] Yes.

1
2 COUNCIL MEMBER MENDEZ: Okay, and the
3 Article 11 will be retroactive, is that correct?

4 JORDAN PRESS: [off mic] Yes.

5 COUNCIL MEMBER MENDEZ: Okay. Yeah,
6 these are about evenly divided in Council Member
7 Chin's district and in my district.

8 JORDAN PRESS: There, you know, they're

9 COUNCIL MEMBER MENDEZ: [interposing]
10 Well, I-I heard a couple of Clinton Streets and
11 Suffolk Street. Those are Council Member Chin's
12 district. That's alright. I got calls about the
13 fire, which was in her district on Sunday [laughter]
14 So, it happens all the time. It's a good thing we
15 work well together. Anyway, we know this
16 organization. It is essential they get these tax
17 abatements so that they can continue to have the rent
18 stabilized apartment. It is much needed in my
19 district, and I know some of the tenants there who
20 are still having even though these are affordable for
21 my district, still having problems paying the-the
22 rent in those-in some of those units. So, I want to
23 thank HPD for working with PMHA, as we call it in the
24 Lower East Side, and getting this tax abatement
25 through thank you.

1
2 JORDAN PRESS: Thank you for your
3 support.

4 CHAIRPERSON SALAMANCA: Just for the
5 record, we received notification from Council Member
6 Chin that she, too, is in favor of this project. Are
7 there any members in the Committee? Council Member
8 Cohen.

9 COUNCIL MEMBER COHEN: Thank you. Just
10 so I'm—I have some questions, and I'm—I'm definitely
11 going to defer to my colleagues, but is—is this a—was
12 this project built at the same time or is a
13 collection of buildings that are--

14 JORDAN PRESS: [off mic] It's several
15 buildings.

16 COUNCIL MEMBER COHEN: Well, one—one
17 development or is it multiple buildings.

18 JORDAN PRESS: Multiple buildings
19 scattered across the Lower East Side.

20 COUNCIL MEMBER COHEN: [coughs] Alright,
21 and--

22 JORDAN PRESS: Do you want to speak to
23 this? Gary Sloman.

24
25

1
2 GARY SLOMAN: Gary Sloman, Director of
3 Operations, Housing Supervision at HPD. It's a—a
4 single entity, multiple buildings, a single entity.

5 COUNCIL MEMBER COHEN: And if—if the
6 tenants are protected by rent stabilization, why do
7 they need the tax—what—what—why are we giving a tax
8 abetment when we know that tenant is protected
9 anyway?

10 GARY SLOMAN: It's not a question of
11 protect the tenants. It's a question of keeping the
12 rents at an affordable level, and the only way you
13 can do that is provide a—

14 COUNCIL MEMBER COHEN: [interposing] The—
15 the—the rents are set by Rent Stabilization. It
16 doesn't matter if rent—

17 GARY SLOMAN: Well, the problem becomes
18 that eventually because of the Lower East Side and
19 you know what's happened to real estate prices there,
20 the rents are not sufficient to cover the taxes as
21 the taxes go up. So, the purpose of this exemption
22 is reduce the taxes initially and then to have a
23 predictable increase in taxes over the life of the
24 exemption so that the—the rents, which are controlled
25 keeps—keep even with the taxes.

1
2 COUNCIL MEMBER COHEN: So, it's-it's a
3 partial abatement in other words?

4 GARY SLOMAN: That's correct.

5 COUNCIL MEMBER MENDEZ: Can I say
6 something.

7 COUNCIL MEMBER COHEN: I can't tell you
8 you can say something, but I'll bet the chair could.
9 [laughs]

10 COUNCIL MEMBER MENDEZ: Mr. Chair.

11 CHAIRPERSON SALAMANCA: Of course you
12 can.

13 COUNCIL MEMBER MENDEZ: Okay. I just
14 want to elaborate a little bit. This is a not-for-
15 profit housing organization, housing developer. They
16 took a lot of these buildings during the 1970s that
17 were empty and built them and made them affordable
18 housing because of rising real estate taxes and the
19 loss of J51 benefits, they've-the taxes have
20 increased and, in fact, they have been unable in some
21 buildings to pay their taxes, and we're going to-we
22 were going to lose those buildings as affordable
23 housing. We were able to work out with HPD whether
24 another, in-in two instances where another not-for-
25 profit developer in my community was able to take

1 over those buildings because the liens have been
2 sold. So this is what we're trying to prevent here,
3 you know, because otherwise they're not going to be
4 able to pay the taxes. The buildings, the liens will
5 be sold. A new owner will purchase the building and
6 then they will lose their rent stabilized status. So
7 that's the--what we're trying to prevent going
8 forward. So just wanted to put that on the record.

