

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

Subcommittee on Planning,
Dispositions and Concessions

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July 17, 2018
Start: 2:00 p.m.
Recess: 2:58 p.m.

HELD AT: Committee Room - City Hall

B E F O R E: Ben Kallos
Chairperson

COUNCIL MEMBERS:
Chaim M. Deutsch
Ruben Diaz, Sr.
Vanessa L. Gibson
Andy L. King

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

Mark Weprin
Greenberg Traurig

Dan Egers
Greenberg Land Use Attorney

Artie Pearson [sp?]
Director of Land Use at HPD

Carolyn Williams

Jacqueline Arango [sp?]
Akerman LLP

Ed Brown
Team Brown Consulting

Phillip Kellogg
Fulton Business Alliance

Lacy Talbot [sp?]

Kenneth Morrison
Lamar Realty Corporation

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2 COUNCIL MEMBER DEUTSCH: Ready? [gavel]

3 Good afternoon and welcome to Subcommittee on
4 Planning, Dispositions and Concessions. I'm Council
5 Member Chaim Deutsch, and I will be filling in today
6 for Chair Kallos who could not be here today. We are
7 joined with Council Member Rich-- Donovan Richards,
8 and today we will-- today we'll also be holding
9 hearings on many projects. If you're here to testify
10 on any item on the calendar, please fill out a white
11 speaker slip with the Sergeants in Arms, and indicate
12 the LU number or project name of the item you wish to
13 testify on, on that slip. We will begin with LU 155,
14 the North Conduit [sic] de-mapping for property
15 located at 219-01-219-25 North Conduit Avenue in
16 Council Member Richards' district in Queens. This
17 application is to de-map a portion of city-owned
18 streets and sell it to the adjacent property owner to
19 use as parking area for commercial business. I now
20 open the public hearing to LU 155, and we have people
21 to testify. So, I would ask the Council to swear in
22 the applicants.

23 COMMITTEE COUNSEL: Please raise your
24 right hand. Do you affirm to tell the truth, the
25 whole truth and nothing but the truth in your

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2 testimony before the Subcommittee and in answer to
3 all Council Member questions?

4 DAN EGGERS: I do.

5 MARK WEPRIN: I do. We will be as brief
6 as possible. I'm Mark Weprin from Greenberg Traurig.
7 I'm joined by Dan Egers who is our Zoning Attorney at
8 Greenberg Traurig. This is, as we mentioned, a de-
9 mapping in Council Member Richards' district right
10 near where Donovan Richards III goes to preschool.
11 I'd like to call on Mr. Egers now to go through the
12 presentation.

13 DAN EGGERS: Thank you, Mr. Weprin.

14 Councilman Deutsch, Councilman Richards, good
15 afternoon. Dan Egers, Land Use Attorney at Greenberg
16 Traurig. I'm representing 219-25 LLC., the owner of
17 21901 to 21925 North Conduit Avenue. It's located on
18 the eastside of Springfield Boulevard near the Belt
19 Parkway in Queens Community District 13. This is the
20 Conduit Plaza Shopping Center which my client
21 developed in 2013. The buildings are on the property
22 that my client owns. Most of the accessory parking
23 area, however, is a mapped, but unbuilt portion of
24 North Conduit Avenue that my client has been
25 licensing through the Department of Citywide

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 6

2 Administrative Services since 2012. Since the
3 license is temporary in order for my client to be
4 able to provide parking on a permanent basis, we've
5 applied to de-map and have the parking area disposed
6 to my client. The parking area is 15,357 square
7 feet. At the request of DOT, we're also seeking to
8 de-map an approximately 3,300 square foot portion to
9 the east of the property, so the total area proposed
10 to be de-mapped is 18,656 square feet. Here is the
11 application map showing the proposed change to the
12 City map. The area to be mapped is outlined. As
13 mentioned, the area to be mapped is currently used
14 for permitted accessory parking, which is as-of-
15 right, and if de-mapped it'll continue to be used for
16 parking; no development is proposed. This area now
17 has 42 parking spaces. There are an additional eight
18 parking spaces on the site. So there's a total of 50
19 parking spaces currently. As a condition for the de-
20 mapping and sale to our client, DOT has requested
21 certain improvements to the parking area which are
22 shown here on this illustrative diagram. These
23 primarily involve changes in curb cut, location, and
24 configuration, and the addition of landscaping around
25 the parking area. With these changes, the total

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 7
2 number of spaces would reduce from 50 to 47. In sum,
3 this application would allow the area to continue to
4 be used for parking permanently with improved curb
5 cuts and landscaping. I ask for your favorable
6 consideration and welcome any questions. Thank you.

7 COUNCIL MEMBER DEUTSCH: Thank you. Any
8 questions?

9 COUNCIL MEMBER RICHARDS: Two questions.
10 So, obviously I had concerns with the triangular part
11 of the lot-- well, I guess the whole lot is
12 triangular, but the portion of 144th Avenue that
13 wouldn't be a part of this application. Can you
14 speak to any conversations you may have had with DOT
15 or may not have had, and how could we be helpful in
16 that conversation? And then obviously tree planting
17 is something the neighborhood brought up, so you can
18 just speak a little bit on the record of what we plan
19 to do there.

