

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND
CONCESSIONS

----- X

November 14, 2017

Start: 1:28 p.m.

Recess: 4:28 p.m.

HELD AT: Council Chambers - City Hall

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

COUNCIL MEMBERS:

DARLENE MEALY
YDANIS A. RODRIGUEZ
ANDREW COHEN
MARK TREYGER
ROSIE MENDEZ
LAURIE A. CUMBO

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

Jordan Press
Executive Director for Planning and Development
In HPD's Government Affairs Unit

James Patchett
President and CEO of the New York City Economic
Development Corporation

Donald Capaccia
Principal and BFC Partners

John Valladares
Project Manager at BFC Partners

Eric Woodland
Director of Recreational and Community Facilities
At BFC Partners

Lydia Downing
Senior Vice President for Government and
Community Relations

William Howard
President of West Indian American Day Carnival
Association

Manuel Burgos
CEO of By the Numbers Consulting Services Corp

Geoffrey Davis
Founder of Organization Called 'Love Yourself
Stop the Violence'

Ted Smith
Executive Director of New Heights

Kate Pelatti
Chief Operating Officer of Imagine Swimming

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

Vaughn Armour
Resident of Crown Heights and Member of New York
Communities for Change

Elliot Skip Roseboro
Member of New York Communities for Change

Renee Smith
Associate Executive Director at Ifetayo Cultural
Arts Academy

Ismene Speliotis
Executive Director of the Mutual Housing
Association

Martin Allen
President of People for Political and Economic
Empowerment

Rabbi Eli Cohen
Executive Director of Crown Heights Jewish
Community Council

Elizabeth Adams
Proposes Bedford Union Armory Project

Lisa Gowen
CAMBA

Ramon Vuelta
Worker for People for Political and Economic
Empowerment

Val Hari
Local Development Corporation of Crown Heights

Diamond Calderone
Speaking on behalf on Maurice Reed, Deacon of
First Baptist Church

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

Justin Sinclair
Union Member of 32 BJ SEIU

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND

CONCESSIONS

5

[gavel]

CHAIRPERSON SALAMANCA: Alright, good afternoon everyone. I am Council Member Rafael Salamanca, I'm the Chair of the Subcommittee on Planning, Dispositions and Concessions. Welcome to today's hearing. We are joined today by Council Member Mealy, Council Member Cohen and Council Member Treyger. Before we begin I would like to thank all the members of the public who have joined us for today's hearing. This hearing is being televised and is broadcast online. The Council is committed to providing open access to the public for, for our hearings and meetings along with open space. We want to ensure that our public's disclosure is respectful of all perspectives and viewpoints because of this please refrain from any interruption or outburst during this meeting. Any such interruptions may include but not limited to clapping, booing, heckling, attempts to draw out council members of the public testifying. Please be advised that disruptions of this meeting will be grounds for me to instruct the Sergeant of Arms to remove anyone who is creating such disruption. We ask that we have a civil and a respectful dialogue and thank you for your respect

1
2 and cooperation. So, today we will be holding
3 hearings on the Bedford Union Armory application in
4 the Lower East Side, inclusionary housing tax
5 exemption application. All the other items on the
6 calendar will be laid over. We will start today's
7 hearing with an application by the HPD for a tax
8 exemption pursuant to Article XI of the Private
9 Housing Finance Law for, for property located at 377
10 East 10th Street and 544 East 13th Street in Council
11 Member Mendez's district in Manhattan and Council
12 Member Mendez would you like to give an opening
13 statement? Okay, no worries. So, now I'm opening up
14 the public hearing on preconsidered LU Lower East
15 Side inclusionary housing tax exemption and Mr.
16 Speaker please introduce yourself.

17 JORDAN PRESS: Good afternoon Mr.
18 Chairman, my name is Jordan Press, I'm the Executive
19 Director for Development and Planning in HPD's
20 Government Affairs Unit. This preconsidered item
21 consists of an exemption area located at 377 East
22 10th Street and 544 East 13th Street in Manhattan
23 Council District two and is known as the Lower East
24 Side Inclusionary Housing Project. This project is an
25 amendment to a UDAAP disposition approved by the City

1
2 Council on June 26th, 2002 for the conveyance of two
3 buildings to the current sponsor, the Urban
4 Homesteading Assistance Board or UHAB. In 2015 the
5 sponsor closed on a participation loan and received a
6 J-51 tax exemption and abatement in order to
7 completely rehabilitate this property. The developer
8 of the project has also applied to participate in
9 HPD's Inclusionary Housing Program which will allow
10 the buildings to exceed their as of right floor area
11 in exchange for permanent affordable housing. As such
12 all of the units in this project will remain subject
13 to rent and income restrictions in perpetuity as
14 governed by the two-executed inclusionary housing
15 regulatory agreement step, Run with the Land.
16 Proceeds from the sale of the floor area bonus will
17 be used to pay down the construction loan on the
18 buildings and after permanent loan closing the
19 project will convert to cooperatives in accordance
20 with previously executed agreements. In total there
21 are 26 units with a mix of studios, one, two and
22 three-bedroom apartments. Rehabilitate,
23 rehabilitation has concluded in which the buildings
24 were taken down to their studs, completely rebuilt
25 with new roofs, windows, heating systems, kitchens,

1
2 bathrooms, new layouts and an elevator added to 544
3 East 13th Street. The household income, AMI's are 80
4 percent and below and rents range from 716 for a
5 studio to 1,067 for a three-bedroom unit. There is
6 one commercial space at 337 East 10th Street that is
7 currently vacant. In order to help preserve the
8 affordability of the units HPD is before the Planning
9 Subcommittee seeking full Article XI tax benefits
10 retroactive to December 2015. The term of the tax
11 exemption will coincide with the 40-year regulatory
12 agreement. Council Member Mendez has been briefed, we
13 have a few final details to work out, but we look
14 forward to gaining her final support for the project.

15 CHAIRPERSON SALAMANCA: Thank you Mr.
16 Press, Council Member Mendez?

17 COUNCIL MEMBER MENDEZ: Thank you Mr.
18 Chair, thank you Mr. Press, you're looking at me like
19 you don't know what I'm going to say next, right? I
20 was up wondering how we're doing on working out those
21 little details that we met about two weeks ago, are
22 we making some headway where is the problem?

23 JORDAN PRESS: Yep, so the issue relates
24 to the resale, the, the ability of the residents who
25 lived in the building previously, they've been

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

relocated and will move back and have the opportunity to become cooperative shareholders. HPD in accordance with our home ownership programs has resale restrictions on how much return a, a shareholder can take as the years go by and we've heard the concerns that the perspective shareholders have about wanting to accelerate that process particularly for those who might be elderly or infirm. We just received a proposal from them just a couple of days ago, our legal team had some concerns about it, we, we hope to be able to arrive at some agreement that, that meets their concerns and the concerns of, of our attorneys.

COUNCIL MEMBER MENDEZ: Okay, thank you.

I just want to go on the record of saying that I am very grateful to have worked with HPD to make sure that these buildings remain permanently affordable and that there will be resale restrictions with... if we can get through those issues for those infirmed individuals that would be great, and you know it... I wish this was a project that I could have supported earlier, we talked about it at the beginning of this legislative term, my issues were about the air rights that were being created through the inclusionary housing program and, and the fact that these air

1
2 rights were unrestricted and for me these air rights
3 usually... in my district these air rights usually end
4 up in the hands of developers who have caused a lot
5 of ill to tenants in other buildings. So, I am
6 grateful to see that these squatters who were offered
7 home ownership back in 2001 with my predecessor,
8 Margarita Lopez that we're finally going make home
9 ownership a reality and that we'll make it
10 permanently affordable going forward. So, thank you
11 Mr. Press, thank you HPD, Donald, not the Donald but
12 Donald, thank you for doing the renovations and
13 getting this building ready for these individuals who
14 have been waiting a long, long time, thank you.

15 CHAIRPERSON SALAMANCA: Thank you Council
16 Member, are there any more members of the public who
17 wish to testify? Seeing none I will now close the
18 public hearing on this preconsidered LU. Alright,
19 just... we're just going to take a one-minute recess
20 please. Okay, so we're back online. So, our next
21 hearing will be LU's 808 through 812, the Bedford
22 Union Armory applications. Today we are holding a
23 public hearing on LU's 808, 809, 810, 811 and 812,
24 the Bedford Union Armory proposal in Council Member
25 Laurie Cumbo's district. In this application the New

1
2 York City Economic Development Corporation is seeking
3 a zoning map amendment from R6 to R7-2/C2-4, a
4 special... a special permit for a large-scale plan, a
5 special permit to reduce parking requirements, a
6 zoning text amendment to establish a mandatory
7 inclusionary housing area and approval for the
8 disposition of city owned property. If approved these
9 actions will facilitate the redevelopment of the city
10 owned Bedford Union Armory into a recreation center,
11 community facility, non-profit office space and
12 approximately 400 units of housing, 50 percent of the
13 housing is proposed to become... is, is proposed to be
14 income restricted and the remaining is proposed to be
15 market rate. This project intends to transform a
16 vacant piece of city property into an indoor
17 recreation center with low cost community access.
18 This is a worthy goal in a community that has been
19 historically underserved by quality recreation
20 facilities. However, the housing proposed as part of
21 this development has been a source of concern and
22 these are concerns that I share. In recent years
23 housing prices have increased dramatically in Crown
24 Heights leading to displace longtime residents from
25 their homes. In this extent the administration must

1
2 approach development on public land very carefully to
3 ensure that we use our public resources to truly
4 benefit our local communities and help address this
5 housing crisis. With less and less public land across
6 the city we need to maximize the public benefit from
7 the little we have left. We know that this project
8 has been a continuous one, but we ask that everyone
9 remain respectful of other's times to testify so that
10 everyone's voices can be heard. As for our normal
11 rules please hold applause or disruptions during
12 other's testimony. We will first hear from the
13 applicants then from panels of five speakers
14 alternating panels in favor and in opposition but
15 first I would like to go to my colleague, Council
16 Member Laurie Cumbo for a statement.

17 COUNCIL MEMBER CUMBO: Thank you Chair
18 Salamanca. I'd like to begin by thanking all of the
19 members of the community that are here today and the
20 public that have taken their time out to express
21 their thoughts, their opinions, and their concerns
22 about what is going to be one of the most important
23 hearings that we've had here in the city council. I
24 also want to thank all of those that have helped to
25 prepare for today's hearing as I am currently on

1
2 maternity leave, this is one of the important events
3 that are happening in the city council and I
4 certainly wanted to be here to express my thoughts
5 and my opinions as well as my concerns. I applaud you
6 all throughout this entire process for making your
7 voices heard on this developmental proposal that is
8 so important to the future of our neighborhood.
9 Community discussions about the Bedford Union Armory
10 began over six years ago and I was proud to be there
11 with so many of you that are in this room today
12 because we cannot let such a huge opportunity pass us
13 by without our input and our feedback because future
14 generations are depending upon us. At the start
15 housing was seen as secondary to this goal, as a
16 result the administration developed a project
17 framework where housing would help fund the
18 development of this state of the art recreational
19 center unfortunately we are living in a very
20 different world. Since 2010 the average rent in Crown
21 Heights has increased by well over 20 percent, many
22 are experiencing rents that are now doubling in our
23 community, many people are being pushed out of their
24 current homes. People that have been long time
25 residents of the Crown Heights community are seeing

1
2 wealth, development, growth and prosperity pass them
3 by as they are being pushed out of their homes with
4 no opportunities available to them. We here in the
5 city council hear your frustrations and live them as
6 well. Market rate rents are now far out of the reach
7 for longtime residents who built and sustained this
8 community, many in developments such as Tivoli Towers
9 and Ebbets Field who have raised their families here
10 now have children who cannot afford to live in the
11 very neighborhoods that they grew up in, they are
12 being pushed out and forced into other communities.
13 Many of those in rent stabilized apartments are
14 facing pressure and harassments as landlords create
15 unscrupulous characteristics and, and situations
16 where tenants are pushed out because of the lack of
17 heat, hot water, rats, roaches, all of these
18 different sorts of things that they allow to balloon
19 out of control forcing many residents out of their
20 homes. Development of affordable housing on public
21 land is one of the most important tools we have to
22 address this housing affordability crisis. The
23 Bedford Union Armory is a huge opportunity on public
24 land for us to address these issues. This is why what
25 we are doing here today is so critical, our community

1
2 is in a state of emergency, our community is in a
3 state of crisis. We have a homeless shelter epidemic
4 and many parts of central Brooklyn are feeders to
5 that homeless shelter, we need to make sure that we
6 address that through this particular project. We have
7 a lack of safe recreational spaces for our youth, we
8 have unemployment that can be seen up and down the
9 streets, in front of Ebbets Field, in front of Tivoli
10 Towers where we see so many young men and women
11 outside with nothing to do and no place to go. The
12 model that we have in front of us today, a model of
13 housing with luxury condominiums used to subsidize
14 the development of a recreational center is simply
15 out of step with reality. Let me state clearly from
16 the start, I oppose the proposal that is in front of
17 us today. Over six years ago through a series of
18 conversations we came together as a community and
19 stated that we wanted a recreational facility,
20 affordable housing, space for not-for-profit
21 organizations and space for the community to be able
22 to utilize for different programs and events as well
23 as an opportunity to bring the community together for
24 educational opportunities. I support that plan, I do
25 not support the economic model that is being utilized

1
2 to achieve that plan and that is why we are here
3 today. I will reject this application unless I can
4 secure a project that at baseline has no market rate
5 condos or luxury condominiums, there will be no sale
6 of the Bedford Union Armory, this is a public
7 facility, it's a public space and must remain so. Any
8 project has to have genuine and deep affordability
9 that is reflective of the incomes of the Crown
10 Heights community, not Westchester, not upstate New
11 York, not the Upper East Side, it has to reflect
12 Crown Heights. It has to provide as much affordable
13 housing as is financially possible, we must achieve
14 this goal without sacrificing any other community
15 benefits of this project. We have to make sure that a
16 world class recreational facility is not achieved
17 through luxury condominiums that are going to push
18 out the very constituents and residents that we are
19 looking to serve. Crown Heights deserves a state of
20 the art recreational center with affordable
21 memberships and programing that doesn't last just for
22 one year but indefinitely through the life of the
23 project. Crown Heights not-for-profit organizations
24 deserve affordable office space, so they can remain
25 in our community and Crown Heights deserves truly

1
2 affordable housing that can help ease the impacts of
3 rising rents. It's a high bar but this community
4 deserves no less. We have been in negotiations for
5 over a year and yet the De Blasio Administration
6 continues to go through hearing after hearing having
7 the community sit through the same plan time and time
8 again. Our community needs answers and we need them
9 now. Four years ago, Bill De Blasio ran on a campaign
10 mantra of a tale of two cities, when we think about
11 the Bedford Union Armory putting luxury condominiums
12 in the middle of a highly gentrifying community
13 exacerbates that tale of two cities, it doesn't bring
14 two communities closer, it forces one out only to
15 bring another one in. We are here today to once again
16 hear from the administration and the developer on
17 their vision for the Armory, to challenge this vision
18 where it continues to fall short of our values and
19 most importantly to hear from all of you who have
20 taken this day to participate in determining the
21 future of your city and your neighborhood. And I just
22 want to take time just to read one statement very
23 quickly. This was a letter that was written to me on
24 April 12th, 2017 from Beverly Newsome who is the
25 President of the Ebbets Field Tenants Association

1
2 that represents over 10,000 families living together.
3 It says good morning Council Member, yesterday I
4 heard, and it's dated April 12th, yesterday I heard a
5 disturbing report, a tenant came in from work Sunday
6 saw approximately 20 to 30 people loitering in the
7 basement quote, unquote smoking weed and drinking. It
8 appeared they had set a motorcycle and truck on fire.
9 According to the story FDNY was called by the same
10 tenant, not security. We are unsure as to why the
11 basement of Ebbets Field Apartments has become the
12 place for this type of activity, but it is dangerous
13 for everyone. the activities have escalated, and the
14 group has increased in size, this has been discussed
15 many times before. Ebbets Field security needs to be
16 empowered to do more than watch property, people's
17 lives are at stake. They also need to be supplemented
18 by professionals, Sincerely Beverly Newsome. I read
19 that to you so that we can have a context of the
20 understanding of the community in which we are living
21 in right now. There are so many important and
22 emergency needs that are happening and we are losing
23 our youth simultaneously while all of the debates,
24 while all of the rallies, while all of the
25 discussions as a Council Member over the last four

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

years because of that we have never been able to come to a consensus to build or vote on or support any affordable or low income housing in the community and while we are fighting our youth are suffering, we are not building any affordable or low income housing, we are a community in crisis where the unemployment rate has ballooned to such an extent that you see it in our homeless shelters. I hope today at today's hearing that we are able to hear each other and to have discussion and to try and work together to create the best possible solution and outcome because time is of the essence and we are in a state of emergency. We need to hold the De Blasio Administration accountable, we need to hold Mayor De Blasio accountable to achieving what we call one New York City where we don't have luxury condominiums taking over public spaces that our greatest and most valuable resource. I thank all of you here today, I look forward to this hearing, I look forward to your testimony and I look forward to us being able to come together to achieve the best possible outcomes for our future, they are depending upon us. Thank you, Chair Salamanca.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CHAIRPERSON SALAMANCA: Thank you Council Member Cumbo. I just want to recognize that we've been joined by Council Member Ydannis Rodriguez and just for a point of clarification, if you feel the need to clap just wave your hands, if you don't agree with what they're saying you can just put your thumbs down up in the air, okay? Alright, I will now open up the public hearings to LU's 808, 809, 810, 811, and 812. We will call up the first panel; we have Mr. James Patchett, President of EDC, you'll come up sir; Lydia Downing, EDC Senior Vice President; Jane... John Valladares, did I say that right?

[off-mic dialogue]

CHAIRPERSON SALAMANCA: Oh there we go... BFC Partners; Donald Capoccia, BFC Partners; and Eric Woodland, BFC Partners.