10 CHAIRPERSON SALAMANCA: Alright, thank
11 you. Any more questions from the Committee? Are
12 there any members of the public who wish to testify?
13 Alright, seeing none, I will now close the public
14 hearing on LU 614 and we're going to take a two-
15 minute break. [pause for 2-minute break] Alright, so
16 we're back. So, we're going to move forward on the
17 third item on the calendar today is Presconsidered LU
18 163rd Street Improvement Council. This application
19 is for a new 40-year tax exemption pursuant to
20 Section 577 of the Private Housing Finance Law to
21 facilitate that we have rehabilitation and
22 preservation of four multi-family buildings totaling
23 73 units of affordable rental housing in Council
24 Member Gibson's district in the Bronx. The prior tax
25 exemption would be terminated as a new exemption. It

would result in additional units being set aside for
formerly homeless households with new rentals being
restricted to no more than 80% of the AMI. I am now
opening up the public hearings on LU 638. Please
introduce yourselves.

ARTIE PEARSON: Artie Pearson, Director
of Land Use from the Department of Housing,
Preservation and Development.

JEREMY HOFFMAN: And Jeremy Hoffman,
Director of Participation Loan Program.

ARTIE PEARSON: So, we're doing the
preconsidered item? Okay.

CHAIRPERSON SALAMANCA: Yes,
Preconsidered Item 638.

ARTIE PEARSON: It's Precondiered--?
[pause]

CHAIRPERSON SALAMANCA: I'm sorry. So
it's Preconsidered LU 163rd Street Improvement
Council.

ARTIE PEARSON: Okay, the preconsidered
item consists of an exemption area made up of four
buildings located at 1088 Washington Avenue, 1102
Washington Avenue, 494 East 167th Street and 382 East
168th Street in Bronx, Council District 16 and is

1 known ad 163rd Street Bronx HDFC. The buildings were
2 originally approved for disposition by the City
3 Council in June 1999, and were developed under HPD's
4 Special Initiatives Program. Under the Special
5 Initiatives Program, 60% of the units were reserved
6 for homeless families, and after the project reached
7 this homeless requirement the regulatory agreements
8 mandated that 50% of the units remain available for
9 homeless families for 15 years. After the 15-year
10 period units can be rented in accordance with the
11 project's income eligibility limits. As the
12 restriction period has now expired the buildings will
13 undergo refinancing and rehabilitation through one
14 HPS' Year 15 Preservation Programs. There are four
15 buildings in the portfolio and have a combination of
16 73 units with very few vacancies. There is a mixture
17 of bedroom types including 1, 2 and 3-bedroom units.
18 The household incomes are below 80% of AMI with rents
19 ranging from \$898 for a studio to \$1,078 for a 3-
20 bedroom apartment. In addition to the residential
21 units, the project has a combined total of six
22 commercial spaces of which one is occupied by a
23 delicatician-delicatessen. As previously mentioned,
24 the project is undergoing refinancing in order to
25

1 facilitate much needed rehabilitation to correct
2 building conditions. The rehabilitation is designed
3 to meet Enterprise Green Community Initiatives to
4 maximize efficiencies. The work will include window
5 and skylight replacements, new kitchen and bathroom
6 fixtures as well as upgrades in light fixtures.
7 Additionally, new tile flooring in the common areas
8 and new building entry doors will be installed.
9 Furthermore, outstanding Housing Code violations will
10 be addressed during the rehabilitation. No
11 relocation will be required as the renovations can be
12 done with tenants in place. In order to help
13 maintain affordability of the residential units, HPD
14 is before the Council seeking approval of Article 11
15 tax benefits, and Council Member Gibson has been
16 briefed on the project and has indicated support for
17 the project. So, my colleague Jeremy and I are
18 available to answer questions that you may have.