20 DAN EGGERS: I'll be happy to speak about
21 that, Councilman. So, this area has been included in
22 the de-mapping application at the request of DOT.
23 We've reached out to the Law Department in the course
24 of beginning to draft the mapping agreement that
25 would actually provide for the disposition of the

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 8

2 area, and we were advised that DOT at this point has
3 no plans for the disposition of the area, but we
4 would welcome any assistance your office could
5 provide so that we could have a productive
6 conversation with DOT. Because after all, it's in
7 our client's interest to make sure that that area is
8 maintained and has an attractive appearance, since
9 his property is adjacent to it. So, that's something
10 that we would welcome, and as for the planting of
11 street trees along the Springfield Boulevard at 144th
12 Avenue frontages of the property. We would also
13 welcome the opportunity to potentially partner with
14 the Springfield Gardens High School to provide
15 students and opportunity to plant street trees and
16 then be responsible for maintaining them, either
17 street trees or some other sort of vegetation along
18 those frontages.

19 COUNCIL MEMBER RICHARDS: Thank you, Mr.
20 Chair. Thank you. Thank you for your work on this.

21 MARK WEPRIN: Thank you.

22 COUNCIL MEMBER RICHARDS: Thank you for
23 acknowledging my son's daycare, which is not too far
24 from there. Thank you.

25

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2 COUNCIL MEMBER DEUTSCH: Thank you. Are
3 there any members of the public--

4 COUNCIL MEMBER RICHARDS: [interposing]
5 Perhaps--

6 COUNCIL MEMBER DEUTSCH: [interposing] who
7 wish to--

8 COUNCIL MEMBER RICHARDS: He could
9 perhaps help you plant some of the trees. Alright,
10 thank you.

11 COUNCIL MEMBER DEUTSCH: Right. Thank
12 you. Any members of the public wish to testify?
13 Okay, so seeing none, I will now close the public
14 hearing on this application, and it will be laid
15 over. Thank you very much. We will continue with
16 the public hearing on LU 159, the 490 East 181st
17 Street application for property located in Council
18 Member Torres' district in the Bronx. HPD seeks
19 approval of a new Article XI tax exemption for a
20 period of 40 years pursuant to Section 577 of the
21 Private Housing Finance Law. The subject property is
22 an existing 24-unit residential cooperative building
23 for low-income households with 23 occupied and one
24 vacant unit. The prior tax exemption would be
25 terminated. I now open the public hearing on this

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 10
2 application, and-- okay. And ask the Counsel to
3 administer the oath to these applications-- these
4 applicants.

5 COMMITTEE COUNSEL: Please raise your
6 right hand. Do you affirm to tell the truth, the
7 whole truth and nothing but the truth in your
8 testimony before this Subcommittee and in answer to
9 all Subcommittee-- all member questions?

10 UNIDENTIFIED: Yes.

11 UNIDENTIFIED: Yes.

12 UNIDENTIFIED: We have a lot on the
13 agenda today.

14 COUNCIL MEMBER DEUTSCH: Take your time.
15 It's raining outside. We have nowhere to go.

16 ARTIE PEARSON: Afternoon, Chair. My
17 name is Artie Pearson [sp?], Director of Land Use
18 from HPD. Land Use Number 159 consists of an
19 exemption area containing one privately-owned
20 building located at 490 East 181st Street in the
21 Bronx, Council District 15. This property is a
22 candidate for round 10 of the third-party transfer
23 program interim foreclosure action number 53 for
24 which HPD is seeking Article XI tax benefits. 490
25 East 181st Street was taken into city ownership in

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 11
2 1978 and subsequently entered into the Tenant Interim
3 Lease Program. On June 28th, 1991 conveyed the
4 property to the existing occupants of the low-income
5 cooperative with household AMIs capped at-- by the
6 maintenance and utility formula outlined in Section
7 576, Article XI of the Private House and Finance Law.
8 The building contains a total of 24 residential units
9 with one vacancy and comprises 10-- I'm sorry-- 10
10 one-bedroom apartments, 10-- what's this? Ten one-
11 bedroom apartments, right, 12 two-bedroom apartments,
12 and five three-bedroom apartments. Currently, the
13 properties in the TPT program as it meets the
14 criteria which includes municipal arears more than
15 one year old. Some of the reasons that contributed
16 to the building's candidacy including the passing of
17 some of the original shareholders, some who have
18 moved out of the property, and some shareholders who
19 refuse to pay maintenance. Therefore with your
20 resources, CHDFC was forced-- was faced with
21 operating deficiencies. Currently, the HDFC has
22 taken to rectify their situation by entering into a
23 payment agreement with DEP arears and initiating
24 court actions. The Board has also increased the rent
25 and maintenance fees as well as require 200 dollars

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 12
2 per residential unit be designated annually to the
3 building's reserve funds in order to meet the
4 financial obligations of the building to maintain
5 solvency. In order to help maintain continued
6 affordability and stability in the building, HPD is
7 before the Council seeking retroactive tax benefits
8 dating from 2000 for a term of 40 years that will
9 coincide with a regulatory agreement which also
10 mandates the annual maintenance increases among other
11 requirements such as hire a third-party manager.
12 Approval of the tax exemption will facilitate removal
13 of 490 East 181st Street, HDFC from consideration as
14 a candidate of round 10 of the third-party transfer
15 program, thus providing for long-term affordability--
16 long-term home ownership by the shareholders. Sorry.
17 That's it [sic].