JAMES PATCHETT: Good afternoon Chair Salamanca and members of the Subcommittee on Planning, Dispositions and Concessions. My name is James Patchett and I am President and CEO of the New York City Economic Development Corporation. I am joined by Lydia Downing, Senior Vice President for Government and Community Relations. At EDC it is our mission to create shared prosperity across New York

1
2 City's five boroughs by strengthening neighborhoods
3 and growing good jobs. The proposed redevelopment of
4 Bedford Armory advances this mission by transforming
5 a vacant building into an affordable and accessible
6 community asset that serves residents of Crown
7 Heights. Inspired and initiated by the vision of
8 local leaders like former Congressman Major Owens
9 this project would preserve and restore the historic
10 building as a state of the art recreation facility,
11 cultural and community office space, and a flexible
12 event space all of which will offer deeply affordable
13 rents and rates. The project will also produce
14 hundreds of units of mixed income housing including
15 permanently affordable housing units. I'll touch on
16 each of these components in more detail but first I'd
17 like to talk quickly about the history of the project
18 and how community has informed this proposal. In 2011
19 after military operations ended at the armory a group
20 of local elected officials called on the city and
21 state to transform the vastly underutilized property
22 into a valuable community asset. Specifically, the
23 elected officials proposed redeveloping the armory as
24 a multipurpose community center, leveraging market
25 rate housing as the site.. at the site to offset

1
2 construction and operating costs. In response the
3 state relinquished use of the building in 2013. At
4 the city's discretion EDC then issued a request to
5 proposals for a... for a financially feasible project
6 that would deliver community serving uses, preserve
7 historic character, incorporate sustainability, and
8 create jobs for local residents. Prior to developer
9 selection EDC engaged in robust outreach to better
10 understand the community's goals for the armory. EDC
11 and local elected officials co-hosted round, round
12 table discussions with 23 community organizations and
13 held two large public meetings with nearly 250
14 community members in attendance. Based on this
15 outreach EDC negotiated a product... project that
16 reflected community priorities including conversion
17 to a ground lease structure for the community space
18 to maintain city owned ownership and guarantee
19 ongoing community benefits, establishment of a large
20 recreational facility and auditorium with flexibility
21 to accommodate the neighborhood's diverse needs and
22 run by a capable neutral operator, housing units
23 spanning a wide range of income bands and unit sizes
24 and emphasis on historical preservation and
25 neighborhood context. In December 2015 EDC and local

1
2 elected officials announced the selection of BFC
3 Partners to redevelop the site because it's proposed...
4 proposal best fitted the RFP's goals and the
5 community's priorities. The three main components of
6 the project are a recreational facility, non-profit
7 office and event space and affordable housing. I'll
8 now speak to each component in turn. First, the heart
9 of this project is a state of the art recreation
10 facility that includes three full sized basketball
11 courts, a six-lane swimming pool, and a number of
12 multisport surfaces. This recreational facility will
13 be truly affordable to the Crown Heights community
14 and remain affordable throughout the full 99-year
15 life of the lease, that means families with lower
16 incomes will have access to the fitness center and
17 courts for just ten dollars a month along with
18 discounted access to the pool and various fitness
19 classes. We are also pleased that the recreational
20 facility will be operated by CAMBA, a Brooklyn based
21 not-for-profit organization, they will be partnering
22 with a host of other non-profit programming providers
23 and BFC will provide greater detail on that
24 programing in just a few minutes. The second
25 component of the project will provide modern office

1
2 space to a number of local community and cultural
3 organizations at deeply affordable rates.
4 Specifically, these non-profit tenants will pay six
5 dollars per square foot in rent, that is
6 approximately 20 percent of the market rate for
7 office space in that community. This will ensure that
8 these organizations can continue to deliver important
9 services and programs to Crown Heights long into the
10 future. The project also features a 5,000-square foot
11 event space, this will be a flexible space that can
12 be... that can accommodate a wide range of events and
13 uses, and it will be made available to community
14 organizations at affordable rates. The third
15 component of the project is affordable housing, as
16 you know this administration is laser focused on
17 addressing New York City's affordable housing crisis.
18 Mayor De Blasio recently announced an expansion of
19 his affordable housing plan with a commitment to
20 create and preserve 300,000 units of affordable
21 housing over the next decade. The armory project will
22 deliver 165 affordable units at very low and
23 moderate-income levels, it also includes market rate
24 housing that is intended to cross subsidize not just
25 the affordable housing but also the below market rate

1
2 recreation center and office space. We are aware that
3 Council Member Cumbo along with local leader,
4 leaders, members of the Crown Heights community and
5 many people here today have real genuine concerns
6 about certain elements of the housing plan especially
7 market rate condos. We take those concerns very
8 seriously. Our condo policy is something we are
9 currently reevaluating not only in the context of
10 this specific project but going forward in the policy
11 we will apply to all citywide projects on city owned
12 land and we will continue to work with Council Member
13 Cumbo to address her concerns and those of the
14 community that are very heartily felt about this
15 project. Finally, we are committed to ensuring the
16 long-term affordability and accountability of this
17 project. The city's ground lease with BFC includes a
18 system of incentives, penalties, reporting and
19 enforcement mechanisms to ensure the delivery of
20 community benefits that includes free or discounted
21 user fees for individuals, free or discounted
22 facility rentals for local organizations and reduced
23 rents on office space for not-for-profits. Every year
24 the development team must provide EDC with an
25 independently audited report that details the

1
2 delivery of community benefits. A community benefit
3 only counts as delivered when an individual or
4 organization actually uses the facilities, another
5 word community benefits are based on true value to
6 the community not just what the development team
7 makes available. I'm happy to provide more detail on
8 the city's enforcement mechanisms during the question
9 and answer period. In closing EDC strongly believes
10 that activating the Bedford Union Armory as a world
11 class recreational center and community facility will
12 provide exciting and affordable opportunities for
13 Crown Heights residents, not only does it respond to
14 pressing community needs it will continue to deliver
15 community benefits for decades to come. I look
16 forward to taking your questions and to working with
17 the council towards a project that we can all support
18 but first I'd like to turn over the presentation to
19 the BFC team who will walk us through some additional
20 project details.

21 DONALD CAPOCCIA: Good afternoon... thank
22 you. Good afternoon Council Members, Chair Salamanca,
23 Council Member Cumbo. Thank you for the opportunity
24 to have my team and I present this project today. My
25 name is Donald Capoccia and I'm Principal and BFC

1
2 Partners. We were designated by EDC to redevelop the
3 Brooklyn Union... the Bedford Union Armory. We
4 appreciate the opportunity to be here today and
5 present our proposal. I'm joined here today by
6 members of my team including Jonathan Marvel from
7 Marvel Architects and Lisa Gowen from CAMBA who is
8 our non-profit partner and future operator of the rec
9 in... recreation and community center. From my team we
10 have Winthrop Wharton, the Director of Development,
11 John Valladares, Project Manager; Eric Woodland,
12 Director of Recreational and Community Facilities and
13 he headed up our community engagement process as
14 well. The current Bedford Union Armory completed in
15 the earlier part of the 20th century... 20... in...
16 consisted of several components that we, we will
17 refer to during this... during this presentation. The
18 historic original structure consists of three
19 components, if you'll notice on the screen the first
20 is the drill shed, the iconic tall barrel vault with
21 the iconic tall barrel-vaulted ceiling then we have
22 the three-story head house along Bedford Avenue which
23 is the administrative Annex to the drill shed, the
24 former stables along President Street and a fourth
25 component is the maintenance garage closest to Roger

1
2 Street which is not... which was not constructed as
3 part of the original armory. We are proposing to
4 convert the Bedford Union Armory into a mixed-use
5 development, the Armory's restored drill shed, and
6 head house will be converted into recreational and
7 community facilities that will collectively benefit
8 tens of thousands of central Brooklyn residents. This
9 includes a year-round accessible state of the art
10 recreation center, 386 new units of quality housing
11 including 178 affordable homes and community office,
12 event and educational space. The concept of the
13 recreation center at the armory was initially
14 proposed by Congressman Major Owens who was a strong
15 proponent of converting the armory into a recreation
16 center to address central, central Brooklyn's long-
17 standing struggle with public health and fitness
18 issues as well as high rates of violence that have
19 plagued and continue to plague the area. We have
20 heard from many community members who strongly
21 support the recreation center for these reasons
22 namely Crown Heights residents need accessible,
23 quality athletic space for all young people and, and
24 all young people in the neighborhood need a safe
25 place to go after school to continue developing

1
2 athletic educational community oriented skills. Under
3 our proposal the majority of the armory would be
4 conveyed under a 99-year ground lease which enables
5 us to provide up to 100... 1.5 million of annual...
6 million dollars' worth of annual community benefits.
7 These community benefits will come in many forms
8 including free or discounted access to the recreation
9 portion of the project, sports and recreation
10 programming for youth and senior citizens and deeply
11 discounted office space to local non-profits that
12 provide educational, cultural and advocacy services
13 to the local community. Our proposal would outfit the
14 iconic drill hall with three full sized wood
15 basketball courts, multipurpose sport services
16 capable of accommodating divers sport, sporting
17 opportunities and a six lane, 25-meter competitive
18 swimming pool. The facility will be managed by CAMBA,
19 a non-profit organization serving Brooklyn since
20 1877. In addition to CAMBA we have hired a Director
21 of Operations to run the residential portion of the
22 project, Eric Woodland to my right joins us... joins us
23 with extensive experience and having successfully run
24 the boys and girl's clubs of New Rochelle in the
25 Harlem... in the Harlem Junior Tennis Program. Just as

1
2 impactful as the recreation center is the proposed
3 community facility space in the head house, which
4 will be preserved in use as a hub for non-profits in
5 the neighborhood. Our proposal features a flexible
6 community meeting space capable of accommodating up
7 to 500 people and also features a significant amount
8 of much needed office space for non-profits serving
9 Crown Heights. These non-profits provide important
10 cultural, educational and advocacy services to their
11 constituents including many thousands of local
12 residents from vulnerable and underserved
13 populations. To date some of the key proposed tenants
14 include the West Indian American Carnival
15 Association, Brooklyn Community Pride Center, Ifetayo
16 Cultural Arts Academy and Digital Girl Inc. None of
17 these organizations I just mentioned have a permanent
18 home or facilities to meet the needs of their
19 constituents instead they currently work from their
20 kitchen tables, pay high rents in commercial
21 storefronts or operate in makeshift or borrowed
22 space. The armory will become a permanent home to
23 these non-profits at a very low rate of six dollars
24 per square foot per year. The condominium component
25 will total 56 units, 20 percent of those units will

1
2 be marketed to families earning no greater than 120
3 percent of New York City's AMI. The prices will be
4 set so that buyers do not pay more than approximately
5 30 percent of their income to mortgage and carrying
6 costs. There will be a mix of studios, one, two, and
7 three-bedroom units. The final component of the
8 project is a proposed mixed use, mixed income rental
9 building which will include 330 units, a 118-car
10 parking garage and 25,000 square feet of community
11 facility space, 166 of these rental units or 50
12 percent of the apartments will be set aside as
13 affordable to low and middle-income families with
14 income bands ranging from 37 percent to 100 percent
15 of AMI. The proposed project will exceed the city's
16 MIH requirements, 30 percent of the units will be
17 permanently affordable under the city's MIH program.
18 The remaining affordable units MIH has mandatory
19 inclusionary housing for those... MIH. The remaining
20 affordable units will... the remaining affordable units
21 will be affordable under a regulatory agreement for
22 30 years. After the 30-year period the ground lease
23 includes provisions that incentive... incentivize us to
24 extend the affordability which is something we have
25 done on other... on other affordable projects. In

1
2 addition to the recreational community facility and
3 affordable housing programs there are additional
4 significant preservation and sustainability goals.
5 The proposed development will preserve 85 percent of
6 the historic armory, armory structure and we have
7 entered into a letter of resolution with the New York
8 State Historic Preservation Office and the New York
9 City Landmarks Commission during our preservation...
10 detailing our preservation efforts. In terms of
11 sustainability we have committed to achieving lead
12 silver or better on the residential building that
13 will include elements that you typically find in
14 other leads buildings including low flow faucets,
15 energy efficient appliances, lighting, more effective
16 windows and insulation. In addition, we are proposing
17 solar panels on the roof and an onsite co-generation
18 plant that will supply the project with electricity,
19 hot and cold water for heating and cooling. The final
20 aspect that I would like to speak to you about today
21 is our commitment to working with minority and women
22 owned businesses and hiring locally. We are
23 committed... we are committed to supporting the growth
24 and development of MWBE contractors and to hiring
25 locally from the community. We have set a goal of 25

1
2 percent of MWBE utilization for construction and have
3 committed to using New York City... New York City's
4 HireNYC Program for local hiring both during
5 construction and for ongoing operations. All
6 employees will be paid a living wage and we have
7 reached an agreement with 32BJ building service
8 workers union to provide building service personnel
9 for the residential portions of the project. We hired
10 a third-party consultant early in the development
11 process to assist us in achieving these goals Manny
12 Bourgeois is the Principal of Buy the Numbers
13 Consulting Services, a leading provider of compliance
14 and supportive services to housing and commercial
15 developers, construction contractors, suppliers and
16 property managers. Manny's company is a 100 percent
17 minority owned firm headquartered in Brooklyn, New
18 York and works throughout New York State. We have
19 engaged Manny's company BTN Consulting to conduct
20 specialized outreach in central Brooklyn for the
21 project's MWBE and HireNYC compliance as well as
22 conduct local outreach events throughout the
23 development process including job fairs and MWBE
24 capacity building workshops. To date Manny and his
25 team have already hosted several get certified events

1

2 and other information sessions to prepare local
3 contractors. Thank you.

4

CHAIRPERSON SALAMANCA: Any other
5 speakers there? Nope. Alright, well thank you very
6 much for your presentation. A few questions, in terms
7 of... in many past projects of this nature the city has
8 sold a property to developers, why is EDC deciding to
9 give a 99-year lease instead of selling the property?

10

JAMES PATCHETT: So, the... to be clear the
11 proposal before you today include a small component
12 that would sell the element of the project that would
13 include condos on the... on that segment that would be...
14 actually be sold to the developer. The full remainder
15 of the project is subject to a 99-year ground lease,
16 that came out of the specific concerns from the
17 community that they wanted to see the community... the
18 community and recreation space held by the public
19 sector for the long term so as to guarantee that
20 those benefits could be provided.

21

CHAIRPERSON SALAMANCA: How much is the
22 developer going to pay EDC a month for the lease?

23

JAMES PATCHETT: The, the, the lease
24 includes a full annual payment of two million dollars
25 for the lease but the significant portion of that is

1

2 available to be abated contingent on their provision
3 of community benefits like the ones we've been
4 discussing today.

5

6

7

8

CHAIRPERSON SALAMANCA: Alright, let's
say that the developer... what consequences is there
that the developer, you know if they violate the
terms of the lease?

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

JAMES PATCHETT: Right, absolutely. So,
we... you know we take the, the community benefits that
are provided... that are provided by this project very
seriously and as a result we have built in
significant and strong enforcement mechanisms.
Specifically, what that means is to the extent the
developer fails to conform to the requirements here
such as the six dollars per square foot... per square
foot rent for office space or for providing
affordable space at the recreation center, there are
significant financial penalties and ultimately the
city has the ability to terminate the lease and take
the property back into public ownership to ensure
that a future operator could provide the benefits
that were originally guaranteed.

24

25

CHAIRPERSON SALAMANCA: Alright, you know
in following this project I've noticed that members

1
2 of the community have... would rather see that this
3 property be developed by a community based not-for-
4 profit, why was a not-for-profit not considered and a
5 for-profit considered?

6 JAMES PATCHETT: Absolutely, so the, the,
7 the original goals they were articulated from the
8 community in extended community engagement process
9 that, that was prior to the selection of the
10 developer focused primarily on the benefits we've
11 been discussing today. The need for affordable
12 recreation space and the need for affordable office
13 space for local not-for-profits and event space based
14 on that feedback we evaluated the proposals that were
15 provided at the time and the one that was most
16 responsive was the one that was provided by BFC which
17 is a for-profit developer. Since that time BFC has
18 created partnerships with local not-for-profit
19 development CDC's to ensure that there is a community
20 voice as a part of the development project.

21 CHAIRPERSON SALAMANCA: Alright, can you
22 walk us through your thinking as to why market rate
23 condos are appropriate on city owned land?

24 JAMES PATCHETT: Absolutely, well as, as
25 I mentioned Council Member it's... it... and... it's a...

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

it's a very important topic of discussion. The original mechanism and logic for including the market rate condos was that they would provide value that would pay for the significant improvements that are necessary to make the, the, the recreation center viable, this is an old facility and in need of significant capital improvements in order to make it better and based on the research that was done in the extended community outreach people were very focused on ensuring there was a rec center and as you can imagine a facility of this size and age requires substantial improvements and so the thinking at the time was that market rate condos would be a way of developing proceeds to be able to pay for those needs. As Council Member Cumbo has indicated today and as we've heard from the community repeatedly that is a significant concern and we take that very seriously, we're evaluating that policy at EDC as to whether we should be ever in a circumstance where we're... where we're settling for market rate condos on city owned property and furthermore the Mayor is seriously considering this policy on a citywide basis and whether it is appropriate in any circumstances

1

2 for the city to be providing condos on city owned
3 property.

4

CHAIRPERSON SALAMANCA: Alright. I am
5 going to hand over to Council Member Cumbo for
6 questions.

7

COUNCIL MEMBER CUMBO: Thank you Chair
8 Salamanca. I wanted to continue in the same line of
9 questioning as Chair Salamanca, Mr. Patchett you
10 stated in your testimony that... on the fourth page, as
11 you know this administration is laser focused on
12 addressing New York City's affordable housing crisis,
13 Mayor De Blasio recently announced an expansion of
14 his affordable housing plan with a commitment to
15 create and preserve 300 units of affordable housing
16 over the next decade, you continue to go on to say
17 that the armory project will deliver 165 affordable
18 units at very low and moderate levels...

19

JAMES PATCHETT: Uh-huh... [cross-talk]

20

COUNCIL MEMBER CUMBO: ...how do you define
21 very low and moderate levels... [cross-talk]

22

JAMES PATCHETT: Absolutely... [cross-talk]

23

COUNCIL MEMBER CUMBO: ...because in the
24 proposal that Mr. Capoccia put forward it showing
25 that the vast majority of housing that's going to be

1
2 created on the rental side is way outside of the
3 income levels of the residents of Crown Heights and I
4 just want to state my community in particular we have
5 the second highest voter turnout in the city of New
6 York, which means my community is very engaged, they
7 are very intelligent, they are very wise people who
8 are following the dynamics of their community, there
9 may be other communities that don't have the
10 opportunity to be able to follow, to watch, to
11 critique in the same way. I'm fortunate that we are
12 able to do so and, so you may be able to put forward
13 something like this and maybe some people don't
14 notice but in this community, they notice... [cross-
15 talk]

16 JAMES PATCHETT: Uh-huh... [cross-talk]

17 COUNCIL MEMBER CUMBO: So, how is it that
18 you're able to say 165 affordable units at very low
19 and moderate levels when the vast majority of the
20 affordability and that's just the affordability,
21 there's a whole section of it that's market rate, how
22 do you come to that conclusion?

23 JAMES PATCHETT: Right, absolutely
24 Council Member and I, I absolutely appreciate your
25 points and your community is absolutely a very

1
2 engaged one and they've made their voices heard very
3 clearly throughout this process and you have been,
4 you know a, a very clear advocate in emphasizing to
5 us the concerns in the community and we've heard very
6 clearly from you that the average income in this
7 community is 42,000 dollars a year which in city
8 speak translates into 50 percent of area median
9 income which is low income. So, the, the definitions
10 in my testimony tie to the definitions used by
11 federal housing policy but I absolutely take your
12 point that, you know there is a need to continue to
13 look at the affordability here and ensure that there
14 are units that are... a significant number of units
15 that are truly affordable to your community and we
16 hope to continue those conversations with you.

17 COUNCIL MEMBER CUMBO: I'm hearing in the
18 last few questions your response has been very much
19 we're looking into... [cross-talk]

20 JAMES PATCHETT: Uh-huh... [cross-talk]

21 COUNCIL MEMBER CUMBO: ...we hear you,
22 we've heard but we as a council are not seeing...
23 [cross-talk]

24 JAMES PATCHETT: Yes... [cross-talk]

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER CUMBO: ...so, I understand that you're seeing, you're hearing, you're understanding, you're working towards... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER CUMBO: ...but this project is coming down to the wire and we've yet to see the results of what you've seen, what you've heard, what you've understood. When we're talking about market rate housing, when we're talking about luxury condominiums... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER CUMBO: ...and we're hearing that there are these policies that potentially could be formalized or not formalized I want to be clear that the thinking, the hearing, and the seeing are going to have to translate into something in order for this proposal to even be considered and for you to come today towards this city council and this body and the community, people have taken off from work, people that can't afford to take off from work and to still be in a place of hearing and seeing and considering is really inappropriate to the people that have come here today who want to hear about a better project that's more reflective of the goals of

1
2 the community. I want to go onto to talk more about
3 the recreational facility as well and perhaps BFC can
4 answer and weigh in on this, what is the annual
5 membership going to be for the recreational facility,
6 how are families going to be able to afford to
7 utilize it, what is going to be... what measures are
8 going to be put in place to make sure that there are
9 no introductory offers where the first year or two
10 everyone's there having a great time, by year five,
11 by year ten it's no longer affordable to the
12 residents that live at say Ebbets Field or Tivoli
13 Towers initially, how do we ensure that the
14 recreational facility remains affordable for the life
15 of the project.

16 JAMES PATCHETT: Sure, so thank you
17 Council Member, I'll let BFC speak to that question
18 as well but just from the city's perspective... [cross-
19 talk]

20 COUNCIL MEMBER CUMBO: Yep... [cross-talk]

21 JAMES PATCHETT: ...the, the, the... there
22 will be a ten-dollar monthly fee for being a member
23 of the rec center for community members. In addition,
24 there will be other benefits to provide... make sure
25 that there are classes and other important access

1

including the youth programming that is critical to
this and those will all be built into the project.