19
20 CHAIRPERSON SALAMANCA: Thank you. Any
21 questions from the committee? No. Alright. Are
22 there any other members of the public who wish to
23 testify? Seeing none, I now close the public hearing
24 on precosidered LU 163rd Street Improvement Council,
25 and so the fourth item for hearing today is LU 639,

1 2865 Kings Bridge Terrace. This application is for a
2 mortgage loan pursuant to Section 23 of the Private
3 Housing Finance Law for properties located at Block
4 3256, Lots 156 and 75 in Council Member Cabrera's
5 district in the Bronx. I am now opening up the
6 public hearing on LU 639. Please introduce
7 yourselves.
8

9 ARTIE PEARSON: Artie Pearson, Director
10 of Land Use from HPD and I'm joined by Gary Sloman.
11 Land Use No. 639 concerns a Bronx Mitchell Lama
12 cooperative known as Kingsbridge Arms located at 2865
13 Kingsbridge Terrace and 2801 Kingsbridge Terrace.
14 The cooperative has a stand-alone garage for the
15 benefit of the shareholders and is in extremely poor
16 condition and requires-- I'm sorry, it is a
17 liability for the corporation. The garage requires
18 rehabilitation but HPD's typical long repair
19 authorization do not cover this type of repair
20 because the funds are non-residential. The funds are
21 for their non-residential structure. However,
22 Mitchell Lama Law Private Housing Finance, Article 2
23 Section 23 does permit such a loan. Accordingly,
24 their housing company has applied to HPD for a loan
25 from HPD pursuant to Section 23, which authorizes

1 rehabilitation loans to Mitchell Lama Housing
2 companies provided such loans are approved by the
3 local legislative body. Therefore, HPD is before the
4 Council seeking approval to grant a mortgage loan to
5 Kingsbridge Arms, Inc., and Council Member Cabrera
6 has indicated support for the project and both Mrs.
7 Sloman and I are available to answer questions that
8 you might have.
9

10 CHAIRPERSON SALAMANCA: Thank you. Any
11 members from the committee. Alright, and just for
12 the record we were notified by Council Member Cabrera
13 that he is in favor of this project.

14 ARTIE PEARSON: Thank you.

15 CHAIRPERSON SALAMANCA: Alright, so we're
16 just going to take- [background comments] I'm
17 sorry, yeah, are there any members of the public who
18 wish to testify? Seeing none, I will now close
19 public hearing LU 639, and we will take a quick
20 break. [pause, background comments] Alright, we're
21 back. Thank you very much. So, the final item on
22 the calendar for haring is LU 638 a tax exemption for
23 the Lot Legacy Apartments. These are 21 multiple
24 dwellings in the East Harlem and Upper East Side
25 neighborhoods of Manhattan. The proposed 40-year tax

1 exemption would facilitate the preservation of 359
2 units of affordable housing between 30% of AMI and
3 80% of AMI. Three of the buildings are in Council
4 Member Kallos' district and he is in support of this
5 application. Eighteen of these buildings are in
6 Speaker Melissa Mark-Viverito's district and she is
7 in support of this application. I am now open up the
8 public hearing on LU 638.

10 ARTIE PEARSON: Thank you. Land Use No.
11 638 consists of an exemption area comprised of 111 to
12 117 East 100th Street, 107 East 100th Street, 1325
13 Park Avenue, 177 to 179 East 111st Street, 178 East
14 101st Street, 1265 Park Avenue, 441 East 116th Street,
15 447 to 449 East 116th Street, 453 East 117th Street,
16 21 East 104th Street, 29 East 104th Street, 103 East
17 100th Street, 119 to 121 East 100th Street, 114 East
18 102nd Street, 116 East 102nd Street, 1553 and 1555
19 Lexington Avenue, 242 and 332 East 106th Street and
20 2051 Second Avenue in Manhattan Council Districts 5
21 and 8 and is now know as the Lot Legacy Apartments.
22 In the early 1990s the City Council approved the
23 disposition of the buildings under various HPD
24 rehabilitation programs. The initial tax credit
25 compliance period for the buildings in the—in the