18 COUNCIL MEMBER DEUTSCH: Thank you.
19 Anybody else? Okay, so I believe Council Member
20 Torres supports this project. Anyone else to
21 testify? Seeing none. So, I guess you are
22 dismissed. Alright, seeing none, I close the public
23 hearing on this application, and we will proceed to
24 the next-- okay. You're testifying again? Okay.
25 Alright, now we're going to be hearing on LU 160, the

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 13
2 1103 Franklin Avenue Tax Exemption Application for
3 property located in Council Member Gibson's district
4 in the Bronx. HPD seeks approval of a new 40 Article
5 XI tax exemption for an existing 20-unit co-op for
6 low-income families with 14 occupied and six vacant
7 units. The prior tax exemption would be terminated,
8 and I open the public hearing on this application,
9 and I guess you don't have to-- no? Okay. So, you
10 can go ahead.

11 ARTIE PEARSON: Okay. Land Use Number
12 160 consists of an exemption area containing one
13 privately-owned because located 1103 Franklin Avenue
14 in Bronx Council District 16. It is also a candidate
15 for round 10 of the third-party transfer program,
16 interim [sic] action number 53 for which HPD is
17 seeking Article XI tax benefits. This building was
18 taken into City ownership in 1982 when it also
19 entered into the TIL program. And on October 7th,
20 1992, HPD conveyed the property to the existing
21 occupant as a low-income cooperative under Section
22 576 of Article XI of the Private Housing Finance Law.
23 This building contains 20 residential units and is
24 partially occupied and comprises 10 one-bedrooms and
25 10 two-bedrooms. This building is in Round 10

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 14
2 because it meets the criteria which includes some
3 municipal arears, and under some of the same
4 situations this building went into the third-party
5 transfer program because some of the original
6 occupants had passed away. Others moved out, and
7 others refused to pay their maintenance. This HDPC2
8 has taken steps to rectify their situation, and they
9 entered into a payment agreement with DEP. They have
10 increased the rents and maintenance fees as well as
11 required 200 dollars per residential unit--
12 residential units be designated for the building's
13 reserve. So, in order for the building to meet their
14 financial obligations, though, they agreed to do
15 those things. The Board has hired an experienced
16 property manager, and together they've developed a
17 plan to make routine repairs and outline a capital
18 improvement program that will help maintain the
19 building into the future. So, again, in order to
20 help maintain affordability and stability of this
21 building, HPD is before the Council seeking tax
22 benefits for a term of 40 years that will coincide
23 with a regulatory agreement as well as some other
24 items such as hired a third-party manager. Approval
25 of the tax exemption will facilitate removal of 1103

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 15

2 Franklin Avenue from consideration as a candidate for

3 Round 10 of the third-party transfer program,

4 providing for long-term home ownership by the

5 shareholders. Thank you.

6 COUNCIL MEMBER DEUTSCH: Thank you very

7 much. This application is supported by Council

8 Member Gibson, and also I'd like to thank the Land

9 Use Committee for the briefing we sent for several

10 hours on these applications. Are there any members

11 of the public who wish to testify? Seeing none, I

12 now close the public hearing on this application.

13 Our next hearing is on Pre-considered LU Friendset

14 Apartments for property located at the 2911 West 36th

15 Street in Council Member Treyger's district in

16 Brooklyn. HPD seeks a partial Article XI tax

17 exemption for a period of 30 years for the existing

18 259-unit building. The prior tax exemption would be

19 terminated. I now open the public hearing of this

20 application, and-- Carolyn Williams, okay. I'm going

21 to ask the Counsel to administer the oath.

22 COMMITTEE COUNSEL: Please raise your

23 right hand. Do you affirm to tell the truth, the

24 whole truth and nothing but the truth?

25 CAROLYN WILLIAMS: Yes.

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2 COMMITTEE COUNSEL: [inaudible] for the
3 applicant.

4 CAROLYN WILLIAMS: I affirm. We have
5 representatives from the sponsor as well that--

6 COUNCIL MEMBER DEUTSCH: So, we got Ellie
7 Devonowitz [sp?], and--

8 COMMITTEE COUNSEL: Please raise your
9 right hand? Do you affirm to tell the truth, the
10 whole truth and nothing but the truth in response to
11 all Council Member questions and your testimony
12 before this subcommittee?