2

3

4

The way that we will ensure that is through... [cross-
talk]

5

6

COUNCIL MEMBER CUMBO: That's the million
dollar... [cross-talk]

7

8

JAMES PATCHETT: ...is... [cross-talk]

9

COUNCIL MEMBER CUMBO: ...question... [cross-
talk]

10

11

JAMES PATCHETT: ...yes, the way that we
will ensure that is through strong enforcement
mechanisms in our contract which provide for
substantial monetary default and ultimately the
ability to take the property back if BFC continues to
provide these benefits not just for five years or ten
years but for 99 years, the full duration of this
program. I'll let BFC speak to their thoughts as
well.

12

13

14

15

16

17

18

19

20

COUNCIL MEMBER CUMBO: Uh-huh.

21

DONALD CAPOCCIA: Yep, President Patchett
is accurate and we do... would, would have to suffer
major penalties and the loss of the property if we
were to default under the ground lease. The ground
lease does require that we provide community benefit

22

23

24

25

1

2 and then part of that community benefit is making
3 sure the community residents have a... access to this
4 facility and for ten dollars... ten dollars a month is
5 the, the, the number that we've agreed to.

6

COUNCIL MEMBER CUMBO: What about for a
7 family membership, ten dollars sounds great but if
8 you have three or four in your family that adds up to
9 40, 50 dollars a month, 600 dollars a year depending
10 on what is your family size and scale?

11

DONALD CAPOCCIA: Uh-huh. I'm going... I'm
12 going to give that to John Valladares, he's been
13 looking closely at the underwriting of the operations
14 of the, the drill shed.

15

JOHN VALLADARES: Sure, thank you for the
16 question. Our goal is to ensure that we're providing
17 a, a rec center and community facility that is
18 accessible to all in the community. We're looking
19 into family membership rates that we provide but it's
20 important to point out that a number of the, the
21 majority of access to the armory will be through
22 programs that currently exist through non-profit
23 partners that simply do not have the facilities they
24 need in order to provide these services to
25 constituents and I'll give an... I'll give a couple of

1
2 examples. Our basketball court provider or partner is
3 New Heights, a basketball, a youth program, a
4 mentorship program, they graduate 200 kids through
5 their program every year, middle school and high
6 schoolers. They currently are spread across three
7 boroughs, basketball courts all over the city and
8 they could only... they're tapped out at 200 members,
9 they're programs are 100 percent free to their
10 students that includes their basketball program,
11 mentorship programs, tutoring programs. Through our
12 partnership with New Heights we believe, and they
13 believe that they'll be able to at least double the
14 program that they're currently providing and have
15 committed to Brooklyn focus for new entrants into
16 that program. So, by being able to provide a non-
17 profit user with facility space they're going to be
18 able to continue to offer and grow their programming
19 to offer space to more people in the community..

20 COUNCIL MEMBER CUMBO: My great concern
21 with that and I apologize for cutting you off, but my
22 great concern is that this recreational facility is
23 available first and foremost to the youth of Crown
24 Heights, what mechanisms do you have in place to make
25 sure that they are prioritized, that they have an

1
2 opportunity to be there, that they are first and
3 foremost given the opportunity to utilize the
4 recreational facility?

5 DONALD CAPOCCIA: As, as John said our
6 goal here is just what you exactly stated is that we
7 want to serve the community. I've said from the very
8 beginning of this project, it's a great honor to be
9 able to build here, to be able to build 330 units of
10 rental housing and have 165 of those be affordable
11 but that's just a drop in the bucket of demand and
12 need. We see that clearly however we view this
13 recreational center and head house as an opportunity
14 to serve thousands in this community and that is our
15 goal and that's what we want to do. With that I want
16 to just briefly touch upon the community engagement
17 process that we have been through over the last year
18 and a half in the community, it's informed what we
19 have... how we are ultimately or I should say how we
20 are currently programming the drill shed and the type
21 of activities and, and non-profit users will be
22 housing there but I'd like to turn it over to Eric
23 for a moment and let him just talk about sort of
24 thousands of contacts he's made in the community and
25 the reason is we, we feel very strongly, we have... now

1

2 have a very direct line of communication with many
3 thousands in this community so with that I'm going to
4 give it to Eric Woodland.

5

6 COUNCIL MEMBER CUMBO: And I want to
7 thank you but I also want to remind you that part of
8 this is what I was stating with EDC, goals are great
9 but we have to understand through this hearing how
10 those goals are going to be achieved and what are
11 going to be the penalties if they are not achieved
12 because we go through projects like this and these
13 exercises time and time again and after projects like
14 this are voted on and supported on and you go back to
15 say these goals are not being met or achieved, places
16 have changed, people have changed, people have moved
17 on, jobs have moved on, we're term limited, new
18 Council Members come in and the community is the ones
19 that are lost in all of that so how do we ensure that
20 the residents of Crown Heights particularly our youth
21 are prioritized in the development of this project in
22 terms of utilizing the community and recreational
23 facility?

23

24

25

DONALD CAPOCCIA: Okay, thank you Council
Member, I'm sorry I took it back from Eric for a
minute, I'll give it to him in a moment with, with

1
2 more on our community engagement but just to answer
3 your question on how, how we're going to track
4 closely who we are serving and how much we are
5 serving in this community. We do have a, a mechanism
6 that we will put in place, it is a... we, we, we
7 envision, and we believe that as people use...
8 everybody who uses this rec center will swipe a card,
9 they'll have a card to swipe in that will carry their
10 name, their address, whether or not they are a
11 community resident, whether they are there for a swim
12 lesson or to participate in New Heights basketball or
13 simply a member of the community using some of the
14 various fitness rooms that we would have available on
15 a regular basis. At the end of every month we will be
16 able... or every day in fact we're going to be able to
17 track the number of people that we serve, the number
18 of people who came from that community and the amount
19 of community benefit that we delivered on any
20 particular day. We need to do this in order to be
21 able to fully report to the city at the end of the
22 year and I don't want to wait of course until the end
23 of the year to know whether I've delivered a million
24 and half in community benefit, I want to know that
25 we're on the right track day by day and week by week.

1
2 COUNCIL MEMBER CUMBO: Well I just want
3 to add to that, that sounds good but any project that
4 I would consider we're going to have to have a
5 mechanism up front that shows either by zip code, by
6 council district, by school district how we are
7 exactly going to prioritize the community and the
8 youth of Crown Heights so that they have access to
9 this particular space and they're not overrun by
10 other communities that are going to recognize the,
11 the success of what this recreational facility can
12 be. Can you talk to us about the fee that you're
13 charging relative to other fees that other
14 recreational facilities provide, have you done a cost
15 analysis to look at other programs like the YMCA or
16 others in terms of what their monthly membership is
17 relative to this one?

18 DONALD CAPOCCIA: So, so first of all I
19 just want to respond to what you said earlier..
20 [cross-talk]

21 COUNCIL MEMBER CUMBO: Uh-huh... [cross-
22 talk]

23 DONALD CAPOCCIA: ...and that is when we,
24 we... what we have... what we have offered and what we
25 invite and what we want is a community advisory board

1
2 to help us with the questions that you just raised to
3 be sure that when we are programming and we... when we
4 are accounting for our community benefit that we're
5 accounting for all the important criteria that this
6 community wants to see accounted for including,
7 including you so we, we, we've... we've put that out as
8 something that we believe we need to help guide us
9 through the process. With that I'm going to turn it
10 to Eric who will tell you... [cross-talk]

11 COUNCIL MEMBER CUMBO: Uh-huh... [cross-
12 talk]

13 DONALD CAPOCCIA: ...a little bit about the
14 comparative analysis between us... and let's say
15 Asphalt Green.

16 COUNCIL MEMBER CUMBO: Okay... [cross-talk]

17 DONALD CAPOCCIA: Eric, thank you.

18 ERIC WOODLAND: Good afternoon Councilman
19 Cumbo...

20 COUNCIL MEMBER CUMBO: Good afternoon...

21 ERIC WOODLAND: ...Council Member Cumbo.
22 We've done a lot of research in the community, we've
23 worked with Debra... Dr. Debra Lamb at school district
24 17, there's over 37,000 kids in school district 17 of
25 which 78 percent are on government assistance

1
2 programs so be that as it may we're going to set
3 nominal fees to maybe no fees for children 17 and
4 under. My plan... our plan is to expand the amount of
5 sports and activities that go out to the community,
6 we've learned that there are only about 66 school
7 aged after school care programs in Crown Heights and
8 there are many more that aren't, you know licensed
9 through New York State so this opportunity where the
10 most juvenile crime is committed between three and
11 six, we offer thousands of kids maybe even 2,000 kids
12 a day an opportunity to come in and, and integrate
13 with these non-profit programs in tennis, lacrosse,
14 soccer, swimming, coding and basketball. We can do
15 Medgar Evers baseball, we have sort of practice range
16 for golf so to expand the kid's horizons on the arts
17 and on sports we're definitely going to tackle that
18 and be that as it may that the... 78 percent of the
19 kids are on government assistance programming, we
20 will definitely schedule fees according to their
21 needs.

22 DONALD CAPOCCIA: YMCA and Asphalt Green,
23 yeah... [cross-talk]

24 ERIC WOODLAND: Oh and when you... in, in
25 terms of the cost comparison and you look at the YMCA

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

on average a student at 12 years old and up will pay roughly 65 dollars a month that's 12 months times 65... if you go to Asphalt Green you're looking at almost 2,000 dollars a year for a child to play in, in those types of programs. So, from nominal to ten dollars I think that's hitting the mark in terms of kids that are getting breakfast and lunch free and that's how we would identify kids in Crown Heights for the program.

ERIC WOODLAND: One of... one of the reasons I felt... one of the reasons that Eric came on board with us was and we've learned a lot through this process about... a lot about the community, a lot about rec centers. One of the things that Eric said to me very early on was look you have to offer a diversity of sports, if you want children to be competitive for, for, for scholarships as they get to college age you want them to be in sort of not the typical sports, maybe golf, maybe lacrosse, there are many opportunities there for scholarships so he really sold me on the idea of making sure we had a very diverse sporting and athletic opportunity with this... with this... with this drill shed.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER CUMBO: And then I'm going to switch gears after this one...

ERIC WOODLAND: Okay, so in working with the school district 17 Clarence Ellis and Debra Lamb there's a big need for the schools to have access to the armory during the daytime where now you have one or two or three schools within one building sharing one gym... [cross-talk]

COUNCIL MEMBER CUMBO: Uh-huh... [cross-talk]

ERIC WOODLAND: ...and now they will have access to multi-sports within the armory.

COUNCIL MEMBER CUMBO: That's a very critical component to this project is that there are schools such as Medgar Evers College Preparatory that are national track and field winners but they do their athletic training in the cafeteria so we want to make sure that those schools have opportunities to utilize and benefit at a low cost or free to them rather the opportunity to utilize the facility but we have to get that in some sort of legal binding document because again we don't want it to balloon to the cost of Asphalt Green or the YMCA or any of those other programs, we want it to remain affordable to

1

2 the community but going back to EDC and questions
3 around affordability with housing...

4

JAMES PATCHETT: Yes... [cross-talk]

5

6 COUNCIL MEMBER CUMBO: ...this has been the
7 question that has been a large part of this
8 conversation, the permanency of the affordable
9 housing that you're discussing... [cross-talk]

9

JAMES PATCHETT: Uh-huh... [cross-talk]

10

11 COUNCIL MEMBER CUMBO: ...so, let's just
12 say on the proposed 50 percent affordable housing
13 what percentage of that is considered affordable and
14 permanent affordable housing, that's the first
15 question. The second one is based on why was a not-
16 for-profit developer not considered, I know Council
17 Member Salamanca touched on that, but I want to know
18 why a not-for-profit developer was not either
19 recruited, selected or partnered in that way and why
20 was a community land trust not considered the
21 original model for how we want to develop this public
22 property and are there other projects that are... that
23 are being looked at across the city utilizing the
24 community land trust model?

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JAMES PATCHETT: Great, thank you. I'll go through your questions in order, let me just make a note to make sure I get to all of them.

COUNCIL MEMBER CUMBO: You can answer them in any order you choose.

JAMES PATCHETT: No, no, I just want to make sure I don't miss any, thank you.

COUNCIL MEMBER CUMBO: I'll make sure.

JAMES PATCHETT: I have faith, thank you. Okay, so the first question was about the percentage of the affordable housing that would be permanently affordable. So, of the 50 percent affordable housing 60 percent of that would be permanently affordable... [cross-talk]

COUNCIL MEMBER CUMBO: So, 60 percent would be permanently affordable, what does permanent mean in your definition?

JAMES PATCHETT: It means permanent, it means the restriction runs... [cross-talk]

COUNCIL MEMBER CUMBO: I know but affordable means affordable and that's not affordable.

JAMES PATCHETT: Fair enough, the, the, the restriction runs with the building which is to

1
2 say that the, the building permits and the
3 construction of the project are dependent on this
4 requirement and to that end it will... means in
5 perpetuity for whatever it is required to be
6 affordable, there is no mechanism to get out of that
7 benefit under any circumstances.

8 COUNCIL MEMBER CUMBO: So, 60 percent are
9 affordable then let's say for 99 years because I
10 heard a lot of big words, I want to break it down
11 simplest?

12 JAMES PATCHETT: Right, absolutely. So,
13 the... so, of the... of the 50 percent that is
14 affordable, 60 percent of that is going to be
15 permanently affordable, the remaining 40 percent will
16 be affordable for a minimum of 30 years but up to... up
17 to the duration of the ground lease which is 99
18 years.

19 COUNCIL MEMBER CUMBO: So, everyone's
20 moving into the building, some people can stay for 30
21 years and then they have to get kicked out because
22 they can't afford it when it jumps to... what will it
23 jump to market rate, or will it jump... what will
24 happen to those 40 percent of it... of the building
25 that will remain non-permanent?

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

JAMES PATCHETT: So, those units would be subject to rent stabilization so any, any individuals in those units would be protected, they would not be required to move out. To the extent that any of the affordability restrictions terminated there would be rent stabilization, protections for the individual tenants meaning that they would be permanently protected as long as they were... as long as they were living there.

COUNCIL MEMBER CUMBO: So, explain that to me because maybe... I don't know maybe I'm the only one not understanding...

JAMES PATCHETT: No... [cross-talk]

COUNCIL MEMBER CUMBO: So, those that would... the 40 percent that would be permanent for 30 years after the 30 years is over they would be permanently protected but would not have permanent housing?

JAMES PATCHETT: Now I think the, the... again the... there are significant incentives built in to ensure that the, the units that are affordable for 30 years are affordable so... for significantly longer, there's an HPD regulatory agreement that provides for those protections and our experience across the city

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

has been that we are able to successfully keep those units affordable for much longer. With that being said... [cross-talk]

COUNCIL MEMBER CUMBO: I... [cross-talk]

JAMES PATCHETT: With that being said... [cross-talk]

COUNCIL MEMBER CUMBO: Uh-huh... [cross-talk]

JAMES PATCHETT: ...as a... that, that being said if there were a circumstance in which the affordability restrictions terminated at the end of 30 years the individuals or families in those units would be continued to be protected as long as they lived there under the terms of rent stabilization.

COUNCIL MEMBER CUMBO: I think the greatest incentive would be to make them all 100 percent permanently affordable... [cross-talk]

JAMES PATCHETT: Uh-huh...

COUNCIL MEMBER CUMBO: But I'm going to turn over the line of questioning to my colleague... oh yes, I'm sorry I got carried away... [cross-talk]

CHAIRPERSON SALAMANCA: No, no worries... [cross-talk]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER CUMBO: ...Chair Salamanca...

[cross-talk]

CHAIRPERSON SALAMANCA: Thank you Council Member Cumbo. I have a question that I wanted to get out here, so just to... just to continue in terms of the affordability, in the area around the armory for the half of all renters and households are severely rent burdened... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

CHAIRPERSON SALAMANCA: ...pay more than half of their incomes to rent and, and they're in real danger of displacement, considering the housing crisis in central Brooklyn and in Crown Heights why was this project not designed from the start to maximize affordability?

JAMES PATCHETT: Well the... you know as, as the... as Council Member Cumbo indicated there's no question that the city across the board, Crown Heights in particular but across the board has been undergoing significant change. So, the... as the... when this project was initially developed prior to my time the, the... with the city the, the project was envisioned based on community benefits and those community benefits the community was looking for

1
2 primarily were the ability to have an affordable
3 recreation center and the ability to have affordable
4 office space based on those expectations from the
5 community the proposal that was in front of us that
6 was most responsive to that was the BFC Proposal and
7 that proposal did require some market rate housing in
8 order to pay for the construction of the... of the
9 drill hall in order to actually provide the benefits
10 that were the priorities of the community. With that
11 being said, you know the, the Mayor recently
12 announced a significant increase in our... the city's
13 overall commitment to affordable housing and also
14 provides free legal representation to any tenants
15 that are at risk of eviction as well as advocating
16 for some of the strongest rent laws in the city's
17 history as well as consecutive years of rent freezes
18 and those are all significant other tools that the
19 city is focused on to deal with the real issues of
20 displacement that are challenges across the city and
21 we recognize particularly acute in Crown Heights.

22 CHAIRPERSON SALAMANCA: I still think the
23 greatest amenity were to continue to have this... to
24 have this project 100 percent affordable. In terms of
25

1
2 the... let's talk about the term leases for the not-
3 for-profit, how would that work?

4 JAMES PATCHETT: Absolutely, so the, the,
5 the... again the, the, the not-for-profit tenants who
6 would be... who would be tenants here are based on, you
7 know conversations with the community as local
8 organizations that are in need of permanent space or
9 long-term space. The, the city's agreement with the
10 developer requires that that space be provided at six
11 dollars per... six dollars per square foot in rent,
12 that is approximately one fifth of the cost of paying
13 for that kind of equivalent space elsewhere in the
14 community. So, we believe that's a significant
15 financial benefit to those organizations and will
16 help them stabilize in order to provide, you know
17 important training programs, job placement
18 opportunities, and cultural programming for the
19 community. Those, those leases will range in term
20 from ten to 30 years and I can let BFC speak to any
21 other specifics.

22 CHAIRPERSON SALAMANCA: So, you have some
23 of the not-for-profits that were proposed to receive
24 this low-cost office include the Brooklyn Community
25 Pride Center, the Digital Girls Inc., Ifetayo, I

1
2 mean... Ifetayo Cultural Arts Academy, New Heights
3 Youth and the West Indian American Day Carnival
4 Association, how were these not-for-profits selected?

5 JAMES PATCHETT: The... well... as we said
6 the... generally speaking across the board this has
7 been part of a community outreach process and they
8 were selected based on conversations and priorities
9 that were identified by the local community and the
10 local elected officials to both the city and to the
11 developer.

12 CHAIRPERSON SALAMANCA: And you said that
13 these six dollars a square foot rate will... lease will
14 be for how many years?

15 JAMES PATCHETT: That... the lease terms
16 vary from ten to 30 years but the, the... that's with
17 these individual organizations depending on their
18 specific needs but the requirement that the office
19 space be affordable at that rate is... lasts for the
20 entire 99 years of the ground lease subject only to
21 increases in inflation.

22 CHAIRPERSON SALAMANCA: Alright and let's
23 say one of these non-for-profits leaves will that
24 rate remain the same for a new non-for-profit coming
25 in?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JAMES PATCHETT: Yes.

CHAIRPERSON SALAMANCA: Alright and will the community events room be available to the public at reasonable cost for community... [cross-talk]

JAMES PATCHETT: Yes... [cross-talk]

CHAIRPERSON SALAMANCA: ...events... [cross-talk]

JAMES PATCHETT: ...so the event... the event space which is I know is an important issue in the community as it is in many communities throughout the city that space is being managed by the not-for-profit CAMBA which is a Brooklyn based again non-for-profit job place, placement organization who... they will be managing that space and ensuring... again they are a not-for-profit and they will be providing it out to local community organizations based on their needs at very affordable rates.

CHAIRPERSON SALAMANCA: Alright, thank you. I just want to recognize that we've been joined by Chairman Greenfield. So, I'm going to hand it over to Council Member Treyger.

COUNCIL MEMBER TREYGER: Thank you very much Chair and I also want to commend my colleague, Council Member Cumbo for really her leadership on

1

2 this and then I think her very effective questioning.

3 I, I'd like to just go over a couple of things

4 Director Patchett, this is city property, is that

5 correct?