1 project, which perceived—previously received credits
2 has ended and the project is undergoing a
3 repositioning, which includes refinancing or moderate
4 rehabilitation under HPD's Year 15 Preservation
5 Program. Lot Legacy is a portfolio of 21 buildings
6 with a total of 359 units including six
7 superintendent apartments. Of the total of units,
8 343 are occupied and 16 are currently vacant. There
9 is mixture of unit types throughout the portfolio
10 including studio and 1 to 4-bedroom units. The
11 current income targets for the rental units are
12 multi-tiered including 30, 60, 80 and 80% of AMI with
13 20% of the 80% AMI units reserved as permanently
14 affordable. In addition to the residential units
15 there are six commercial spaces of which four are
16 occupied. Rehabilitation of the properties include
17 roof and window replacement, recently repaired boiler
18 replacement, kitchen and bathroom upgrades, painting,
19 common area and flooring upgrades as well as new
20 mailboxes and elevator modernization. In addition,
21 the work includes the installation of energy
22 efficient lighting and solar panels in four of the
23 buildings located a 111 to 117 East 100th Street, 119
24 to 121 East 100th Street, 29 East 104th Street and 177

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2 to 179 East 101st Street after an analysis was
3 completed by Bright Power, given their size, location
4 and sun exposure. In order to exist with maintaining
5 affordability of the residential units. HPD is before
6 the Council seeking approval of Article 11 tax
7 benefits for a term of 40 years. Speaker Melissa
8 Mark-Viverito and I now understand Council Member
9 Kallos has been briefed and have indicated support
10 for the project. I appreciate both of their
11 supports. Thank you, Chairman.

12 CHAIRPERSON SALAMANCA: Thank you. I'm
13 sorry. Can you just state your name for the record?

14 JORDAN PRESS: Yes. Jordan Press from
15 HPD's Government Affairs Unit.

16 CHAIRPERSON SALAMANCA: Thank you,
17 Jordan. Any questions from members of the committee.
18 Council Member Kallos? No, alright thank you. Are
19 there any more members of the public who wish to
20 testify? Seeing none, I will now close the public
21 hearing on LU 638. Today we will be voting on the
22 items we just heard, which have the support of the
23 local council members. We will also be voting on
24 three more items that have already been subject to
25 public hearings. Those are LU 604, the Conquest

1 Village West Tax Exemption Application in my district
2 in the Bronx and the Dream Yards NAP Tax Exemption
3 Application, LU 617 and 619 both in the Morrisania
4 neighborhoods in the Bronx. The Concourse Village
5 West Application seeing a tax exemption for a period
6 of 40 years pursuant to Private Housing Finance Law
7 will facilitate the development of three multi-family
8 building totaling 265 units of affordable rental
9 housing. The project will target AMI bands ranging
10 from 30% of the AMI to 100% of the AMI. After
11 significant negotiations I am in support of this
12 application. The Dream Yards NEP application seeks
13 Article 11 tax exemptions for a period of 40 years to
14 facilitated the preservation of six multi-family
15 buildings a total of 127 units of affordable housing
16 on 168th Street and six multi-family buildings
17 totaling 174 units of affordable rental housing on
18 University Avenue will be preserved. These
19 applications are in Council Member Gibson's district
20 and in Council Member Cabrera's district and they are
21 in support of these applications. We will now move
22 forward onto a vote to approve LU 615, LU 616, LU 638
23 Preconsidered LU 163rd Street Improvement Council, LU
24
25

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24

2 63, LU 604 LU 617 and LU 619. Counsel, please call
3 the role on a vote to approve.

4 LEGAL COUNSEL: Chair Salamanca.

5 CHAIRPERSON SALAMANCA: Aye on all.

6 LEGAL COUNSEL: Council Member Cohen.

7 COUNCIL MEMBER COHEN: Aye.

8 LEGAL COUNSEL: Council Member Treyger.

9 COUNCIL MEMBER TREYGER: Aye.

10 LEGAL COUNSEL: The vote to approve the
11 Land Use Items is approved by a vote of 3 in the
12 affirmative 0 negative and 0 abstentions and referred
13 to the full Land Use Committee.

14 CHAIRPERSON SALAMANCA: Thank you. I
15 would like to thank the members of the public, my
16 colleagues, Counsel and Land Use staff for attending
17 today's hearing. This meeting is hereby adjourned.

18 [gave]

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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 June 13, 2017