13 CAROLYN WILLIAMS: Okay. This Pre-
14 considered item consists of an exemption area
15 containing one occupied multiple dwelling located at
16 2911 West 36th Street in Brooklyn Council District 47
17 known as Friendset Apartments. The project is a low-
18 income Section 8 development currently owned by an
19 Article V housing redeveloping company approved for
20 disposition by the Board of Estimate on June 23rd,
21 1977. At the time of the disposition, approval of
22 the housing company also received a property tax
23 exemption which is said to expire in July 2019. The
24 building contains a mixture of unit types including
25 241 one-bedroom, 17 two-bedroom, and one

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 17
2 superintendent's unit for a total of 259 residential
3 units as well as four commercial units and one
4 community facility. There is an existing Housing
5 Assistance Program, or HAP, contract with HUD for all
6 the units with the exception of the superintendent's
7 apartment. Under the contract, household incomes do
8 not exceed 80 percent of AMI and tenants pay no more
9 than 36 percent of their income towards rent. Under
10 HPD's HUD Multi-family Program, the current owner
11 will convey the project to a new entity formed under
12 Housing Development Fund Corporation, HDFC. Both the
13 acquisition and rehabilitation of the property will
14 utilize private financing. The HDFC currently has
15 20-year HAP contract which expires in 2034. The
16 owner will also be required to enter into a new HAP
17 contract with HUD for an additional term upon
18 expiration of the current agreement. Eligible
19 tenants will continue to receive Section 8 rental
20 assistance. A moderate rehabilitation is planned for
21 the project that includes work to the façade, common
22 areas, lighting upgrades, installation of
23 surveillance camera, performing electrical work, and
24 upgrades to a portion of the bathrooms and kitchens.
25 There are very few housing code violations, and the

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 18

2 rehab will address any that are outstanding. In
3 order to facilitate redevelopment of the project, HPD
4 is before the Planning Subcommittee seeking approval
5 for the housing company to voluntarily dissolve their
6 status as an Article V, terminate their current tax
7 exemption and enter into a new Article XI tax
8 exemption for a term of 30 years, coinciding with the
9 regulatory agreement. The cumulative value of the
10 tax exemption is approximately \$12,313,665.00. The
11 net present value is approximately \$5,580,453.00.

12 COUNCIL MEMBER DEUTSCH: Anybody else?

13 No. Seeing none. Any questions? First of all,
14 we're joined by Council Member Mark Treyger, and
15 we're also joined-- King is in the house, Council
16 Member Andy King. Any questions from members of the
17 Subcommittee? Council Member Treyger?

18 COUNCIL MEMBER TREYGER: Thank you,

19 Chair, and this is after all, in my district, and
20 this is obviously affordability is very important to
21 me. So, just kind of summarize and crystalize a
22 couple of points. We are talking about preserving
23 the affordability of how many entire units again?

24 Did I hear that number?

25

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2 UNIDENTIFIED: There are 258 rental
3 apartments.

4 COUNCIL MEMBER TREYGER: I think you have
5 to speak into the mic.

6 UNIDENTIFIED: There are 258 rental
7 apartments.

8 COUNCIL MEMBER TREYGER: Is that mic on?
9 Because it has to record. I'm sorry.

10 UNIDENTIFIED: The red light is on.

11 COUNCIL MEMBER TREYGER: Oh, it's on,
12 okay. So, 258 rental apartments, and this action
13 will preserve affordability for what length of time?

14 UNIDENTIFIED: Thirty years.

15 COUNCIL MEMBER TREYGER: Thirty years.

16 And can you just again quickly summarize what
17 improvements will be made to the building as well?

18 UNIDENTIFIED: Sure, there's
19 approximately going to be four million dollars' worth
20 of improvements. Those improvements are going to
21 include the façade, roofing, lighting, surveillance
22 cameras, a portion of the bathrooms and kitchens will
23 be renovated, the AC sleeves as well, and electrical
24 upgrades including some safety issues throughout the
25 building.

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 20

2 COUNCIL MEMBER TREYGER: And with those
3 improvements will there be any types of request for
4 an MCI increase?

5 UNIDENTIFIED: No.

6 COUNCIL MEMBER TREYGER: No. So, these
7 folks will continue to pay what they're paying. This
8 is preserving affordability in those units for 30
9 years. Is that correct?

10 UNIDENTIFIED: Correct.

11 COUNCIL MEMBER TREYGER: Okay, thank you
12 very much.

13 COUNCIL MEMBER DEUTSCH: Thank you,
14 Council Member Treyger. Any members of the public
15 who wish to testify? Seeing none, I now close the
16 public hearing on this application. Thank you.

17 UNIDENTIFIED: Thank you.

18 COUNCIL MEMBER DEUTSCH: We will now
19 continue on LU's 149 and 150, the 1019-1029 Fulton
20 Street application for properties in Council Member
21 Cumbo's district in Brooklyn. The New York City
22 Department of Housing Preservation and Development of
23 Fulton LLC [sic] seek designation of an Urban
24 Development Action Area Project, UDAAP, project
25 approval and disposition approval of city-owned

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 21
2 property at 1027-1029 Fulton Street and Zoning
3 special permit to waive required off-street parking
4 at 1029 Fulton Street. These proposed actions would
5 facilitate the development of an eight-story building
6 with approximately 50 residential units and 6,100
7 square feet of ground-floor commercial retail space
8 to be constructed on the disposition area and six
9 adjacent privately owned lots. I now open the public
10 hearing on this application. I'd like to call-- oh,
11 wow. Lin Zang [sp?], we have Lin Zang, okay. And
12 who we got here?

13 UNIDENTIFIED: Genevieve Michael [sp?].

14 COUNCIL MEMBER DEUTSCH: Okay. Okay, I
15 will now ask the Counsel to swear the applicants.

16 COMMITTEE COUNSEL: Please raise your
17 right hand. Do you affirm to tell the truth, the
18 whole truth and nothing but the truth in your
19 testimony before this committee and in answer to all
20 Subcommittee questions?