6 JAMES PATCHETT: That is correct.

7 COUNCIL MEMBER TREYGER: Has the city

8 conducted its own capital needs assessment of this

9 property?

10 JAMES PATCHETT: We did an evaluation at

11 the outset of the project of the, the, the rough

12 estimate of what we thought was necessary but that

13 was several years ago, and we took a series of

14 competitive proposals out to the market and we had

15 individual development teams also provide specific

16 analysis of what they thought was necessary to

17 improve the facility.

18 COUNCIL MEMBER TREYGER: And, and what

19 was... what was that figure?

20 JAMES PATCHETT: You know I'll provide

21 the... I, I don't have the specific figure in front of

22 me, but I can allow the BFC to numerate the specific

23 cost associated with... [cross-talk]

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER TREYGER: Oh BFC is a for profit private developer, I'd, I'd like to know what... [cross-talk]

JAMES PATCHETT: That's correct... [cross-talk]

COUNCIL MEMBER TREYGER: ...the city's assessments were?

JAMES PATCHETT: I'm happy to provide that number to you after, I don't have it in front of me.

COUNCIL MEMBER TREYGER: The reason why that's important is because this is something that, you know the city... you know I... the figure is critical because we could have figured out during the budget process what those capital needs are without going through this entire process right now... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER TREYGER: ...and to see how this process could have been shaped in a different way with... you know with the community really at the forefront leading the entire process. I'd like to go into the RFP, you had talked about that there was a certain criterion that was designed by EDC for the RFP, is that correct that you, you... EDC... [cross-talk]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JAMES PATCHETT: Yes... [cross-talk]

COUNCIL MEMBER TREYGER: ...designed the RFP?

JAMES PATCHETT: Yes, prior... yes, that's correct.

COUNCIL MEMBER TREYGER: Is this the current EDC or the last... this was the current administration?

JAMES PATCHETT: So, no the, the original RFP was released in 2013 however after it was released there was concern from the community and this administration took a pause for over a year to conduct an extensive community outreach process to ensure that what was in the RFP was actually... was... that the... I'm sorry, that the respondents to the RFP that were imposing were modified and ensure that they actually addressed the real needs of the community based on that extended community outreach process.

COUNCIL MEMBER TREYGER: So, so you're saying that the community and I imagine the elected officials did they help shape the RFP?

JAMES PATCHETT: The, the, the... you know I, I can't speak to what happened before 2014, what I can speak to you... [cross-talk]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER TREYGER: Because I...
because quite respectfully I don't think I've heard
any elected official or any member of the community
say that we want luxury condos as part of this plan.

JAMES PATCHETT: Right...

COUNCIL MEMBER TREYGER: And so if...

[cross-talk]

JAMES PATCHETT: Yes... so, as... [cross-
talk]

COUNCIL MEMBER TREYGER: ...if, if you're
saying the community was engaged and there was
outreach done how did that slip into the RFP?

JAMES PATCHETT: Right, so... again this,
this, this started with a request in April of 2013
from Congress Members Clark and Jeffries who
requested as well as local elected officials who
requested that the city go issue an RFP for this site
to ensure that it was redeveloped into a... into a
community center... [cross-talk]

COUNCIL MEMBER TREYGER: Right and my
question, what was... what was the engagement with the
community and, and elected leaders once the R... when,
when the RFP process was being designed?

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

JAMES PATCHETT: As, as... you know as I said I can't speak to what the previous administration did, what I can tell you is that this administration took a... took real community feedback and spent close to a year and a half engaging prior to making any designations on this to ensure that the feedback from the community was incorporated. What we did hear was that there was a willingness to use market rate housing at that time to cross subsidize and ensure that the most important priorities were met that of the recreation center at affordable rates which is exactly what this facility provides as well as affordable office space. I recognize there are real concerns from the community at this time relating to the affordable housing piece, we've heard those concerns very clearly from Council Member Cumbo today, we take them very seriously.

COUNCIL MEMBER TREYGER: But what I'm trying to understand is that you're saying that the last administration of 2013 designed the original RFP when this administration took over there was this robust community outreach plan but did the current administration have a discretion to scrap that RFP and start this process entirely over again?

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

JAMES PATCHETT: So, if I can... if I can speak... I have a... in front of me a letter from April 2nd of 2013 signed by Brooklyn Borough President Marty Markowitz, State Senator Eric Adams, Assemblyman Walter Mosely and Council Woman Letitia James, local representatives which says the... our report recommends the facility be developed as a multi-purpose community center leveraging private market rate housing development potential at the site to help offset construction and operating cost of the facility. So, it was clear that that was in fact something the local community was amendable to, I hear your concerns, but this clearly was something that the community was focused in on that time, I recognize the legitimate concerns but the... as a result we took a pause and evaluated the community feedback on the specifics of the proposal based on the broad framework that was provided in this letter from the local... [cross-talk]

COUNCIL MEMBER TREYGER: But I, I...

[cross-talk]

JAMES PATCHETT: ...constituents... [cross-talk]

1
2 COUNCIL MEMBER TREYGER: ...just
3 respectfully tell you that there was recently a, a
4 press conference by the current borough president and
5 the current Council Member expressing concerns about
6 the same things you, you... that you were just reading.
7 So, I, I just... I just wanted just to get further
8 clarity. Now in the criteria you had mentioned that
9 one of the goals is to preserve the historical
10 character of, of the structure in terms of the
11 neighborhood quite frankly I know my colleague that
12 represents Crown Heights but the people of Crown
13 Heights establish the character of the neighborhood,
14 they establish the area, it's not the market, it's
15 the people... you know the, the people who live there,
16 the people who have raised their families, their
17 kids, who sacrifice they make the neighborhood
18 desirable, they make the neighborhood good, it's not
19 some plan... it's not some person with a fancy... a fancy
20 PowerPoint presentation saying look at this shiny
21 thing. I'm curious about the RFP structure because I
22 keep hearing my colleagues ask the same question but
23 I'm not getting a clear answer about why a non-profit
24 developer was not selected because my concern is that
25 many times... I could speak as the Sandy Chairman that

1

2 we created a housing recovery structure that was
3 prohibitive to, to non-profit developers getting
4 involved in Build It Back and I'm just curious to
5 know was the RFP process prohibitive or restrictive
6 for a non-profit developer to be involved in this
7 process?

8

JAMES PATCHETT: No, it was not.

9

COUNCIL MEMBER TREYGER: You're saying it
10 was not?

11

JAMES PATCHETT: It did not... no, it did
12 not proclaim... preclude a not-for-profit developer
13 from responding.

14

COUNCIL MEMBER TREYGER: Because I
15 imagine we're going to hear from a... we're going to
16 hear from some non-profits and I, I, I... I'm very
17 curious to, to hear their take, I, I believe that one
18 of the things that should have been in concrete stone
19 in the RFP process was complete affordability that
20 reaches the needs of the community. Now is there an
21 estimate on... I'm going to move on, is there an
22 estimate for the amount of government subsidies going
23 into this project?

24

JAMES PATCHETT: So, at, at, at this time
25 as I mentioned there is no... there is no subsidy going

1

2 into the project apart from the provision of this
3 large-scale facility at a just relatively nominal
4 annual cost.

5

COUNCIL MEMBER TREYGER: And can you
6 share with us what is... what is the... what is the, the
7 sale that they're getting like as far as the, the
8 savings?

9

JAMES PATCHETT: Can you... I'm just not
10 sure I understand the question.

11

COUNCIL MEMBER TREYGER: You're saying
12 that they're getting it at nominal cost, is that
13 correct, so... [cross-talk]

14

JAMES PATCHETT: I'm sorry... [cross-talk]

15

COUNCIL MEMBER TREYGER: ...what is... what,
16 what are they potentially saving, what is the price,
17 the average... the average... [cross-talk]

18

JAMES PATCHETT: So, right... so, the, the...
19 you're, you're saying the, the developer, yeah...
20 [cross-talk]

21

COUNCIL MEMBER TREYGER: Right... [cross-
22 talk]

23

JAMES PATCHETT: So, the developer is
24 pay... is paying an annual payment of up to two million
25 dollars a year to the city however a significant

1

2 portion of that can be rebated to the extent there's
3 specific evidence of identifiable community benefits
4 that are provided.

5

6 COUNCIL MEMBER TREYGER: That's going..
7 you're saying two million dollars a year to the city?

8

9 JAMES PATCHETT: Yes, to EDC on behalf of
10 the city.

11

12 COUNCIL MEMBER TREYGER: To the.. to the
13 city.. [cross-talk]

14

15 JAMES PATCHETT: To the city, yes.

16

17 COUNCIL MEMBER TREYGER: Is that getting
18 redirected back to the community directly?

19

20 JAMES PATCHETT: As I mentioned yes, the,
21 the.. that.. a substantial portion of that is refund,
22 refundable or abatable based on the provision of
23 specific community benefits, affordable community
24 office space and the affordable rec center space.

25

26 COUNCIL MEMBER TREYGER: Yeah, well I, I,
27 I think that some folks here have very, very.. valid
28 concerns about, you know how it.. how this gets
29 translated into help to them but I, I have a.. your,
30 your presentation has the breakdown of the units and
31 you had mentioned in your testimony that the, the AMI

32

33

34

35

36

37

38

1

2 of the neighborhood is, is it 42 percent, is that
3 correct, is that what... [cross-talk]

4

JAMES PATCHETT: No, it's, it's... it
5 wasn't in my presentation but afterwards, yes, it's
6 50 percent AMI or approximately 42,000 dollars is
7 what Council Member Cumbo alluded to.

8

COUNCIL MEMBER TREYGER: Because if you
9 look at the breakdown of, of the rentals you'll...
10 you're basically saying that over... like almost 300 or
11 so of the 330 rentals are all over the area's median
12 income so when people are asking the question
13 affordable for who that's what we have to ask here
14 too.

15

JAMES PATCHETT: Yep.

16

COUNCIL MEMBER TREYGER: Who is this... who
17 is this actually affordable for?

18

JAMES PATCHETT: And I think that's why
19 you've heard the, the Mayor express a willingness to
20 consider putting a city housing subsidy into these...
21 in this project... [cross-talk]

22

COUNCIL MEMBER TREYGER: I think it is
23 critical because that's where people have very valid
24 concerns that the majority... overall majority of these
25 apartments are not affordable to the folks who have

1
2 the average median income there, that's, that's a
3 serious issue and as far as the condos, now the city
4 has a program that... I, I know I've worked on it to
5 get down payment assistance for folks... first time
6 homebuyers, folks who are working families because
7 it's very hard to afford to, to buy a property. I, I
8 actually believe that one of the ways we have to help
9 combat gentrification which is a very real issue is
10 to help people who have lived in the neighborhood,
11 raised their families in the neighborhood to help
12 them own a piece of the neighborhood. It's not... it's
13 not enough to just simply say you should... you should
14 live in New York, you should own a piece of New York
15 and we should do all that we can to help assist
16 families to own that piece and so I'm deeply
17 concerned about this, this luxury condos, market
18 condos, is there a way to restructure this and I'm
19 sure my colleague, you know has been working on this
20 to make it... home ownership opportunities for local
21 residents at affordable rates with down payment
22 assistance, is that something that, that EDC is
23 willing to engage in?

24 JAMES PATCHETT: You know we're, we're...
25 we are willing to engage and have been engaging with

1
2 the local community, their... you know about their
3 concerns about this project which do encourage... in,
4 include real concerns which Council Member Cumbo
5 articulated earlier in this hearing about the
6 provision of luxury condos within the project so
7 we're absolutely open to all ideas and look forward
8 to reaching a more positive outcome for the community
9 on that aspect.

10 COUNCIL MEMBER TREYGER: Yeah, I mean I...
11 because it's... you have conflicting... you have
12 conflicting messages here. On, on one end the
13 administration comes to the same community board and
14 the same district and says we have to open up a
15 shelter to help those in need and now you're saying...
16 does a, a luxury condo... affordable crisis that... who's
17 asking for luxury condos, that's, that's the... no
18 one's asking for it and, and quite frankly if, if, if
19 it's an issue of, of subsidies or assistance, if this
20 is city property let's, let's help this community
21 out, Crown Heights needs and deserves assistance, it
22 needs help, it needs some investments, hey look we,
23 we've, we've spent... the budget has increased
24 significantly over the last couple of years, there's
25 money to help Crown Heights. Now two last items I

1
2 have, as I mentioned before I think gentrification is
3 real and I think that this is a project that I'm
4 sure, you know my colleagues has, has expressed this
5 concern and so have others with regards to what this
6 could potentially and will do in the surrounding area
7 around it, it could rapidly speed up gentrification,
8 it, it could really impact the area, is there a
9 neighborhood stabilization plan in the works to make
10 sure that the residents who have witnessed the
11 challenging time and now the evolving times or the
12 residents that will remain throughout time in Crown
13 Heights and not be forced out due to the market
14 forces, is that something that EDC has engaged the
15 elected officials and community about, a neighborhood
16 stabilization plan?

17 JAMES PATCHETT: Yes, so the... you know
18 the... broadly speaking this, this is an issue of
19 significant concern in Crown Heights without a doubt,
20 it's also a concern frankly across the city, you know
21 I had an opportunity to, to have a tour with
22 Congresswoman Clark of the neighborhood and I
23 certainly have seen all of the development that's
24 happening there, and I understand the real concerns
25 from residents about that. We at EDC take that very

1
2 seriously as does the Mayor but the, the Mayor has
3 committed an unprecedented level of resources to
4 address this issue not just specifically in Crown
5 Heights but across the entire city, that's 300,000
6 units of affordable housing as well as free legal
7 services to ensure that tenants have legal
8 protections when they're at risk of eviction and
9 finally, you know two consecutive year... or the first...
10 I'm sorry, the two consecutive years with the lowest
11 rent increases in history as well as the year of rent
12 freeze which was unprecedented so across the board
13 the administration is taking a series of steps to
14 address these issues including continuing to build
15 more and more affordable housing.. [cross-talk]

16 COUNCIL MEMBER TREYGER: Yeah but sir I,
17 I say this respectfully I think in Crown Heights some
18 respect has been the epicenter of the gentrification
19 process in crisis.. [cross-talk]

20 JAMES PATCHETT: Uh-huh... [cross-talk]

21 COUNCIL MEMBER TREYGER: ...and I think
22 that we have to double down, triple down with
23 resources and attention and focus to the Crown
24 Heights community, this is a very serious project
25 that has ramifications even beyond Crown Heights,

1
2 this is a project that we're watching from Coney
3 Island, that we're watching from all over New York
4 City because what happens here could shape the
5 process and effect folks across the board. So, we all
6 are with Crown Heights on this issue, we're all with
7 its community and, and its leaders. I believe there
8 needs to be a doubling down on a neighborhood
9 stabilization plan to protect the very people that
10 are threatened the most and are at risk of this
11 project and I, I will join my colleague in pushing
12 very hard for that. The last thing I'll, I'll go into
13 is you mentioned that CAMBA which is a reputable, a
14 good group I, I do have to say will be involved in
15 the project and other non-profits, now... right now
16 we're experiencing a time where the budget we haven't
17 thank, thankfully, hopefully we never have to talk
18 about cuts, what happens when the economy sours, what
19 happens to the operating budget of the armory then?

20 JAMES PATCHETT: Well you know that, that
21 is why a portion of the project it does depend on an
22 element of income from the market rate housing to
23 help pay for the maintenance of the facility, that's
24 part of the reason it was initially structured this
25 way.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER TREYGER: But these were based on estimates, is that correct, these were all estimates?

JAMES PATCHETT: These are projections.

COUNCIL MEMBER TREYGER: These are projections, as we learned in government estimates, projections are always off... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER TREYGER: I've never met one estimate that has been met, in government we learn that very quickly. My concern is what happens if our economy takes a turn, we, we have a federal budget right now that is completely favoring the wealthy and, and the powerful not helping those who are struggling to make it, if a budget passes in Washington that it hurts our state and city what happens to the armory's operating budget?

JAMES PATCHETT: The, the... I'm... I am not sure that I totally under... can you clarify your question?

COUNCIL MEMBER TREYGER: The question is you have non-profits that will be operating inside this facility, is that correct, these non-profits how

1

2 do they... how do they keep the lights on, how do they
3 pay the bills?

4

JAMES PATCHETT: I mean... I... so, you're...
5 are you suggesting that not-for-profit is not
6 helpful, I just want to make sure I understand?

7

COUNCIL MEMBER TREYGER: I'm trying to...
8 I'm trying to ask what, what is the funding mechanism
9 to keep the lights on in the... in the center of the
10 recreational... [cross-talk]

11

JAMES PATCHETT: Yeah... [cross-talk]

12

COUNCIL MEMBER TREYGER: ...facility...
13 [cross-talk]

14

JAMES PATCHETT: I... [cross-talk]

15

COUNCIL MEMBER TREYGER: ...how is that
16 going to be stable?

17

JAMES PATCHETT: As... you know as I
18 mentioned it is the... it is... the maintenance and
19 operations we've carefully evaluated the numbers and
20 we believe that it is dependent on, you know some
21 income from the market rate housing in order to be
22 able to support the operations of the... of the... of the
23 rec center and I think, you know I, I will say... I
24 mean I think the... what the risk you're talking...
25 you're referring to is one in which rents are going

1

2 down in Crown Heights which I think would be a crisis
3 some people in Crown Heights would be happy to have.

4

COUNCIL MEMBER TREYGER: No, my concern
5 is if the city says we don't have the money to fund
6 non-profits the way we, we have been in the past
7 what, what happens then... [cross-talk]

8

JAMES PATCHETT: Yeah... [cross-talk]

9

COUNCIL MEMBER TREYGER: ...to their
10 prices, what happens to... [cross-talk]

11

JAMES PATCHETT: Right... [cross-talk]

12

COUNCIL MEMBER TREYGER: ...to their
13 ability to keep the, the lights on?

14

JAMES PATCHETT: So, just as I... one more...
15 one more point on this which is our... you know our,
16 our lease, our agreement with the developer requires
17 that all of these things be provided permanently in
18 the event that they are not provided for the duration
19 of the lease they're subject to significant
20 penalties, but I'll let... if you want to add?

21

DONALD CAPOCCIA: As a... thank you for
22 that question Council Member, Eric may want to join
23 in but just to give you an example of two of the
24 organizations we have... that we hope to be housing in
25 the... in the... in the improved rec center, one is

1
2 Imagine Swim, they run 13 pools across the city right
3 now, they're reliant on, on fees for lap swimming,
4 fees for swim lessons, life guard courses, and they
5 have a... they, they, they... this is how they... this is
6 their business model, part of our deal with them is
7 that they have to provide discounted swim lessons,
8 lap swimming, all their services have to be
9 discounted for local community members but they're
10 not reliant on public sources to be able to pay the
11 rent. The other example would be New Heights
12 Basketball, New Heights is totally privately funded
13 through a series of major donors and supporters that
14 they have developed over their 12-year history. So,
15 these... in these two instances and they're like... let's
16 consider them our anchor tenants are not at all
17 reliant upon public... upon public support.

18 COUNCIL MEMBER TREYGER: So, so that's
19 okay but you're saying they're reliant on private
20 donors and private sources, is that correct?

21 DONALD CAPOCCIA: Yes.

22 COUNCIL MEMBER TREYGER: And those... and
23 they're not drying up?

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DONALD CAPOCCIA: No, they're doing very, very well, they serve the needs of children and... [cross-talk]

COUNCIL MEMBER TREYGER: I just want to make sure... [cross-talk]

DONALD CAPOCCIA: ...this is a... [cross-talk]

COUNCIL MEMBER TREYGER: ...that folks here period don't get gypped, I want to make sure that folks... because look we, we had a... we had a YMCA built on... it's different organization and I, I credit but not everyone could afford some of these pricing structures and I want to make sure that that... this, this is a facility that is for the people... [cross-talk]

JAMES PATCHETT: Yeah... [cross-talk]

COUNCIL MEMBER TREYGER: ...that we have directly there. The last thing I'll say in interest of time, I think the Chair's been very kind with time... [cross-talk]

CHAIRPERSON SALAMANCA: Uh-huh... [cross-talk]

COUNCIL MEMBER TREYGER: ...is the issue that I hear... there was talk about local hiring as far

1
2 as the construction and operation do all of those
3 protections, do all of those requirements apply to
4 subcontractors and sub, subcontractors and sub, sub,
5 subcontractors because we've seen in this process
6 that a contractor might commit but the subcontractor
7 might not commit and is not bound by those same rules
8 so what is the protection that goes across to every
9 subcontractor that might be involved in this process
10 and are those subcontractors from the community as
11 well?