21 UNIDENTIFIED: Yes.

22 COUNCIL MEMBER DEUTSCH: [inaudible]

23 UNIDENTIFIED: Great. Land Use numbers
24 149 and 150 are related to uniformed Land Use review
25 procedure actions that pertain to the development of

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 22

2 a mixed-use project known as 1019 Fulton Street in

3 Brooklyn Council District 35. The City is seeking

4 approval of Urban Development Action Area Project

5 designation, approval of the proposed project in

6 disposition of two city-owned vacant lots located at

7 1027 and 1029 Fulton Streets, block 1991, lots two

8 and three, as well as a special permit. Land Use

9 number 149 consists of the proposed development of

10 1019 Fulton Street under HPD's Voluntary Inclusionary

11 Housing Program. Under program guidelines, the

12 sponsor proposes to construct an eight-story

13 residential building containing 15 dwelling units and

14 6,094 square feet of ground-floor retail space. The

15 project area is made up of seven privately owned

16 properties located at block 1991, lots one, four,

17 five, seven, 16, and 106, as well as the City's lots

18 which are lots two and three. While lots two and

19 three had previously received disposition approval by

20 the City Planning Commission in the 1990s. Given

21 their small size and configuration, no appropriate

22 affordable housing program existed at the time.

23 Therefore, the lots remained undeveloped and under

24 the City's ownership. Currently, the sponsor who

25 owns the adjacent private sites submitted a proposal

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 23

2 to HPD for consideration that would incorporate the

3 city-owned sites with the private sites in order to

4 create an assemblage of nine sites to develop the

5 1019 Fulton Street project. As part of LU number

6 149, the newly constructed building will be mixed-use

7 with variety of unit types, including 12 studios, 24

8 one-bedrooms, and 14 two-bedroom apartments. Thirty

9 percent of the units, approximately 15 apartments

10 would be permanently affordable to individuals and

11 households earning a mix of incomes, and would be

12 privately financed. We are still finalizing exact

13 AMIs, but we are targeting 100 AMI and below. The

14 remaining units, approximately 34, would be rented at

15 market rate. Proposed residential amenities include

16 laundry rooms on each residential floor, a recreation

17 room in the cellar, and outdoor patio space on the

18 roofs. Additionally, there will 25 bicycle spaces

19 for residents in the cellar. The retail space is

20 anticipated to be 6,094 square feet. It will be

21 designed to be flexible so it can accommodate smaller

22 retailers. The developer is working with Fulton

23 Alliance Business and the Council Member's office to

24 identify local retailers that could potentially rent

25 the spaces. In order to facilitate development of

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 24
2 the project, HPD also requests approval of Land Use
3 number 150. This action seeks approval of a special
4 permit to waive required accessory off-street parking
5 spaces for dwelling units in a mixed-use project
6 within a transit zone that includes at least 20
7 percent of all dwelling units in a development as
8 income-restricted residential apartments. The
9 amendment will affect the project area which includes
10 the private sites, block 1991, lot one, seven, 16,
11 and 106, as well as the city-owned properties which
12 are lots two and three. The 1019 Fulton Street is an
13 opportunity to maximizes the number of affordable
14 units on the site and contribute to the commercial
15 corridor while minimizing valuable city resources.
16 Therefore, HPD is seeking approval for Land Use
17 numbers 149 and 150.

18 COUNCIL MEMBER DEUTSCH: Thank you. Any
19 questions?

20 COUNCIL MEMBER KING: I do have a
21 statement, and if a question comes out of, we'll just
22 have a dialogue.

23 UNIDENTIFIED: Right.

24 COUNCIL MEMBER KING: So, the Council
25 Member who's responsible for this area is Council

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 25

2 Member Cumbo, and she has expressed her concerns even
3 though we're still at the table trying to figure out
4 what makes sense.

5 UNIDENTIFIED: Yep.

6 COUNCIL MEMBER KING: Any time that a
7 private partnership, we want to make sure that--
8 [background noise] see, the Lord is speaking to us
9 all right now. Get it right. Get it right. He's
10 telling us to get it right, okay. So, but I'm just
11 asking the City as we make these deals that making
12 sure that the community that's going to be
13 surrounding this area benefits from any development.
14 I mean, the sale of a dollar [sic] is-- it's a good
15 thing to inspire developers to build in our
16 community, but we want to make sure that the
17 community is profiting, too, and not developers walk
18 away. I've seen it too many times. You know, we go
19 through the U-- we have to go through the ULURP
20 process, and people try to figure out their own
21 agendas as opposed to the neighborhood, not the
22 community, I'm talking about the neighbor, because a
23 community is an agenda of the neighborhood of the
24 people live in a geographical area. So, I'm asking
25 you as you continue to negotiate, negotiate in good

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2 faith, but at the end of the day we don't want to be
3 struck down by lightning. He already warned us,
4 alright, that we do right by this neighborhood.

5 Making sure that whatever agreements that are being
6 made are in the best interest of our Council Member
7 Cumbo, and in that district is done in good faith.

8 Alright, I thank you.

9 UNIDENTIFIED: Absolutely.

10 COUNCIL MEMBER DEUTSCH: Thank you,
11 Council Member King. Okay, so I just want to read a
12 statement from Council Member Cumbo. She could not
13 be here today. She's out of town. So, this proposal
14 calls for the sale of approximately 2,300 square feet
15 of city-owned property for one dollar to develop a
16 Fulton LLC to be combined with the surrounding
17 properties nor [sic] to facilitate the development of
18 an eight-story building with ground floor commercial
19 space and 50 apartments, 15 of which would be
20 affordable at 70, 80, and 120 AMI. Throughout the
21 review process, Community Board Two, the Brooklyn
22 Borough President and some members of the City
23 Planning Commission have all raised concerns about
24 the proposed affordability and public benefits of
25 this project. I share these concerns and consistently

2 advocated throughout my term as Council Member for
3 the 35th District that sale of lease of public land
4 to private developers should always come with
5 significant public benefits. The proposal before us
6 today does not have enough deeply affordable units
7 for the families who are in the greatest need of
8 affordable housing. I also believe that this project
9 offers a promising opportunity to secure commercial
10 space for local businesses who are under increasing
11 pressure from gentrification and development in our
12 community. As we continue the council review of this
13 project, I look forward to further conversations with
14 HPD and the developer to secure more inclusive
15 development. She has a question. Including
16 commercial space that is appropriately sized and
17 priced for local businesses in a priority of Majority
18 Leader Cumbo, what is your current proposal to
19 achieve this goal, and how can we achieve greater
20 affordability and long-term security for small
21 businesses? Don't fight over the question.

22 UNIDENTIFIED: I mean, I think the
23 developer, and Jackie [sp?] is here representing the
24 project's sponsor, they've been in discussion with
25

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 28
2 the local Council Member on this very matter. So, I
3 think that discussion is still ongoing.

4 COUNCIL MEMBER DEUTSCH: Okay. So,
5 you're dismissed and let's call up the next panel to
6 answer that question. I think we have-- we have the
7 developer on the next panel.

8 UNIDENTIFIED: Okay, great.

9 COUNCIL MEMBER DEUTSCH: Alright? Thank
10 you.

11 UNIDENTIFIED: Thank you.

12 COUNCIL MEMBER DEUTSCH: Unless you want
13 to stay. You can stay all day. I'd like to call up
14 Tom. Is there a Tom here?

15 UNIDENTIFIED: He's actually just going
16 to be available for questions, is that okay?

17 COUNCIL MEMBER DEUTSCH: Okay, that's
18 fine.

19 UNIDENTIFIED: Okay.

20 COUNCIL MEMBER DEUTSCH: I'm only giving
21 first names because it's very hard to read this.
22 Jacqueline? Let's hope there's only one Jacqueline
23 in the room. Jacqueline? Okay. Ed, Ed Brown?
24 Phillip Kellogg? I would like to ask Counsel to
25 swear in the applicants.

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 29

2 COMMITTEE COUNSEL: Please raise your
3 right hand. Do you affirm to tell the truth, the
4 whole truth and nothing but the truth in your answer
5 to Council Member questions and in all your testimony
6 before this Subcommittee?

7 COUNCIL MEMBER DEUTSCH: Yeah, you may
8 proceed.

9 JACQUELINE ARANGO: Okay, so my name is
10 Jacqueline Arango of Akerman LLP, on behalf of the
11 co-applicant here. HPD is obviously the co-
12 applicant, and also Fulton Star is the private
13 developer who will be developing the proposed project
14 that you see before you right now located at 1019
15 Fulton Street. I will give a quick overview, because
16 I think Genevieve covered a lot of what the project
17 is about, and then I'll turn it over to Ed Brown who
18 is working with the developer on local hiring to
19 ensure that we have quality construction jobs and
20 long-term jobs in the community, and then also I'm
21 joined by Phil Kellogg of the Fulton Business
22 Alliance who the owner has been working with over the
23 past five years on ensuring that the retail space--
24 since this project is part of the Fulton Business
25 District, to ensure that there is quality retail

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 30

2 space that also meets the needs of the community, and

3 that's something that we're working very strongly

4 with Council Member Cumbo to ensure that the local

5 businesses that she's identified as being displaced

6 would have a new location at this site, and also to

7 ensure that this Fulton Business District corridor--

8 this site actually has been vacant for the past 20

9 years, and I'm just going to show you briefly,

10 because there were some questions about the public

11 benefit of this project. Just to-- going to go

12 quickly through these just to show you what the site

13 is. So, the city disposition only makes up 20 percent

14 of this development site. It's otherwise it's-- the

15 remaining 80 percent is privately owned land. The

16 developer is not asking for any subsidy here with the

17 exception of the City is disposing of this 2,300

18 square foot lot. So, I know that there is concern

19 about the public benefit, but here these sites would

20 likely remain vacant if the developer were not to

21 redevelop this-- to develop this project, and also

22 with this city land, can provide 15 permanently

23 affordable housing units. As of right, no affordable

24 housing here would have to be provided. It's already

25 an R7A Zoning District. And I just have some

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 31

2 background on how-- the developer has been working

3 with the City over the past five years to put

4 together this assemblage, and also to ensure that the

5 maximum public benefit is reached by this project.