12 JAMES PATCHETT: Okay... sorry.

13 JOHN VALLADARES: No, go ahead.

14 DONALD CAPOCCIA: James?

15 JAMES PATCHETT: Go ahead... [cross-talk]

16 DONALD CAPOCCIA: Okay. So, so my company
17 has been doing this for almost 40 years and we have
18 relied substantially on the local communities to
19 provide support, labor support, labor pool to our
20 projects. It's become a much more formalized process
21 over the last ten years and we're very actively
22 involved in it, we recruit from our communities and
23 we, we, we not only recruit but we do workforce
24 training within that... within our communities. We have
25 a 25 percent requirement, an MWBE requirement on the

1
2 contracting of all hard cost, all construction cost
3 and that would be... that 25 percent would be garnered
4 from every participating contractor on the job
5 whether it's a sub or sub of sub, we will look very
6 deeply at everybody's involvement and certainly we
7 would promote and have been already promoting MWBE
8 involvement in this project.

9 COUNCIL MEMBER TREYGER: I would just
10 tell my colleague respectfully and just be aware of
11 this where sometimes historically we've seen a
12 contractor say that they're bound by something, but
13 the subcontractor is not, and you know we have to
14 make sure that... I'm saying that your company... I'm
15 just saying that I've seen this in other, other parts
16 of the city where it's really outrageous and so all
17 the protections and promises made as far as a jobs
18 plan for the community that has to apply across the
19 board to every subcontractor because the people of
20 Crown Heights should not just be witnessing this,
21 this development they should be active participants
22 in building it and living there as well and with that
23 I turn back time, thank you.

24 CHAIRPERSON SALAMANCA: Thank you Council
25 Member, we're going to hear from Chair Greenfield.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER GREENFIELD: Thank you
Chair. James how you doing today?

JAMES PATCHETT: Great, thank you.

COUNCIL MEMBER GREENFIELD: Oh wonderful.
Can I ask you a question, would you mind.. can I see a
copy of that letter that you referred to, the one
from... [cross-talk]?

JAMES PATCHETT: Sure... [cross-talk]

COUNCIL MEMBER GREENFIELD: ...those...

LYDIA DOWNING: We'll send you one.

JAMES PATCHETT: Well we can... [cross-
talk]

COUNCIL MEMBER GREENFIELD: The one that
you sited, do you mind if I just see it for a minute,
I'm just curious, if that's okay, I won't keep it I
promise.

JAMES PATCHETT: Yeah, yeah... it just has
some notes on it..

COUNCIL MEMBER GREENFIELD: I will not
distribute your notes either, I promise either. Thank
you. Okay, so question, just because I think that
it's helpful to be fair to all sides you were not the
president of EDC in 2013 with this.. when this first
came off the ground, is that fair?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JAMES PATCHETT: That is correct.

COUNCIL MEMBER GREENFIELD: What were you doing in 2013?

JAMES PATCHETT: I was working at the Urban Investment Group.

COUNCIL MEMBER GREENFIELD: Alright, there you go, so this wasn't your project, this started in the Bloomberg Administration, correct?

JAMES PATCHETT: Correct.

COUNCIL MEMBER GREENFIELD: Okay, so let's talk about that because I think it's just helpful to sort of get some context over here, what happens when there are projects that start in one administration, a new administration comes in do you guys try to tweak those projects, do you try to keep them the same, how much flexibility do you have in tweaking those projects, give us just a little bit of background and just sort of for our understanding how a project like that would work and this project at the end of the Bloomberg Administration... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER GREENFIELD: ...a new Mayor comes, new priorities, how does EDC deal with that?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JAMES PATCHETT: Absolutely, thank you. so, it really... it's, it's, it's project by project, we do have the ability... as long as a project is not closed we have total flexibility unless we have a significant... unless we have contractual obligations that we have to honor. In this case there were no contractual obligations we had to honor but we... EDC at the time still before I was president, EDC at the time and the De Blasio Administration heard, you know real concerns about the fact that there was an RFP out on the street before there had been significant community engagement so in spite... notwithstanding the fact that there was the letter that, that you're looking at, at the moment from elected officials in the community that is why there was a step back and a pause on making any decisions about the project and there was a close to a year and a half engagement process that took place over an extended period... that... over that period of time to listen to what the priorities of the community were. Once those priorities were identified we proceeded with the designation that you have before you today and have been discussing since that time.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER GREENFIELD: Okay, so... also to be fair I've read the entire letter right now, I'm not going to share your notes not to worry but to be fair to the original signatories of these letters if you are the Borough President of Brooklyn and you're writing a letter to the capitalist Mayor of New York... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER GREENFIELD: ...City in 2013, Michael Bloomberg you probably would say it right just because you want to get this project off the ground, it's not unreasonable for you and the state Senator and the Assembly Member and the Council Member at the time to say hey let's try to leverage some private resources knowing that this is what speaks to this Mayor, is that... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER GREENFIELD: ...a fair point?

JAMES PATCHETT: Sure.

COUNCIL MEMBER GREENFIELD: Okay, so I'm just... I'm just... [cross-talk]

JAMES PATCHETT: Yeah... [cross-talk]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER GREENFIELD: ...pointing out that just to be fair to those folks... [cross-talk]

JAMES PATCHETT: No, absolutely... [cross-talk]

COUNCIL MEMBER GREENFIELD: ...at the time... I've signed many letters in my time, I don't want a future EDC president whipping one out and me like bam this is what you said... [cross-talk]

JAMES PATCHETT: No, no, no I... [cross-talk]

COUNCIL MEMBER GREENFIELD: So, all I'm... [cross-talk]

JAMES PATCHETT: ...the only... [cross-talk]

COUNCIL MEMBER GREENFIELD: ...all I'm... all I'm pointing out James is the context of the time it makes sense that for them to urge that Mayor who we know is not big on city subsidy necessarily to move the project along, it made sense for them to say let's cross subsidize it... [cross-talk]

JAMES PATCHETT: It was... oh no, I was only responding to the Council Member's question that no one from the community had ever suggested that market rate housing could be used to cross subsidize

1

2 so I was just pointing out there actually had been
3 those indications.

4

COUNCIL MEMBER GREENFIELD: Fair enough..

5

JAMES PATCHETT: But I totally accept the
6 fact that, you know everything is in context and we
7 need to continue to evaluate projects as times end,
8 reality on the ground changes.

9

COUNCIL MEMBER GREENFIELD: Great, so
10 just a couple of.. just homing in on a couple of those
11 questions. So, it seems like folks still are happy
12 with the concept of a broader community facility,
13 right, I mean subject to it being affordable to the
14 community and to the Council Member's concerns about
15 other folks not coming in but there are some concerns
16 and I just.. once again I'm trying to understand the
17 history of it and then perhaps what we can do now
18 about, about a couple of specific things and I just
19 want to focus on that. So, the market rate condos,
20 was that done as a financing mechanism, why condos as
21 opposed to rentals where rentals in theory could go
22 back, rentals in theory could one day be subsidized
23 once something is sold its sort of gone in the ether
24 forever.. [cross-talk]

25

JAMES PATCHETT: Yeah.. [cross-talk]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER GREENFIELD: ...so was that really more of a financing mechanism... [cross-talk]

JAMES PATCHETT: Yes... [cross-talk]

COUNCIL MEMBER GREENFIELD: ...that was... and what was the thinking on why it would be market rate condos instead... [cross-talk]

JAMES PATCHETT: So... [cross-talk]

COUNCIL MEMBER GREENFIELD: ...of having it just all be rentals?

JAMES PATCHETT: Sure, absolutely. So, the, the, the condo piece originally, the original thinking was that it was sized to be as small as it possibly could be but still provide enough proceeds from the condos which are the only element of the project as you say that has the ability to be sold and therefor generate value up front so that was sized to be as small as possible but still be able to cover the cost of renovating the rec center so that it could be provided to the community... [cross-talk]

COUNCIL MEMBER GREENFIELD: So, it was a financing mechanism essentially?

JAMES PATCHETT: Sure.

COUNCIL MEMBER GREENFIELD: Okay, so it's not inconceivable that today considering as many

1

2 Council Members have pointed out that the city has
3 invested to your credit... [cross-talk]

4

JAMES PATCHETT: Uh-huh... [cross-talk]

5

COUNCIL MEMBER GREENFIELD: ...just last
6 year the Mayor bumped up two billion dollars for the
7 capital fund for HPD, I heard Molly Park talk about
8 this morning so that's ringing in my ear at a city
9 and state forum... [cross-talk]

10

JAMES PATCHETT: Yeah... [cross-talk]

11

COUNCIL MEMBER GREENFIELD: ...that we were
12 both at so it's not unreasonable to say that perhaps
13 there are other financing mechanisms that may be
14 available in this administration that were not
15 available when this project originally got off the
16 ground, is that fair?

17

JAMES PATCHETT: Yeah and actually as, as
18 I... as I mentioned the Mayor has indicated an openness
19 to providing, you know city capital subsidy to this
20 project in order to... you know putting it into the
21 conversation to help improve the affordability mix
22 for the community.

23

COUNCIL MEMBER GREENFIELD: Great, good
24 stuff, excellent. Okay, the next item is the
25 percentage of affordability, so by our count and by

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

our, I mean... our I mean my wonderful land use staff who broke down this information for me, so thank you land use staff for doing this great work. There are a total of 390 units in... when you include the rentals and the sales of which only 18 percent of those units are affordable below 110 percent AMI. Now considering once again that's, that's the count that we have over here, your counts I'm looking at you guys break it up versus... over sales but even under your numbers it would be roughly 20 percent are at the below 110 percent, is that... is that correct?

JAMES PATCHETT: That's correct.

COUNCIL MEMBER GREENFIELD: I mean we're debating two points but it's roughly the same because you're talking rental units and I'm including... our land use staff I think they're correct when they're including the market rates as well so it's roughly 18 percent. Is it fair to say that in today's market, right, sitting aside where we were three years... back in 2013 when that would have been clear to be aggressive here we are five years later, is it fair to say that this... traditionally this is not as much as we like to achieve when it comes to the

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

percentages of affordability in terms of the lower AMI's?

JAMES PATCHETT: The... well... [cross-talk]

COUNCIL MEMBER GREENFIELD: I can tag Jordan for you he's sitting right over there and he's always excited to hop in as a HPD guy if that's helpful?

JAMES PATCHETT: Right, well I just... I just say it's, it's... I'm happy to let HPD speak, speak to this, I would say it's project by project and community by community in terms of the affordability mix but there's no question that the Mayor has made it a priority to ensure that there are a significant number of units provided at projects that are at lower income levels.

COUNCIL MEMBER GREENFIELD: Okay, sure I just want to actually point out as well that under the mandatory inclusionary housing that we all passed together, you were back in... [cross-talk]

JAMES PATCHETT: Yep... [cross-talk]

COUNCIL MEMBER GREENFIELD: Deputy Mayor Alicia Glen Office, you did outstanding work on that... [cross-talk]

1

2

JAMES PATCHETT: I remember it... [cross-talk]

3

4

COUNCIL MEMBER GREENFIELD: Thank you for that... [cross-talk]

5

6

JAMES PATCHETT: Thank you... [cross-talk]

7

8

COUNCIL MEMBER GREENFIELD: And Jordan and I worked on it, we worked with the all the agencies, in fact we could invoke just as that... I'm sure you know but I'm just reminding the folks who are watching at home, we could invoke option one which means that as a requirement we could simply require that it be 25 percent of these units be at 60 percent of AMI or below, right, I mean so just to be fair... [cross-talk]

9

10

11

12

13

14

15

16

JAMES PATCHETT: Uh-huh... [cross-talk]

17

18

19

20

21

22

COUNCIL MEMBER GREENFIELD: ...the landscape has changed significantly which without, without even negotiating we could simply say we're going to go for option one and we're going to automatically jack up 30 percent more units on those AMI's... [cross-talk]

23

24

25

JAMES PATCHETT: Yeah... [cross-talk]

COUNCIL MEMBER GREENFIELD: ...is that

something that you... [cross-talk]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JAMES PATCHETT: But... [cross-talk]

COUNCIL MEMBER GREENFIELD: ...acknowledge
as well?

JAMES PATCHETT: But... yeah, there is no...
I mean the, the mandatory inclusionary housing is a...
is a tool that has been added certainly under this
administration and thanks to your leadership and help
as Chair of the Land Use Committee and it certainly...
depending on which option you choose could lead to a
higher affordability as it happens this is selected
MI option... MIH option that requires that 30 percent
of the floor area be restricted at 110 percent of AMI
on average so it's a different option but if you
chose a different option it would impact the mix,
yes, that's correct.

COUNCIL MEMBER GREENFIELD: Okay, just
pointing that out as well... [cross-talk]

JAMES PATCHETT: Uh-huh... [cross-talk]

COUNCIL MEMBER GREENFIELD: So, I think...
I think the point that I'm really trying... I think the
point that I'm trying to make is and I just want to
be fair to everyone involved is that five years is a
long time... [cross-talk]

JAMES PATCHETT: Yes... [cross-talk]

1
2 COUNCIL MEMBER GREENFIELD: ...different
3 Mayor, different priorities, you had an
4 administration which didn't invest as much in
5 affordable housing as this administration is and I
6 think that folks who are looking at this project
7 right now under the new lens are saying hey we don't
8 want to look at it from the old lens, right, which is
9 the lens of here's what was good in the Bloomberg
10 days which quite frankly in the Bloomberg days just
11 to get this off the ground to, to the credit of... I
12 actually give Marty Markowitz and Eric Adams and
13 Walter Mosely and Letitia James credit they got a
14 project that wasn't moving off the ground, kudos to
15 them, everybody knows how difficult that is to do and
16 I think that now that we're in this new reality where
17 we are investing and we're seeing these new resources
18 I think that's what you're reflecting so I don't... I
19 just want to be fair, I don't think the frustration
20 is necessarily at the folks at, at this table it's
21 just that things have changed and all we're asking
22 for is that the project should change with the times
23 and it seems like you're saying that it can change,
24 right, the ability is there that we could deal with
25 the condo issue, we could deal with the affordability

1

2 issue, we could have additional subsidies, right, so
3 the, the ability to change this project and make it
4 into a better project that really reflects how we do
5 things today I think is something that is doable, is
6 that a fair statement?

7

JAMES PATCHETT: Absolutely and we've
8 heard from the Council Member and the community that
9 there needs to be certain changes and you know also
10 you're accurate the, the Mayor certainly has, you
11 know concerns about ensuring that we are not causing,
12 you know really heartfelt concerns in communities
13 around displacement and gentrification.

14

COUNCIL MEMBER GREENFIELD: Okay, final
15 point, is it fair to say that going forward for EDC
16 projects you're going to take the current model into
17 consideration on the... on future RFP's of these kinds
18 in terms of the feedback and the current standard
19 that we're dealing with which is very focused on
20 affordability levels as opposed to the Bloomberg
21 model, I'm asking this in your capacity as a
22 president... [cross-talk]

23

JAMES PATCHETT: No, of course I
24 understand... yeah, we, we absolutely will put the De

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Blasio Administration's lens on everything that we do.

COUNCIL MEMBER GREENFIELD: Alright, I appreciate the clarity, I thank you very much and I will return this letter to the clerk, non-photographed, thank you very much.

CHAIRPERSON SALAMANCA: Thank you Chair Greenfield, Council Member Mealy, questions?

COUNCIL MEMBER MEALY: Yes, I just have a few statements really. I just heard you say that you're very flexible on this project also and I was calling... I'm trying to see now the remainder of this cost... you have credits and subsidies including state regional council funds, DHC funds, right? Reso A funds, did the council member give you Reso A funds already?

JAMES PATCHETT: I think it was... [cross-talk]

COUNCIL MEMBER MEALY: Oh okay, so it's not yet, okay and the Borough President developer will... responsible for opening funding, additional funding, how much funding will you get from the Borough President?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DONALD CAPOCCIA: We have a capital request for two million dollars.

COUNCIL MEMBER MEALY: Two million dollars and I'm looking at the community board nine disapproved vote of 35 to zero and are you telling me... you got this land only for a dollar, right?

JAMES PATCHETT: No. No, that's, that's... [cross-talk]

DONALD CAPOCCIA: No, we're going to be paying... [cross-talk]

COUNCIL MEMBER MEALY: You got this disposition for a dollar?

DONALD CAPOCCIA: No... [cross-talk]

JAMES PATCHETT: The, the, the overall project... the, the, the overall project is primarily subject to a ground lease which is a, a rent of approximately two million dollars per year.

COUNCIL MEMBER MEALY: Did you not get the land for a dollar in a disposition yes or no?

DONALD CAPOCCIA: No, we are not, we are getting the... we're, we're, we're entering into a long term 99-year ground lease, the opening rent is two million dollars a year... [cross-talk]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JAMES PATCHETT: Right, but, but... [cross-talk]

DONALD CAPOCCIA: ...to the city of New York... [cross-talk]

JAMES PATCHETT: ...just... but, but you're correct that there... no, you're, you're that the, the, the... [cross-talk]

COUNCIL MEMBER MEALY: Thank you... [cross-talk]

JAMES PATCHETT: ...the, the... well I'm just... I'm just clarifying, the, the portion of the... a portion of the project is a... is a... is a condo piece that's currently contemplating which we've been discussing which is being disposed of for a dollar, you're correct and the remainder of the property... [cross-talk]

COUNCIL MEMBER MEALY: This is already city land and you're telling me we still cannot do affordable housing on city land, this is taxpayer's dollars and you got it for a dollar and who's bright idea was get... for a 99 year lease, if you got it for a dollar why would you have to have a 90... 99 year lease and it definitely could have been into... went into a land trust; yes or no, that we could really

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

secure the future of Crown Heights for the community
in a land trust?

JAMES PATCHETT: Well... sure... [cross-talk]

COUNCIL MEMBER MEALY: And another thing
I never heard who said that we needed condominiums in
Crown Heights?

JAMES PATCHETT: Sure, so the... [cross-
talk]

COUNCIL MEMBER MEALY: Chair was that
ever answered?

JAMES PATCHETT: So, well... [cross-talk]

COUNCIL MEMBER MEALY: Who requested
condominiums?

JAMES PATCHETT: No, the... do you want to
take this? No, so the... Council, Councilwoman I
appreciate your questions just to... just to go back
there's two separate elements, there is a disposition
and then there is a ground lease, they are... they are
separate so they're, they're different elements of
the project. I, I absolutely understand the concerns
about the condos which we've been discussing, Council
Member Cumbo has been very clear about her concerns
about those as has the community and as I mentioned
earlier it's causing us to... the Mayor and the rest of

1

2 the city to reevaluate our policy about whether we
3 should ever be providing condos on city owned
4 property so we take the concerns very seriously and
5 it's an element of our overall policy that we're
6 reconsidering as a result largely of the conversation
7 around this project and the advocacy from the local
8 community.

9

COUNCIL MEMBER MEALY: The advocacy of
10 the local community are requesting condominiums?

11

JAMES PATCHETT: No, the... no, they're,
12 they're, they're expressing real concerns about the
13 condominiums which is why we are reevaluating whether
14 we should be doing this on city owned property going
15 forward at all.

16

COUNCIL MEMBER MEALY: And the... I'm
17 looking at what the community board had asked, are
18 you all open to stop this ULURP process and restart
19 with a new plan; yes or no?

20

JAMES PATCHETT: You know again with...
21 that is not our intention at this time, but we are
22 certainly open to continued dialogue... [cross-talk]

23

COUNCIL MEMBER MEALY: The community...
24 [cross-talk]

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JAMES PATCHETT: ...with the community and
the Council... [cross-talk]

COUNCIL MEMBER MEALY: ...asked for...
[cross-talk]

JAMES PATCHETT: ...Member... [cross-talk]

COUNCIL MEMBER MEALY: ...that. If the
community is requesting that it's no way this can
happen.