6 As you can see, it's a vacant area along Fulton

7 Street right now, and we will have a new eight-story

8 development as Genevieve stated before with 50

9 residential units, full ground floor retail space,

10 and 15 permanently affordable housing units. And I'm

11 going to now turn it over to Ed to speak about the

12 developer's partnership in working on local hiring.

13 ED BROWN: Thank you. Good afternoon. My

14 name is Ed Brown, and I'm the President of Team Brown

15 Consulting. And just to give you a brief background

16 of projects we worked on before that you're familiar

17 with, the Cadman [sic] Library Project, which we're

18 on right now. We worked briefly on City Point. We

19 worked on Dock Street with Two Trees, BAM South with

20 Two Trees, Slate Property Group 325 Lafayette, One

21 Flatbush Avenue, and several other-- with BFC

22 partners as well. We were brought on board to assure

23 that local residents get an opportunity to work on

24 this particular project. I'm born and raised in that

25 district, and I'm a former Tenant Leader with the

2 Ingersoll Houses, and when the redevelopment took
3 place in Ingersoll, we saw a need to create an entity
4 to make sure that residents get employed when these
5 projects take place. So, based on what Council
6 Member King said, that's our mission, and we do it
7 well. Some developers we won't work with, because
8 trying to get them to comply is like pulling teeth,
9 and we feel this project is a good project for the
10 community, and we already have a database. Plus, we
11 send people out to find people within a certain
12 radius of the project, and we find people with skills
13 and without skills, and if they don't have skills, we
14 provide OSHA training and scaffolding certification,
15 and flagging certification, and we basically help the
16 developer meet his quota with the jobs. And also as
17 it relates to the local businesses, because I'm born
18 and raised in the community, I know most of the
19 businesses in the community. So, we're going to do
20 the footwork and go out and find businesses that want
21 to stay in the community, primarily businesses of
22 color, and see if we can get them to move into a new
23 space at a reasonable rent where they could survive
24 gentrification. That's it. Thank you.

2 PHILLIP KELLOGG: Good afternoon. My
3 name is Phillip Kellogg, and I'm Executive Director
4 of the Fulton Area Because Alliance, which is a
5 nonprofit business improvement district along Fulton
6 Street's Corridor in Fort Greene in Clinton Hill. We
7 represent over 400 businesses and property owners
8 along Fulton Street. A top economic development goal
9 of our organization has been the transformation of
10 these vacant city-owned lots into a mixed-use
11 development that includes ground floor commercial
12 uses. For the City to be able to leverage these two
13 small slivers of vacant lots to generate affordable
14 housing well beyond what is possible on the city-
15 owned lots two and three alone, plus adding ground-
16 floor commercial activity along Fulton Street all the
17 way to the corner of Downing would be a major win,
18 and we support this ULURP application. A devastating
19 outcome would be the as-of-right option, if the
20 developer went ahead and built the building on the
21 adjacent property that they already own where the
22 community would end up with market rate condos and no
23 affordable housing, plus no ground floor commercial
24 activity, and just a dead zone along Fulton Street.
25 In the end, we'd be left with those two small city-

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 34

2 owned lots, and those are certain to remain vacant

3 for generations to come. FAB [sic] supports the

4 request in the ULURP application to waive the

5 requirement for off-street parking. One of the great

6 things about Fulton Street in this section is how

7 well-served it is by mass transit, and accommodating

8 off-street parking in this project would decimate the

9 possibilities for ground floor commercial activity.

10 And ground floor commercial use is essential to this

11 section of the Fulton Street commercial corridor, in

12 particular between Grand and Franklin. In

13 conversations and public meetings, the developer's

14 been supportive of FAB's vision for the ground floor

15 space to be activated in a way that benefits the

16 community. FAB's goals include having a variety of

17 small businesses that will serve the community

18 instead of one large chain or a single bank or a big

19 box store that dominates the entire block. FAB is

20 also requested its base be made available for local

21 businesses and/or nonprofit cultural and arts

22 organizations at below market rates-- rents. We are

23 very encouraged that the developer, and this doesn't

24 happen always, has agreed to put many of these

25 stipulations FAB has asked for in writing. FAB

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 35

2 enthusiastically supports this ULURP application, and
3 we look forward to seeing the project realized.

4 Thank you.

5 COUNCIL MEMBER DEUTSCH: Thank you very
6 much. I have a question. As Chair of the Veterans
7 Committee, I'd just like to add maybe when you hire
8 people for projects, that you said you represent over
9 400 building owners and business owners, so if you
10 could just consider hiring some veterans. Just I
11 wanted to make that a request. We have a question
12 here from Council Member Andy King.

13 COUNCIL MEMBER KING: Thank you for
14 looking out for the veterans, Council Member. My dad
15 was a veteran. I know a couple of people coming back
16 from serving our great country only to find
17 themselves on soup lines, can't get health insurance,
18 no one wants to hire them, but we put them on the
19 battlefield. Don't understand the logic of this
20 country when it comes to taking care of the men and
21 women who protect our freedoms, but that's a bigger
22 conversation. But I want to ask you all the
23 question. Now, this is 1119-- 1019 Fulton Starr LLC,
24 and you're representing them, correct?