JAMES PATCHETT: The... again the... [cross-
talk]

COUNCIL MEMBER MEALY: This is a big...
[cross-talk]

JAMES PATCHETT: ...this is an ongoing...
[cross-talk]

COUNCIL MEMBER MEALY: ...statement, 45 to
zero disapproved of this project.

JAMES PATCHETT: Understood.

COUNCIL MEMBER MEALY: So, there's no way
you can start over?

JAMES PATCHETT: We're not contemplating
a new ULURP at this time, but we are in ongoing
conversations with the Council Member and the
community about what is possible that could be

1
2 improvements, significant improvements to this
3 project.

4 COUNCIL MEMBER MEALY: Okay, could I ask
5 another thing, the developer will provide between a
6 half a million to... and 1.5 in annual community
7 benefits at the recreation center in the form of free
8 and discount access to the facility and programs, do
9 you know how many will really be free or it's just
10 hit and miss?

11 JAMES PATCHETT: Well the, the... I will
12 let BFC speak to the specifics here but it's, it's,
13 it's not hit or miss, there are certain elements that
14 are going to be very specific and laid out in the
15 contract between EDC and the developer which will
16 have real significant enforcement penalties
17 associated with them if the affordable community
18 space is not provided. I'll let the developer speak
19 to the specifics of the programming.

20 COUNCIL MEMBER MEALY: And I have one
21 more question.

22 DONALD CAPOCCIA: Thank you, Eric do you
23 want to talk about some of the programmatic
24 opportunities that'll be available discounted to the
25 community?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

ERIC WOODLAND: Yeah, let John talk...

JOHN VAL HARILADARES: Our, our goal is to maximize the amount of programming and access to the community at the armory... [cross-talk]

COUNCIL MEMBER MEALY: Have you really talked to the community?

JOHN VALLADARES: Regularly, we've hosted... [cross-talk]

COUNCIL MEMBER MEALY: So, can I ask one thing, this is Crown Heights do you know they like soccer?

JOHN VALLADARES: Yes... [cross-talk]

COUNCIL MEMBER MEALY: Well we like soccer... [cross-talk]

JOHN VALLADARES: Uh-huh... [cross-talk]

COUNCIL MEMBER MEALY: ...so no component of soccer is in this either just basketball and swimming?

JOHN VALLADARES: No, that's, that's incorrect. So, the, the proposal includes three components for the recreation center; basketball court, a swimming pool like you pointed out... as you pointed out but also a multi-court surface capable of accommodating indoor soccer and we've talked and

1
2 spoken to multiple soccer operators some based out of
3 central Brooklyn who are very interested in, in
4 programming at the armory and soccer will be a very
5 large component.

6 COUNCIL MEMBER MEALY: Okay. Thank you.

7 Okay, I just hope that our community it will not be
8 unattainable and unaffordable for our people to use
9 this facility if it's ever built and I just hope it
10 stays free to some that cannot afford gentrification
11 is here and if we continue building developments like
12 this people who lived in the neighborhood would never
13 be able to live here again. So, I just ask that maybe
14 you rethink this project that it could be a
15 component, if it's city owned land, city owned
16 dollars why can't the Mayor or the city council put
17 money in to make this affordable housing project and
18 thank you Chair.

19 CHAIRPERSON SALAMANCA: Thank you Council
20 Member, before I refer to Council Member Cumbo for
21 final questions in terms of your 390 units, total
22 units, how many of these units are for homeless set
23 aside?
24
25

1

2

JAMES PATCHETT: At... in, in the current project there are... there are no units for the homeless set aside.

5

6

7

8

9

CHAIRPERSON SALAMANCA: There are no units for homeless set aside yet HPD... there's a requirement throughout the city of New York that every development that comes in through every project there's a homeless set aside...

10

11

12

13

14

15

16

JAMES PATCHETT: Well the, the distinction here again is that... in the current formulation there's no city subsidy being... it's, it's included in the proposal before you. There... HPD does have new requirements around that that pertain when HPD puts subsidy in, into the extent that's a part of the project those requirements would apply.

17

18

19

20

CHAIRPERSON SALAMANCA: So, James, you know it's, it's just mind boggling that in the city of New York where you have over 60,000 homeless families, the city is taking city lands... [cross-talk]

21

22

23

24

25

JAMES PATCHETT: Uh-huh... [cross-talk]

CHAIRPERSON SALAMANCA: ...and they want to build over 50 percent of them at market value but choose to over zero units for homeless set aside,

1
2 unacceptable. Alright, with that I'm going to hand it
3 over to Council Member Cumbo.

4 COUNCIL MEMBER CUMBO: Thank you Chair
5 Salamanca. This council has spoken loud and clear and
6 they have brought up some very serious questions and
7 some very real issues that have to be addressed. City
8 subsidy, that's critical to a project of this nature,
9 why is it that with so many districts getting city
10 subsidy for projects why should Crown Heights, the
11 epicenter of gentrification be overlooked for city
12 subsidy in order to create real affordability, that's
13 unacceptable, our community is not going to accept
14 that, we're not going to accept that and most
15 importantly this city council body is not going to
16 accept that a project of this magnitude and scale
17 would not be issued city subsidy in order to make
18 this a reality. We want real accessibility for the
19 community center and recreational facility, that has
20 to be long term and it can't be introductory. I get
21 that we're looking into it, we're seeing, it has to
22 be written so that there are ramifications if it is
23 not accessible or if it starts to bend in that
24 direction. A project of this nature has to have a
25 homeless set aside, in my district two homeless

1
2 shelters just recently opened up because we recognize
3 that so many people from the Crown Heights community
4 were being pushed out of their homes and into
5 homeless shelters and for us not to create permanent
6 housing for those that are in our homeless shelters
7 to return and come back to their home that's
8 certainly something that is critical and that we need
9 to make sure exists. No condominiums, there can be no
10 luxury condominiums or sale of any aspects of the
11 armory, each of the members on this panel spoke about
12 that and while you may say you're not looking to
13 reissue another ULURP process if these project... if
14 these aspects of this project are not addressed
15 there's no way that we could move forward with a
16 project like this and if it were to be re-RFP'd out
17 again that would have to open up another ULURP so we
18 need to address these and I wanted to close by asking
19 two questions. I wanted to find out more about jobs
20 because this is a very real component, if you don't
21 have a job you can't live in the community, if you
22 don't have a job you can't live in the community, you
23 can't get an education in the district in which you
24 live, and I also want to ask about the environmental
25 aspects of this project. You have heard about

1
2 concerns that have been brought up in terms of
3 asbestos that is... been documented to be a part of the
4 Bedford Union Armory, can you talk about what is the
5 plan, what has been the evaluation, what has the
6 environmental review shown us about asbestos in the
7 community and how are we going to address that moving
8 forward so that this recreational facility and the
9 housing component is not something that puts our
10 community in health issues that could be avoided if
11 we addressed them on the onset?

12 JAMES PATCHETT: Absolutely. So, I'll
13 start with your question about jobs, so this project
14 is going to provide 200 permanent jobs, it's going to
15 provide... again... in, in addition it's going to provide
16 permanent space for all of the organizations that
17 we've talked about, the fact that they will have real
18 space under a long term lease as many of those are
19 job training organizations and you know we think job,
20 job training as well as... starting at the youth level
21 which New Heights Youth is providing, the Digital
22 Girl Coding organization is going to provide, you
23 know significant opportunities for training in coding
24 which is a real job that... you know increasing job
25 opportunity but importantly it's going to provide 750

1
2 construction jobs and I know... I'll let BFC in a
3 moment speak to how they're ensuring that, you know
4 local members in the communities have access to those
5 jobs. It's going to provide 20 jobs through... that are
6 going to be contracted through 32BJ SEIU to ensure
7 that those are good quality building service jobs
8 paying union wages. Overall the project is subject to
9 a 25 percent MWBE participation rate which is
10 something that we at EDC take very seriously across
11 the board on all EDC projects. Over the last fiscal
12 year, we had 30 percent MWBE participation which is
13 five years ahead of schedule of the Mayor's goal of
14 MWBE participation, so we've had very strong success
15 on, on our projects across the board and we continue
16 to... intend to continue that success here. I'll speak
17 quickly about the environmental issues and then I'll
18 let BFC speak to... [cross-talk]

19 COUNCIL MEMBER CUMBO: I just want to
20 interrupt and say that my goal for MWBE participation
21 is 30 percent.

22 JAMES PATCHETT: Yeah, which is... [cross-
23 talk]

24 COUNCIL MEMBER CUMBO: So... [cross-talk]

25 JAMES PATCHETT: ...which is ours as well.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER CUMBO: Okay... [cross-talk]

JAMES PATCHETT: And we had 30 percent last year in the... across the board like if you take all EDC projects.

COUNCIL MEMBER CUMBO: As long as we're clear on that.

JAMES PATCHETT: Yes, we're 100 percent clear.

COUNCIL MEMBER CUMBO: Okay...

JAMES PATCHETT: We... the... as to your concerns about environmental issue, I know there have been concerns from the community about asbestos to this project, certainly it's an old facility. Any remediation that's done as a part of the asbestos will be subject to strict federal state and local regulations around this, the asbestos remediation would be... have to be a specific plan approved by the city Department of Environmental Protection would have to be prescribed and subject again to very strict requirements, so the DEP takes those issues very seriously, so I'll let the developer speak to a couple more specifics on both of those.

DONALD CAPOCCIA: Thank you Council Member Cumbo. Our company has been really committed

1
2 to local hiring for almost four decades. We now have
3 a lay... as I mentioned earlier a more prescribed
4 process, we have to do this through HireNYC and in
5 order to make sure or ensure that as many local
6 community members as possible get a good shot at
7 these jobs we are going to invest in and conduct and
8 have Manny Burgos work fairs, work conferences within
9 the community with Eric's help and John's help
10 reaching into the community to make sure as many
11 people who are in need of and wish for a job on our
12 site we can get them funneled into the HireNYC
13 process. For, for workforce development it's another
14 area where we're very committed, we are doing a
15 project now on the North shore of Staten Island where
16 we... we're going to... we're going to... we're going to
17 deliver 1,200 permanent retail jobs, we have invested
18 along with your colleague Debi Rose in a, a workforce
19 development program to supplement HireNYC and SBS
20 services in order to train 800 people in that
21 community to be more competitive within the pool of
22 those who will be applying for jobs. The point is I
23 want to make sure as many people on the North shore
24 of Staten Island get those 1,200 jobs as possible. We
25 make nothing less than the same commitment for this

1
2 job both on the construction side as well as the
3 permanent jobs. And John, I don't know if John wants
4 to talk at all about the environmental review we did
5 but...

6 JOHN VALLADARES: As in regard to the
7 asbestos as, as Mr. Patchett mentioned, asbestos is
8 highly, highly regulated by both the federal, state,
9 and city government. We will comply with all federal,
10 state, and city regulations, DEP will monitor our
11 compliance and we will be in full compliance with all
12 regulations.

13 COUNCIL MEMBER CUMBO: I just wanted to
14 say on my end because we have many people who have
15 come here to testify and we want to be respectful of
16 their time as well but I just want to conclude my
17 questions and, and comments by saying this is a... this
18 is a huge opportunity potentially for our community
19 and I am disappointed that there were not more
20 opportunities for us to hear how the city plans to
21 effectively invest subsidy, how they're going to plan
22 to remove the condominiums, all of these things are
23 still subject to question marks and I've heard a lot
24 of we're looking, we're investigating, we're talking
25 about, we're thinking those times are over, we need

1
2 to understand exactly what this project is bringing
3 forward, exactly how it's going to impact this
4 community and how we as a community can benefit from
5 a project of this nature. As you've heard from many
6 of the members here they brought up very serious
7 issues and concerns in order for something to be
8 voted on by the council you need the vote of the
9 Council Members and if this committee is asking the
10 types of questions and not getting the answers that
11 they need in order to approve or to vote in support
12 of this is going nowhere and so we need these
13 answers, we need to understand what this project is
14 going to be, how it's going to impact this community
15 and in conscious in this borough... as myself I've
16 lived in Brooklyn my whole life all 42 years, my
17 family's been here for a total of 80 years, we are
18 those families that have invested in Brooklyn, New
19 York, we want to remain in Brooklyn, we want families
20 just like ours to remain in Brooklyn and what we
21 don't want to have is a project that's going to
22 gentrify our community, push us out, displace us
23 through a project that's not well thought out. So,
24 these questions are critical, we need to hear
25 answers, and this is not just going to be some rubber

1
2 stamp project that just gets pushed through the
3 process. We need those answers and will not move
4 accordingly without them. Thank you.

5 JAMES PATCHETT: Thank you.

6 CHAIRPERSON SALAMANCA: One last
7 question, I'm sorry. EDC, how will you ensure that
8 BFC is not utilizing contractors or subcontractors
9 that have a record of waste staff?

10 JAMES PATCHETT: That have a record... the...
11 all of the organizations that we work with are
12 subject to strict scrutiny and the... at the... at the
13 end of the day the contractors and subcontractors
14 that BFC works with will be, you know looked at very
15 closely by the city and you know again we take
16 concerns about waste staff very seriously and we will
17 not allow that to occur on this project.

18 DONALD CAPOCCIA: And sir we, we demand
19 certified payroll from all our contractors.

20 CHAIRPERSON SALAMANCA: Including
21 subcontractors as well?

22 DONALD CAPOCCIA: Yes, yes.

23 CHAIRPERSON SALAMANCA: Alright and is
24 this project going to be... are you going to utilize
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

labor for the construction or the demolition of this project?

DONALD CAPOCCIA: This is going to be an open shop project where we hope to have both the construction trades, union trades as well as non-union trades working together on the job.

CHAIRPERSON SALAMANCA: Alright and then my last question is, have you met with laborers?

DONALD CAPOCCIA: With...

CHAIRPERSON SALAMANCA: The laborers union?

DONALD CAPOCCIA: No, not yet.

CHAIRPERSON SALAMANCA: Alright, will you be meeting with them soon?

DONALD CAPOCCIA: Yes, I see them every day out in our job in Staten Island, I could meet with them tomorrow.

CHAIRPERSON SALAMANCA: Regarding this project?

DONALD CAPOCCIA: Yes... [cross-talk]

CHAIRPERSON SALAMANCA: Are you giving me a commitment on the record that you'll meet with them?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DONALD CAPOCCIA: No commitment... oh
commitment I'll meet with them, absolutely.

CHAIRPERSON SALAMANCA: For this project?

DONALD CAPOCCIA: I'll meet with them
about this project, yes.

CHAIRPERSON SALAMANCA: How soon?

DONALD CAPOCCIA: Tomorrow.

CHAIRPERSON SALAMANCA: Okay... [cross-
talk]

DONALD CAPOCCIA: I see them every day,
we employ 20 of... or 20 or 30 of them right now on our
job in Staten Island.

CHAIRPERSON SALAMANCA: Alright. Alright,
well with that... any other questions from the panel?
Well thank you very much.

JAMES PATCHETT: Thank you.

CHAIRPERSON SALAMANCA: So, we're going
to bring up this panel here. Alright, so do we have a
William Howard? William Howard, yeah just let them
leave and then we'll bring you up. Do we have a
Manuel Burgos? Jeffrey Davis, come... yeah, come right
up to the table. Ted Smith, Ted Smith still here? and
I apologize Kate if I pronounce your name wrong Kate
Pelatti, Kate? Okay, alright... so, we're each, each

1
2 speaker will, will get two minutes to speak and the
3 Sergeant of Arms will set the timer and we'll start
4 with Mr. William Howard.

5 WILLIAM HOWARD: Thank you very...

6 CHAIRPERSON SALAMANCA: Just press the
7 button.

8 WILLIAM HOWARD: Thank you very much for
9 having us. First, I'd like to... my name is William
10 Howard, I'm President of the West Indian American Day
11 Carnival Association and we present Labor Day in
12 Brooklyn but before I make my two comments I'd like
13 to introduce the Chair of the board who's been with
14 the organization for the last 50 years, Angela Sealy.
15 Angela Sealy is one of the original members of the
16 organization, has been with the organization for the
17 50 years that we have presented carnival in Brooklyn.
18 Carnival in Brooklyn obviously is the largest
19 carnival of its sort in the United States. We provide
20 carnival exposure and also culture of the Caribbean
21 which involves 32 countries. We are supporting this
22 project because it will give us an opportunity to
23 combine the mass program the steel band program and
24 carnival itself into one housing area. We need that
25 because in order to continue to present to two

1
2 million people on Eastern Park, Parkway or in the
3 surrounding areas over the Labor Day weekend we have
4 to combine a lot of our resources as it was said
5 earlier today. We are supporting this project and
6 we're advocating for 3,600 square feet of space which
7 will include the Mass Association which is another
8 non-profit and the Steel Band Association which is
9 another non-profit into one area on the third floor
10 of this armory. So, we ask that the city council in
11 addition to all the other things that you have to do
12 is to pay particular attention to the non-profits
13 because we too are not only being gentrified out, but
14 we also are losing any space for the practice of any
15 of our bands, thank you.

16 CHAIRPERSON SALAMANCA: Thank you, Mr.
17 Manuel Burgos.

18 MANUEL BURGOS: Good afternoon, my name
19 is Manuel Burgos and I am the CEO of By the Numbers
20 Consulting Services, an outreach and compliance firm
21 based in Brooklyn, New York. BFC partners engaged my
22 firm two years ago to begin outreach to MWBE firms
23 and lay a foundation for local hiring in the Crown
24 Heights area. Our firm has been engaged before in
25 these act... types of activities but never before so

1
2 far in advance. The Economic Development Corporation
3 has set a substantial MWBE goal for this project at
4 25 percent of the total project cost and BFC partners
5 wanted to ensure it meets or exceeds these goals. Our
6 work on this project thus far is as follows; multiple
7 info sessions for city certified MWBEs with a target
8 on those MWBE firms from within two miles of the
9 project site, these info sessions provided MWBE
10 contractors advance notice of opportunities available
11 as well as what prerequisite items are required such
12 as insurance. For non-certified firms our firm
13 contacted over 300 local contractors in an attempt to
14 determine which firms were minority or women owned.
15 These firms were invited to a special get certified
16 event putting them on the path to certification well
17 before the start of construction. We also conducted
18 an info session with local service providers giving
19 these organizations an idea of how local hiring will
20 be conducted as well as defining their specific role
21 in making referrals and helping with follow up. To
22 date we've identified over 60 MWBE firms in central
23 Brooklyn, we've also identified half dozen local
24 service providers for local hiring partnerships.
25 Thank you.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRPERSON SALAMANCA: Thank you, Mr. Burgos, Mr. Geoffrey Davis?

GEOFFREY DAVIS: Great, great, great. First and foremost... [cross-talk]

CHAIRPERSON SALAMANCA: Just press the button on the mic, yeah.

GEOFFREY DAVIS: Alright, thank you. First and foremost, I'd like to acknowledge my brother, honorable Councilman James E. Davis who was killed in this chamber right on the balcony in 2003, it's very important Councilman James E. Davis rest in peace. My brother and I started an organization roughly 25 years ago called Love Yourself Stop the Violence. In that time frame we have held GED programs, art exhibits, documentary screenings, peace walks, computer training, visited countless schools and giving out scholarships in our... with our own money. In the last 15 years since his death we've continued to do that providing these services and doing the best we can in the community. Just recently around the Bedford Union Armory there was some shootings, a number of shootings right there on Bedford Avenue and Union Street, right in front of the armory. Again, down the block is Ebbets Field and

1
2 then you the Tivoli Towers and then Prospect Lefferts
3 Garden there's a lot of gang violence that's spiking
4 up, we've been trying to address that the best we
5 can. It's changing... things have changed, and times
6 have changed with the housing crisis and we have to
7 address that, and I trust my Council Member, great
8 questions, I trust my Council Member to be that voice
9 to address that and deal with the housing crisis
10 because that's very, very important. We also have to
11 deal with, continue to deal with this violence crisis
12 that takes place in our community. The recreation
13 center can definitely all throughout it's a known
14 fact, reduce violence in a community and we need that
15 recreation center to reduce the violence I feel. So,
16 we're going to stay on target, my mission statement
17 is to address violence and I'm going to stay on
18 target and continue to do that and again I trust my
19 Councilwoman and the... my colleagues and Councilman
20 District leader Treyger and, and District Leader
21 Mealy, Councilwoman Mealy to, to, to address this
22 housing crisis because it is a crisis and it's very
23 important, so I trust that we will get that job done
24 but let's get that recreation done as well...
25 recreation center. Thank you.

1

2

CHAIRPERSON SALAMANCA: Thank you, Mr.

3

Ted Smith?

4

TED SMITH: Good afternoon Council,

5

Council Members. My name is Ted Smith, I'm the

6

Executive Director of New Heights, a youth non-profit

7

organization that's been mentioned before, we, we

8

hope to be one of the operators in the armory

9

project. We've been a non-profit since 2005 and since

10

then have been working with children and families

11

holistically to try and improve their lives. We

12

currently work with over 250 youth boys and girls

13

from 4th grade to 12th grade and use basketball as a

14

hook to engage them in academic and leadership

15

development and serve as the high school and college

16

prep program. We operate after school, on weekends

17

and we run a six-week summer academy. I'm proud to

18

say that, you know since 2005 we've maintained a 100

19

percent high school graduation rate for our

20

participants and 98 percent of them are going on to

21

college and I think more importantly 75 percent of

22

them are graduating from college and we're seeing the

23

fruits of that as now several of our alumnus are

24

coming back and working with us part time, full time,

25

servicing as tutors and coaches so I think that's

1
2 really part of the advantage and excitement that I
3 see for the project in being able to become involved
4 in Crown Heights just to continue that cycle moving
5 forward. For us like many non-profits, you know
6 facilities have been the biggest constraint for us to
7 expand our programming and serve more kids and serve
8 them better. So, I think we're really thrilled to be
9 involved in this project to be able to serve more
10 kids. It was mentioned earlier, we hope to serve two
11 times more kids than the 250 that we currently serve,
12 you know I think our goal is actually to serve, you
13 know ten, ten times more than that to be able to
14 serve thousands of kids and families in Crown Heights
15 and in the central Brooklyn areas. So, we're really
16 excited about this opportunity to make a deep and
17 lasting impact in the community through our
18 basketball academic and leadership programming and
19 provide that as we've mentioned for free or reduced
20 cost. So, thank you for this opportunity, I really
21 appreciate it.

22 CHAIRPERSON SALAMANCA: Thank you. The
23 next speaker we have Miss Kate, how do you pronounce
24 your last name?

25 KATE PELATTI: Pelatti.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRPERSON SALAMANCA: Pelatti, alright.

KATE PELATTI: Mr. Chairman and members of the council, my name is Kate Pelatti and I am the COO of Imagine Swimming. I'm joined this afternoon by my colleagues in Imagine. I want to thank you for this opportunity to share our goals for the Crown Heights community and its children as it pertains to the Bedford Union Armory pool. At Imagine Swimming we're on a mission not only to prevent drowning but to inspire a lifelong love of the water with as many children as possible. We've been teaching children how to swim since 2002 and have been serving the Crown Heights community for three years. Currently we have over 300 students from the neighborhood swimming six days a week. We are committed to teaching all members of the Crown Heights how to swim and live a healthy lifestyle. We're grateful for the opportunity to continue to grow this relationship when the armory opens. As an active member of the community we've been in close communication with PS 161 and Medgar Evers Preparatory High School. We're excited to partner with them to implement new swimming programs for their students. They understand the importance and benefits of swimming and Imagine is committed to

1
2 collaborating with them to provide more programing in
3 aquatic education. This summer we hosted the first
4 ever Brooklyn Swims event for the children of the
5 Ebetts Field Houses. The MAC OS are a competitive
6 swim team, practice twice per week at the Medgar
7 Evers College pool and nearly 30 children from the
8 area attend workouts. Upon completion of the Bedford
9 Union Armory hundreds of children and adults from the
10 Crown Heights community will benefit from learning to
11 swim and will be the teachers to future generations.
12 We'll continue to foster the intellectual, emotional
13 and physical growth that only the water can provide
14 and that is only made possible by the armory pool.
15 We'll provide jobs and a career path for people
16 excited about aquatics in the community. we'll also
17 continue to share our love and knowledge of swimming
18 and inspire our neighbors in and out of the water. On
19 behalf of Imagine Swimming I'd like to thank you for
20 this opportunity to testify before the council today.

21 COUNCIL MEMBER CUMBO: Thank you I just
22 have a few questions for some of the panelists. Mr.
23 Howard can you talk about what annual rent would be
24 for you, if you've calculated that per square foot
25 for a space within the Bedford Union Armory relative

1

2

to the cost that you've been looking at for other

3

spaces if you have been looking to rent other spaces?

4

WILLIAM HOWARD: Sure, our current rent

5

for one fifth of the space that we were advocating

6

for in the armory is approximately 3,200 dollars a

7

month which we were currently paying on Rogers Avenue

8

maybe two blocks from the armory. The space in the

9

armory at six dollars a square foot that will afford

10

us 3,600 square feet of space which will be utilized

11

by not only West Indian American Day Carnival

12

Association but for the Steel Band Association and

13

the Mass Association which is the three organizations

14

that make up the carnival activity over the Labor Day

15

weekend and to be frank with you the Bands now have

16

little to no place to practice and on an average the

17

few warehouses that is left it's in the area of

18

eight, 10,000 dollars a month for June, July, August

19

leading into September so one of.. [cross-talk]

20

COUNCIL MEMBER CUMBO: Is the Bedford

21

Union Armory conducive for practice of the bands?

22

WILLIAM HOWARD: Yes, there will be some

23

space there available for that and we will have a

24

conference area where the bands can alternatively use

25

it for, you know special occasions and things that

1
2 they traditionally do that we cannot get housing for
3 them in the high schools anymore because of other
4 activities that are in the high schools and at Medgar
5 Evers it... we use the auditoriums on an average of
6 about 3,000 dollars for the use of the auditorium so
7 there will be space in the armory where we can in
8 fact some of the bands can rent space on short term
9 basis that will be far less than what we have to pay
10 now in the CUNY system or into the Board of Education
11 system.

12 COUNCIL MEMBER CUMBO: Uh-huh and just in
13 the interest of time for both Heights and... [cross-
14 talk]

15 TED SMITH: New Heights.

16 COUNCIL MEMBER CUMBO: ...Imagine... New
17 Heights, yes, I'm sorry, New Heights and Imagine
18 Swim. Approximately how many children do you
19 anticipate serving or did you anticipate serving
20 should the Bedford Union Armory become a reality,
21 what would be the amount of children that you would
22 be servicing, do you anticipate and... yeah and how
23 would you recruit them, that was the second part of
24 my question?

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

KATE PELATTI: Sure, so by partnering with local schools and keeping that dialogue open we hope to spread the word and incorporate programming for everyone. Our goal would be to reach 1,000 children per week.

COUNCIL MEMBER CUMBO: A thousand people... children per week, uh-huh and for New Heights?

TED SMITH: And for us, you know I think our goal is to serve over, you know 4,000 youth and families throughout the year on an ongoing basis through camps, clinics, tournaments, events and ongoing, you know academic and leadership and, and educational programming.

COUNCIL MEMBER CUMBO: Have you had conversations with Richard Green of the Crown Heights Youth Collective?

TED SMITH: I have, yes.

COUNCIL MEMBER CUMBO: You have?

TED SMITH: Yes, I have.

COUNCIL MEMBER CUMBO: And what have those conversations yielded because I always believe it's important to have existing relationships with long term community based organizations?

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

TED SMITH: Yeah, I, I totally agree, I mean I think for us it's through this process is making sure we know who are the key players and, and that we're going to be impacting youth and families from Crown Heights primarily as the focus.

COUNCIL MEMBER CUMBO: Okay. Okay, that's it.

CHAIRPERSON SALAMANCA: Alright, thank you very much. We have the next panel. We have New York State Senator Jesse Hamilton, Ismene Speliotis, Vaughn Armour, Elliot Roseboro, just, just go right up to the table there, yeah and Mr. Patrick Purcell. Yeah. Patrick Purcell? Okay, alright... Elizabeth Adams, is Elizabeth Adams here? Alright. And Esteban Giron, Esteban here? Alright. Alright, so we'll start with you Ismene, yes, you'll, you'll get two minutes.

ISMENE SPRABBI ELI COHENOTIS: Uh-huh, thank you so much for holding this hearing and congratulations on the baby Council...

COUNCIL MEMBER CUMBO: Thank you.

ISMENE SPELIOTIS: So, I... I've testified many times with regard to the Bedford Armory and I wanted to echo many of the questions and concerns that the council had and I want to thank you very

1
2 much for your questions of the developer and I just
3 want to... before I start I just want to say what was
4 really disturbing in the conversation was kind of
5 when it's okay to change with the times and when it's
6 not, you know so your question about homelessness and
7 that there's zero homeless units set aside in this
8 development was an indicator that oh but that was
9 designed under the old plan and then when we talk
10 about priorities changing and how the recreation
11 center may have been a priority six years ago and
12 then as the housing crisis has exacerbated and Crown
13 Heights has really seen major changes that, that
14 housing has become a priority but we haven't changed
15 with that time. So, again kind of picking and
16 choosing what changes is extremely disturbing in this
17 process for, for me. What I really want to talk about
18 is that we... this is an opportunity and it's going to
19 be an opportunity lost if we don't actually do what
20 you're asking and what I'm specifically speaking
21 about is that there is absolutely no reason why this
22 development on public land cannot be 100 percent
23 affordable, okay and again the word affordable is
24 completely meaningless, okay and I have included in
25 my testimony real numbers and alternative scenarios

1
2 that would allow homeless set aside and incomes from
3 25 percent of Area Median Income up to 130 percent of
4 median income understanding that the neighborhood has
5 in fact changed and, and, and you want to accommodate
6 that. What I really also want to talk about we're in
7 a time of fair housing and we've talked about
8 integrating neighborhoods and I...

9 CHAIRPERSON SALAMANCA: You, you can just
10 wrap up.

11 ISMENE SPELIOTIS: Okay, integrating
12 neighborhoods and the fact of the matter is on public
13 land we have an opportunity to make sure that the
14 neighborhood of Crown Heights remains economically
15 and racially diverse. We can't control private land,
16 we can control public land and if you look at the
17 statistics that I gave you in these documents you
18 will see that there's been a change in Crown Heights;
19 an economic change, a racial change and I, I don't
20 want to get hyperbolic but you know as neighborhoods
21 change they become whiter but what we see I've given
22 you examples of Crown Heights type neighborhoods and
23 I've given you examples of kind of historically
24 higher income white neighborhoods. What we find is
25 that the black neighborhoods are going white and

1

2 higher income, but the white neighborhoods are not
3 going black and lower income and so there is... I, I
4 just feel like there isn't a balance being created in
5 the city and, so we have to create that balance and
6 our place to create it is on public land. Thank you.

7

8 CHAIRPERSON SALAMANCA: Thank you, next
up we have Mr. Vaughn Armour.

9

10 VAUGHN ARMOUR: Good afternoon Chair and
its council members. I just want to... I just want to
11 say that I live in Crown Heights, I'm a member of New
12 York Communities for Change and the Councilwoman
13 Laurie brought out the fact that the gentrification
14 that's going on in Crown Heights big time and I'm
15 feeling the effects of it immediately, the Bedford
16 Union Armory they haven't even hit a shovel yet and I
17 have another development in my building which my
18 landlord sold to Treetop Development Corporation.
19 These private entities are coming in our community
20 and building up townhouses and condos or they're
21 going to low, low income communities and they buy the
22 buildings from these landlords knowing that the
23 buildings do need work so what they do especially
24 Treetop Development what they do is they go into
25 buildings that's built without firewalls where they

1
2 can get out of the apartments and bring them up to
3 market value and rent them out as market value and
4 then meanwhile in my building the tenants, our
5 organizers of both buildings and the tenants are
6 standing up against Treetop Development and, and
7 doing management because they come in and they gut
8 out everything and then meanwhile the, the people
9 that lived there for 30, 40 years they're apartments
10 are... nothing is being done on their apartments and
11 I'll be a fool to go out and organize other buildings
12 and I can't organize my building against these
13 disrespectful, disrespectful landlords and developers
14 and I want to thank Laurie for standing up against
15 Beg for... Beg, Beg for Crown Heights, BFC, that's my
16 slogan, Beg for Crown Heights and it hurts, you know
17 and last year my companion died of 16 years, my
18 landlord turned around and the very next day and
19 asked me and my son what are we going to do about the
20 apartment where he knows that he can get the
21 apartment and raise the rent so we need, need... we
22 need to get rid of incentives like vacancy, vacancy
23 bonus for the landlords, we need stronger written
24 laws. Thank you.

25

1

2

3

CHAIRPERSON SALAMANCA: Thank you, Mr. Elliot Roseboro.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

ELLIOT SKIP ROSEBORO: Thank you. I'm Skip Roseboro, I'm a, a member of New York Communities for Change. First I want to ask two questions to Councilman Laurie Cumbo, the city council and Mayor De Blasio, what are the ongoing benefits to the current residents of Crown Heights? What are the ongoing benefits of this plan to residents of Crown Heights and I, I specify ongoing because they disappear, what... the, the few carrots that they offer disappear within a few... a few years and sometimes sooner? Alright, number two, if the local Crown Heights community was given the same exact considerations that BFC developers being offered this would assure that the sports complex would be built and would be... remain accessible and affordable and permanent, permanently to the local community, it also would allow non-profit organizations to have lower than market rates for as long as it benefits the community not until the developer deems it not profitable. So, the question is if this would be done under a community land trust and community control why would the current BFC plan

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

be better or even considered? The current proposed plan would usually accelerate the rents of apartments and affordable neighborhood stores thereby gentrifying the neighborhood years sooner than if it was not... the project was not built at all. Further most of the 100 million in yearly profit proposed would leave the community and never be seen again whereas a land trust... land trust profits would be re-invested into the project and community. As a community controlled land trust... excuse me... the community would decide how much would... of the project would... should... would remain affordable that profits never be become part of the equation and that the housing and sports complex will always be affordable. Let me end by saying that morally and, and as elected agents of the public you have a responsibility to help, help the community keep control of their community but even more, more importantly to have control of their own futures, your responsibility in no way stems to BFC particularly when it comes to a plan that will destroy Crown Heights as we know it.

CHAIRPERSON SALAMANCA: Thank you, next up Elizabeth Adams.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

ELIZABETH ADAMS: Thank you. I ask the Council to kill the deal, the deal gives away public land to a private development firm BFC to build no affordable units as we've heard affordability appropriately defined in the midst of our rapidly gentrifying working-class neighborhood where soaring rents and unprosecuted criminal landlords are pushing long term residents out and into our homeless crisis everyday all to line the pockets of BFC who's principle is also a major Trump donor. This deal makes our public land fund displacement, homelessness and Trump 20/20. The city planning board and the Mayor... and Mayor De Blasio for shame, like this is no less than New York City modern day redlining. Against community board nine and the Borough President Adam's unanimous opposition the city planning commission voted 11 to 1 favor of displacement, homelessness and privatization of public assets. Their absurd argument was that because no one currently lives in the armory there would be no, no displacement and such feigned ignorance of what luxury condos do to neighborhood rents is not fooling anyone. Why does the Mayor's vision for housing, why is it so prosthetically limited, this land is our land, we have 60,000

1
2 homeless New Yorkers who need long term housing not
3 shelters, respect the overwhelming position of the
4 residents of Crown Heights and kill the deal. All the
5 non-profits who spoke in favor if you value your
6 current clients understand that they will be forced
7 out by this deal, you will have richer, whiter
8 clients. If you care about the current community you
9 serve you have to oppose the deal, if you support the
10 deal you support their displacement, start over, new...
11 ULURP, new RFP, make our vision, don't cave to stunk
12 cost fallacy. When you go to bed you can think I gave
13 myself more work, but I did the right thing, don't
14 sell us out, think big, kill the deal and start over.

15 CHAIRPERSON SALAMANCA: Thank you, you
16 have questions?

17 COUNCIL MEMBER CUMBO: Just comments
18 because he asked questions, we don't traditionally
19 take questions from the panel, but I did want to
20 address the, the questions that you asked as well as
21 the last statement as well. The deal that you've
22 heard that has been proposed here is a deal that I
23 can speak right now for the council this was not a
24 deal that this council can support, EDC has
25 testified, the administration has come forward, they

1
2 have not brought forward any elements of this project
3 that we believe that we could support, it's up to
4 them to go back to the drawing board and come up with
5 a substantial answer to the questions that have been
6 brought forward over the last six years and so we are
7 not going to support a project as you said that is
8 going to gentrify the very community that we're
9 looking to sustain and as your Council Member, as the
10 leader of the community I would not support a project
11 that would push out long term residents with luxury
12 condominiums, a lack of real low income housing that
13 provides an answer to the homeless shelter crisis
14 that's happening in our community and so to that know
15 that this council is not supporting that project,
16 know that we have to have real tangible answers and
17 results, know that the administration has the onus
18 now on them to have heard what has been said and to
19 bring forward real solutions and even when we hear
20 those real solutions they may not reach what the
21 community still needs but we don't want to have an
22 asset like the armory lost in an attempt to create a
23 recreational facility for the community that the very
24 residents that we built it for will never be able to
25 utilize because they don't live here any longer. So,

1

2 I thank you for your testimony and I thank you for
3 your questions.

4

CHAIRPERSON SALAMANCA: Thank you. So,
5 the next panel up we'll have Miss Lisa G. from CAMBA,
6 Renee Smith, Martin Allen, Ramon Vuelta, and Rabbi
7 Eli Cohen. Okay, so we're going to start with Miss
8 Lisa G. from CAMBA, if you can just state your name
9 before you start, and you have two minutes. Press,
10 press the button.

11

LISA GOWEN: Sorry. Good afternoon, I'd
12 like to thank the committee for giving us this
13 opportunity to discuss the future of the Bedford
14 Union Armory. CAMBA is proud to support the
15 redevelopment of the Bedford Union Armory and we are
16 excited about our role in managing the proposed
17 recreational center and head house space which will
18 serve a critical need in the Crown Heights community.
19 As one of Brooklyn's most active non-profit
20 organizations... [cross-talk]

21

COUNCIL MEMBER CUMBO: Can you speak more
22 into the mic?

23

LISA GOWEN: Sure. Is this better? Okay.
24 As one of Brooklyn's most active non-profit
25 organizations we are thrilled to be part of a project

1
2 that will bring much needed recreational space,
3 community event space and affordable office space to
4 a neighborhood that has been historically
5 underserved. As Manager of the proposed rec center
6 and revitalized head house, our number one goal is to
7 provide a state of the art recreational facility,
8 flexible event space and affordable office space,
9 this includes encouraging the kind of programming
10 that delivers services and activities that Crown
11 Heights residents want to see in their community. we
12 try to create holistic programs defined by what the
13 community wants, attract young people's attention,
14 allow them to develop leadership skills, challenge
15 them and help them to learn something new. While we
16 are excited to be working with several organizations
17 that are already planned to operate in these spaces
18 we want to be clear that we are continuing to craft
19 the processes and protocols with regard to future
20 programming for the armory. As we have said many
21 times we have been and will continue to take
22 community feedback on how they want this space to be
23 run and programmed. We know from our local experience
24 in economic development, education youth services and
25 family support that community feedback is vital to

1
2 the success of any project. That is why we are so
3 committed to continuing to receive feedback and using
4 that to shape our approach to programming the space
5 and working alongside the development team of BFC. We
6 would be happy to answer any questions.

7 CHAIRPERSON SALAMANCA: Thank you very
8 much, next up Miss Renee Smith.

9 RENEESMITH: Good afternoon. My name is
10 Renee Smith and I currently serve as the Associate
11 Executive Director at Ifetato Cultural Arts Academy.
12 Thank you for this opportunity to speak. Ifetayo
13 Cultural Arts Academy is a community based arts and
14 cultural organization dedicated to supporting the
15 creative educational and professional development of
16 youth of African descent in Central Brooklyn and the
17 surrounding areas. Ifetayo leverages arts and
18 cultural learning to increase self-awareness, inspire
19 civic engagement and provide a platform for self and
20 collective expression. Ifetayo serves over 2,000
21 students annually through onsite and in school
22 programs and an additional 5,000 youth and families
23 through affiliated programs and public performances.
24 Ifetayo is Yoruba word that means love is enough for
25 joy and it captures the nurturing and healing

1
2 approach to empowering youth and redefining community
3 development. Our programs are culturally sound, and
4 they achieve results, over 90 percent of our
5 graduating high school seniors enroll in college and
6 90 percent of them are accepted to college and are
7 able to graduate with the... with the assistance of our
8 financial education institute and individual
9 development program. Our students are more likely to
10 engage in community activism and less likely to be
11 involved in violent incidents due to their engagement
12 in culturally relevant activities and for 29 years we
13 have served youth ages two through 18, adults and
14 their families and as a result our families remain
15 engaged in programming on an average of five years or
16 more and through multiple generations. We have been
17 seeking a permanent home located within the
18 communities which we serve for the past 20 years and
19 have had to use creative solutions in order to remain
20 accessible to our families. Over the years
21 programming has occurred in a hospital, a day-K
22 center, a duplex apartment and in public schools
23 because we haven't been able to find a more permanent
24 affordable and sustainable option due to the increase
25 in commercial rents which makes it impossible for

1
2 non-profits to remain in the communities in which
3 they serve in central Brooklyn. May I continue?

4 CHAIRPERSON SALAMANCA: You can wrap up.

5 RENEE SMITH: Okay. The historical
6 undercapitalization of organizations operated by
7 people of color has now prompted a sustainability
8 crisis at a critical time for under resourced
9 communities especially with our current social and
10 political climate we believe that affordable housing
11 and community spaces should be the highest priority
12 for authentic service, healing and transform... and the
13 transformation of community. We're looking forward to
14 being able to participate in this project.

15 CHAIRPERSON SALAMANCA: Thank you, our
16 next speaker is Mr. Martin Allen.

17 MARTIN ALLEN: Thank you, my name is
18 Martin Allen and I'm President of People for
19 Political and Economic Empowerment. I've been to a
20 dozen of these meetings about this project, I'm for
21 the project but I'm also for what's fair for also...
22 for affordable housing but my main thing is that we
23 work with the hard to employ. Me, myself I'm an ex-
24 con and I work with ex-con's and, and youth in the
25 community, I, I lived in Crown Heights at 270 Crown

1
2 Street right across from Medgar Evers, I went to jail
3 from there, I've been in jail half of my life, when I
4 came out... I got to speak highly of people that
5 stepped forward to help me and that was BFC. When I
6 came out of jail in 2000 BFC gave me a, a hand that
7 changed my whole life, I ain't been in jail in the
8 last 17 years and out of my whole life I was in jail
9 my whole life, so people need the opportunity in
10 their community. I know a lot of brothers and sisters
11 that's in Crown Heights still. I'm not in Crown
12 Heights no more, I'm in Bedford Stuyvesant but I help
13 people from all communities. On BFC's projects before
14 downtown Brooklyn at the Tower, I employed people
15 from Coney Island, Brownsville, Crown Heights, East
16 New York, White Cord Projects, Fort Greene Projects,
17 Marcy. So, a lot of these jobs are... this job
18 particularly is going to be prevailing wages, there's
19 a lot of things that's not right with this... with,
20 with the program that's been set up but the
21 Councilwoman is a strong woman, I, I heard her speak
22 on a number of occasions at a number of different
23 town hall meetings and I just ask you all to sit at
24 the table, work this thing out because there's people
25 in that community that need it because it's life

1
2 changing, it, it might stop someone from going back
3 to prison again and that's what we... that's what it's
4 all about to take the kids off the corner, recreation
5 is one thing but jobs is the most important
6 especially when it's prevailing wage from earning 65
7 dollars from the welfare every two weeks and getting
8 a prevailing wage job that pays you 41 dollars an
9 hour, you understand that's a life change and it
10 gives the... a person an opportunity to think and be
11 able to make changes and use that as a step to change
12 his whole life whether he's a plumber or carpenter or
13 welder. I'm in construction so... and I'm also an MBE,
14 city and state but we need to help the people man and
15 we've got to think about the people that don't have
16 and Building... the, the Mayor said that he was going
17 to build affordable housing but they're building
18 shelters and they're building storage houses so what
19 plan do they have for the people that's really in
20 need. Thank you.

21 CHAIRPERSON SALAMANCA: Thank you. Thank
22 you, next up we have Ramon Vuelta.

23 RAMON VUELTA: Yes, I, I work for Mr.
24 Allen and I've been with him for like the last five
25 years. I've worked for BFC, you know on certain sites

1
2 that they've had that they've given him the contracts
3 and I've done security on certain sites and some
4 labor. They give a prevailing wage like... I done most
5 of my life in prison and like not to go back, you
6 know we all need jobs especially in that community in
7 Crown Heights like the lady said, right, there's a
8 lot of young people on the corners, you know smoking
9 weed or doing whatever they need to get opportunities
10 to get jobs like I've had the opportunity now that I
11 didn't have opportunities in the past or I, I didn't
12 even search for opportunities in the past. So, you
13 know Mr. Allen he, he goes out and he speaks at
14 certain places in the community and he pulls these
15 and like BFC may not be perfect, no one is but you'll
16 keep ironing it out with them and try to come to a
17 solution because they do give out jobs and they do
18 give out contracts to Mr. Allen and his company. So,
19 BFC is not... is not like, like the monster that
20 everybody makes him out to be because they do give a
21 prevailing wage and you know that, that helps, that
22 helps a lot from going from welfare, food stamps or
23 whatever to making a decent wage so that you could
24 feed your family, feed yourself, you know and like I
25 said no one's perfect, they're not perfect, they're

1
2 not a perfect company but you'll keep ironing it out
3 with them, give them a chance because nobody else is
4 trying to develop that place, that place is going to
5 stay empty and be an eyesore in the community, if
6 they at least try to invest some money into it or
7 whatever and bring us to it... in there to work, you
8 know because the last job we had in City Point Mr.
9 Allen... they hired 50 of us, every day was... every
10 shift was... on, on the security side was eight, eight
11 guards just under security besides the labor. So,
12 they do work with the community, I'm from the
13 community. Thank you.

14 CHAIRPERSON SALAMANCA: Thank you and
15 then next up we have Rabbi Eli Cohen.

16 RABBI ELI COHEN: Hi, thank you very much
17 for the opportunity and congratulations to our
18 Council Member. I'm speaking both on my own behalf as
19 an over 40 year resident of Crown Heights and as the
20 Executive Director of the... of Crown Heights Jewish
21 Community Council, which is the Council of Synagogues
22 in Crown Heights, which has been in existence for 48
23 years in the community and as far as this project is
24 concerned I want to say that I participated in many
25 of the community discussions that was sponsored by

1
2 EDC and we heard the voices of the community asking
3 for exactly the type of facility that is being
4 offered here, the recreational and the community
5 space and we heard the voice of young people saying
6 that we don't have a roller rink anymore, we don't
7 have a... the movie theaters to go to anymore, even
8 Kings Plaza doesn't like kids coming anymore. So,
9 they don't have places to be except on the streets
10 and this is going to give them a real opportunity to
11 have a place to be productive and all these wonderful
12 organizations that are part of it. We have not been
13 given space inside but we still feel that it's an
14 important benefit to the community and it's very
15 important not to kill the deal because if we kill the
16 deal now when the economy is high we may not get
17 another opportunity when the economy is going to be
18 down by the time this process goes through another
19 six years, another eight years, another ten years of
20 the place sitting unused and without benefit to the
21 community and I say this for all the children of the
22 community and the members of our own community...
23 congregations but also the broader community. We are
24 the sponsors of Project Care, we work very closely
25 with our Council Member to bring the entire community

1
2 together and I can see this space as being a place
3 that brings the entire community together. As far as
4 the housing aspect of it is concerned I trust the
5 Council Member that you'll fight for the best deal
6 that we can get but if we're talking about lack of
7 affordability and the loss of stabilized units I
8 think we really have to look again at that goal of
9 renovating and renovating apartments until we get to
10 the 2,500 magic and there are... people buying out
11 buildings today in the community to get rid of that
12 affordable housing by continually investing in it and
13 getting the higher rents until they go out of
14 stabilization so that's really where we can stave
15 stabilized housing. I think you need to work with
16 them.

17 COUNCIL MEMBER CUMBO: Thank you. Mr.
18 Allen, I have a question for you, so, the role that
19 you have played is that you've developed some sort of
20 company where you connect young men from... young men
21 and women from the community to jobs on local sites?

22 MARTIN ALLEN: Yes, I, I have people
23 working with a lot of... Acadia, BFC, Petrocelli, Nabi
24 and I got a couple of new sites downtown Brooklyn
25 right now... [cross-talk]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

COUNCIL MEMBER CUMBO: And so you're the, the go between, between the local community and bringing individuals onto the work sites for training to do jobs?

MARTIN ALLEN: Yes, we, we, we teach them... we, we break... we go to the street and we get them and they come to our office and we teach them OSHA flagging so that they can have the safety thing under their belt so that when they go on the job they'll know not to take risks on it because some contractors will put people in harm's way and that's what we don't want, we want them to be safe because it's... nothing that's more important than your life not even their job in regard to what you make. So... [cross-talk]

COUNCIL MEMBER CUMBO: So, then in fact you are an entrepreneur and not an ex-con?

MARTIN ALLEN: Oh I... yes, well I guess I... [cross-talk]

COUNCIL MEMBER CUMBO: I don't want you to... [cross-talk]

MARTIN ALLEN: ...turned into that... [cross-talk]

1

2

COUNCIL MEMBER CUMBO: ...wear that... just wanted to be clear about who you are.

4

MARTIN ALLEN: Yes, well I... the reason why I say ex-con is because parole and everybody else they send a letter, people that come out of prison to, to our office to get employment, we don't get any funds from anybody; city, state, or federal government, everything that we do we do because we're going into the community, we earn it, we find the jobs, we support our self, BFC has helped us before giving out turkeys and toys on Christmas for Fort Greene, Gowanus and White... and Bed-Stuyvestan, I forgot about that but the key is I'm not here just speaking for BFC, I'm here speaking for the people of New York because so much... I agree with, so much city land has been stolen from the people... [cross-talk]

18

COUNCIL MEMBER CUMBO: Uh-huh... [cross-talk]

19

20

21

22

23

24

25

MARTIN ALLEN: ...without the people's say so but I got to award BFC because they've been sitting down at the table with the community from the beginning trying to work things out and you've been a, a, a great fighter in that, I listen to you every time that you've spoke at every town hall meeting

1
2 that we went to and yes, we should have more
3 affordable housing included in that but for a person
4 to say that they need condominiums, no contractor is
5 going to build something without trying to make
6 something, you've got to remember they in the
7 business of making money but it's alright for you to
8 make money as long as you take care of the community
9 and that you're making the money in.

10 COUNCIL MEMBER CUMBO: I hear you.

11 MARTIN ALLEN: So, thank you.

12 COUNCIL MEMBER CUMBO: Thank you so much.

13 CHAIRPERSON SALAMANCA: Alright, thank
14 you very much. So, the next panel we have Jonathan
15 Santos Ramos, Jonathan? He had to leave, alright
16 Terrance Knox, Terrance? Justin Sinclair, Justin?
17 Alright, Val Hari, Val Hari, yes awesome and Diamond
18 Calderone, Diamond? Alright. And Esteban Giron, is
19 Esteban here? Skip Rosboro? Alright, we're going to
20 start with Justin Sinclair.

21 JUSTIN SINCLAIR: Alright, good
22 afternoon. My name is Justin Sinclair. I'm here
23 speaking on behalf of my union, 32BJ SEIU. 32BJ is
24 the largest property service union representing
25 nearly 85,000 members in New York and nearly 400

1
2 members that live in the community district nine.
3 32BJ members maintain clean... maintain clean and
4 provide security services in schools, commercial and
5 residential buildings both market rate and affordable
6 all across the five boroughs including at projects
7 like the proposed Bedford Courts. Our union
8 understands the need for real affordable housing in
9 community district nine. The current plan for this
10 development will create 160 new affordable apartments
11 for low income and middle-class families where there
12 currently are none. We believe that as the project
13 goes through the approval process and is shaped by
14 more input from the community this plan will only get
15 better. I would also like to highlight that the
16 development team has committed to providing the
17 community with good quality permanent building
18 service jobs, these jobs will pay family sustaining
19 wages and will provide good benefits for local
20 residents. The developers have also committed to
21 staffing half of the permanent jobs with low income
22 residents and creating a new job training program
23 that will help Crown Heights residents to enter into
24 careers and building service. These jobs can help
25 local residents out of poverty and allow the workers

1
2 to support their families and to continue to call
3 Brooklyn home. We need both affordable housing and
4 good jobs. As long as there are hardworking people
5 earning too little to afford the rising housing cost
6 families are going to continue getting priced out of
7 their homes and the affordable housing crisis will
8 continue. Projects like Bedford Courts can provide
9 both, this is why 32BJ supports BFC's redevelopment
10 of the Bedford Union Armory. We need to ensure that
11 Crown Heights continues to be home to families of
12 different income levels and our union will keep
13 working to protect the diversity that makes this
14 neighborhood great. Thank you.

15 CHAIRPERSON SALAMANCA: Thank you, next
16 up we have Val Hari.

17 VAL HARI: Good afternoon Chairman
18 Salamanca, Council Member Cumbo and committee
19 members. The local development corporation of Crown
20 Heights has developed, owned and managed low income,
21 senior, and homeless transitional housing since 1987.
22 We own and operate eight residential developments in
23 central Brooklyn consisting of 23 buildings with over
24 700 units of housing. As such with those years of
25 experience in residential development in Crown

1
2 Heights and neighboring communities we are in the
3 uniquely strong position to speak on this subject. In
4 addition, I've been in the community, in central
5 Brooklyn, in, in Crown Heights for more than 40 years
6 and I remember when this subject first came up a long
7 time ago and there was no one around to do... to do
8 this development. The Bedford Armory facility, the
9 Bed... facility, community space, affordable housing,
10 affordable office space for local non-profits all of
11 which are much needed and long sought after as well
12 as community reinvestment funding are what we get out
13 of this project. We support the Bedford Union Armory,
14 Armory project because it will provide housing to
15 serve a diverse mix of families including those at
16 lower and middle incomes. As vital as it is to
17 provide low income housing it is also imperative that
18 new housing is not segregated by narrow income levels
19 that divide neighborhoods and community. history has
20 shown those models are a recipe for disaster. Added
21 to the equation is the additional benefit that the
22 project developers are instituting an affordable
23 housing fund that will continue to build and preserve
24 more low income and affordable apartments in Crown
25 Heights. Part of the LDC and BFC partners are

1
2 committed to the creation of a new affordable housing
3 fund that will reinvest some of the proceeds from the
4 project into low income housing throughout Crown
5 Heights. Few of the new large developments in our
6 communities have included a significant reinvestment
7 program such as this. In closing I, I am also
8 submitting 400 plus letters from community residents
9 in Crown Heights in support of this... of this project.
10 It shows that this... that the community is not a
11 otolithic community but a diverse community that
12 needs representation and, and our services for all
13 income bands. Thank you.

14 CHAIRPERSON SALAMANCA: Thank you and
15 finally we have Diamond Calderone.

16 DIAMOND CALDERONE: Good afternoon, my
17 name is Diamond Calderone and I'm speaking on behalf
18 of Maurice Reed, Deacon of the First Baptist Church.
19 Over the last 10 years since rejoining the community
20 effort led by the late Congressman Major Owens and to
21 develop the Bedford Union Armory, I have spoken to
22 many residents and attended several community meeting
23 in which the community has led... laid out its desire
24 several... this... its desire to develop the armory in a
25 matter that provides recreation of facilities,

1
2 affordable housing, a home for local services.. local
3 social services, medical services, and cultural
4 organizations and jobs for the local residents. We
5 now have a plan... I'm sorry, we now have a plan before
6 us that goes a very long way towards fulfilling those
7 demands of the community however it needs
8 modification. During the new few months we will
9 expect to see the areas of change that is necessary
10 to ensure that the final plan achieves the goals
11 presented by the community. despite the fact that it
12 addresses most of the elements demanded in the past,
13 there are those who are threatening, threatening to
14 turn away rather than fix the development plans. We
15 cannot allow this opportunity to slip away, we must
16 do all that we can to ensure that the Bedford Union
17 Armory development with necessary improvements will
18 go forward to help revitalize our community. This
19 space has been vacant for too many years even as
20 Crown Heights neighborhood groups struggle to find
21 quality, affordable event space, let's work together
22 to ensure that this development plan with reasonable
23 modifications is implemented and the armory is
24 converted from an eyesore into a sustainable
25 community treasure. The, the proposed recreation

1
2 center will provide opportunities for youth sports
3 leagues, after school programs and senior activities
4 that our community so sorely lacks, free and
5 discounted recreational programming, programming will
6 be provided. It will also support antiviolent efforts
7 by providing young people with a safe place to
8 gather, play sports, and build life skills. The
9 center will include three multi-sport courts, three
10 hardwood base... basketball courts and an indoor
11 athletic field and a 25 meter competitive swimming
12 pool. The armory's recreation center will also
13 provide the perfect space for student athletes from
14 our local public schools and young sports leagues.
15 The affordable office space at the complex will
16 provide permanent houses for some of our most
17 important non-profit community based organizations
18 particularly those long serving groups that have
19 historically supported Crown Heights low income
20 communities. These organizations serve thousands of
21 people each year but need an adequate facility, the
22 armory development will provide that affordable
23 space. These non-profits will also provide academic
24 tutoring and college prep services that will
25 perfectly compliment the after-school sports. The

1
2 program.. the program.. the project will also include a
3 500-seat event space that will be available to local
4 residents and community organizations at affordable
5 rates. This new community space will be an important
6 place for holding performances, large meetings and
7 other activities that serve the central Brooklyn
8 neighborhoods. Finally, as.. the development of the
9 Bedford Union Armory that will provide rental housing
10 to serve a diverse mix of families including those at
11 low and middle income.. middle income levels. Although
12 it is vital to provide housing that is truly
13 affordable to, to, to current residents of Crown
14 Heights it is also imperative that new housing is not
15 segregated to narrow income levels however the
16 project should not include luxury condominiums at the
17 expense of it providing more truly affordable
18 housing. Further we support the plan of the
19 developers to institute an affordable housing fund
20 that will continue to build and preserve more low-
21 income apartments in Crown Heights and we urge the
22 inclusive of, of federally qualified health center to
23 provide 21st century medical services to all of our
24 neighborhoods. In conclusion completing the new
25 armory will create new resources for the people and

1
2 organizations that have been in Crown Heights for
3 decades and have made our community what it is and
4 will serve as a template for future sustainable
5 developments. Thank you.

6 COUNCIL MEMBER CUMBO: Thank you. I want
7 to thank all of our panelists, that was our last
8 panel. I want to thank everyone that has been here
9 today that has participated, that has testified. I
10 want to thank on our staff Raju Mann, I want to thank
11 Brian Paul, Julie Lubin, Amy Leviton, I want to thank
12 Chair Salamanca, all the members of the committee and
13 I want to thank all of you for giving of your time,
14 this is a critically important issue, the future of
15 our community certainly depends upon it and I thank
16 people for their passion, their concerns and their
17 ability to create something for the next generation.
18 I also find it very interesting to see who appears to
19 speak up and about the armory and who doesn't before
20 and after an election cycle, it's very telling, it's
21 very interesting and I'm glad that we're able to move
22 forward in a spirit of hearing one another, speaking
23 to one another and being respectful in one another in
24 terms of moving our community forward. Thank you
25 Chair Salamanca and I'll turn it back to you.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRPERSON SALAMANCA: Thank you Council Member. Are there any members in the public who wish to testify who have not done so? Alright, seeing none I am now closing the public hearings on LU's 808 through 812. I want to thank the council and the land use staff for preparing today's hearing and the members of the public and my colleagues for attending. This meeting is hereby adjourned.

[gavel]

C E R T I F I C A T E

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



Date

November 24, 2017