25 JACQUELINE ARANGO: Correct.

2 COUNCIL MEMBER KING: So, my question to
3 you is-- and this is going to go in conjunction with
4 what my brother said here. Now, while you're from
5 the neighborhood and you're there to protect and make
6 sure local residents get opportunities to work on
7 this site, I'd like to know from you, the Council
8 Member and the Community Board and the Borough
9 President has expressed concerns about affordability.
10 So, we know that we can always provide jobs if the
11 right people have the skills to get the jobs, and
12 according to him they're going to train people to get
13 those jobs. Someone's trained to get this job, earns
14 a decent living, the affordability question comes in.
15 how does someone who is from the neighborhood who has
16 been there forever, and I don't even like-- you know,
17 when we say we got to fight our gentrification,
18 gentrification is not a wonderful thing. It's not a
19 great thing, and we throw it around on a subtle
20 attempt [sic] like it's something we're supposed to
21 accept. If someone has lived in the neighborhood and
22 has endured the neighborhood through its good times
23 and some of its struggling times, then we start to
24 rebuild it for the next set of people who don't look
25 like the people who survived the neighborhood, it's

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 37

2 not a wonderful thing to be proud of. Gentrification
3 is not a wonderful thing to be proud of. So I'm
4 asking you, how do we-- how can you ensure this
5 community, this neighborhood that wants this
6 building, if it's to get erected, that the person who
7 worked building this building who lived around the
8 corner can access to live in this building? Or
9 those who are struggling with the rates that you're
10 saying breaking down AMIs for people to live in this
11 building, how can you assure that the Council Member
12 and all these concerns will be addressed, and let
13 alone, making sure that the small local black
14 business that's in the neighborhood can guarantee
15 that you're going to put them in a rent that they can
16 afford. Now, hopefully they can afford it. If you
17 want them in, you got to give them something that
18 they can continue to run their business, because if
19 they can't then there goes that gentrification word
20 again that you start bringing inside saying, "Well,
21 they couldn't afford the rent. That's why we had to
22 bring these other people out." So, what is your
23 guarantee? What is going to be our energy to make
24 sure these things don't happen?

25

2 JACQUELINE ARANGO: Okay. So you're
3 asking two questions, one about affordability of
4 housing, and then two, about affordability for small
5 businesses within the community. So, the first
6 question is the units that-- the 15 units that will
7 be permanently affordable are going to be subject to
8 HPD and HPD's guidelines and marketing process.
9 There will be a 50 percent Community Board preference
10 for those units as the guidelines currently set
11 forth. So, that means that when there is the housing
12 lottery for those 15 units, there is a preference
13 given to members of Community Board Two living within
14 the area that meet the affordability levels for the
15 project. So, that would ensure that this preference
16 is given right off the bat. In addition to that, the
17 developer has partnered with Impact Brooklyn which is
18 the local not-for-profit that will do outreach to the
19 community to make sure that they understand, they do
20 a financial literacy campaign, and they also ensure
21 that the community is aware of these housing
22 opportunities, because a lot of times from my
23 experience I've seen that people just don't even know
24 that these affordable housing opportunities exist
25 within the community. So, that's-- the developer has

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 39
2 partnered with local nonprofits to ensure that those
3 units will not only on making sure that they go to
4 the community, but also making sure that they're
5 educated on the availability of these units. And
6 it's restricted by regulatory agreement. So, the
7 devel-- so we can't decide that we don't want to
8 eventually provide these at affordability levels.
9 They will be restricted permanently by legal
10 documents.

11 COUNCIL MEMBER KING: I want to thank you
12 for your efforts to answer the questions. He lives
13 in the neighborhood. You have a responsibility to
14 make sure that you protect your neighborhood. This
15 is a good looking because. Can it-- will bring
16 opportunities here, but if the residents who don't
17 live around it-- I've seen HPD in work. You put
18 together an agreement. You say these are the rules,
19 and then you open up and change the rules or there's
20 something that somebody missed, and then the people
21 who are around the corner who were knocking on the
22 door can't get in the building. Just staying, be
23 mindful. If you're going to make an agreement, stick
24 to it because it's going to be hard-pressed.
25 Whatever Council Member Cumbo is looking to get,

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 40

2 we're asking you to make sure that it gets

3 accomplished, because it'd be hard-pressed for us all

4 to-- we will stand with her in any efforts to make

5 sure this building and this project is what she wants

6 to see happen.

7 ED BROWN: I just want to make a

8 statement in reference to that. Impact Brooklyn, I

9 have some experience working with them on other

10 projects, and the key, what I found out, is even if

11 people have the income for these apartments, the key

12 is as she mentioned is to jump out ahead of the game

13 and provide the financial literacy workshops and

14 provide the affordable housing application process,

15 instruction, and we've done that at one of the local

16 schools, and we had-- you know, we had room for like-

17 - we expected about 30 people to come out to get the

18 information, and like more than 80 people came out to

19 this workshop that we had. So, I think the first

20 thing-- and we're also working on that as well, is to

21 educate the community in reference to, you know,

22 financial literacy and the things necessary to take

23 an opportunity like this as they pop up.

24 COUNCIL MEMBER KING: So, I'm going to

25 end with this. I have the same similar situation in

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 41

2 my district with a building. The same thing offered

3 financial-- I'd just like to know, are we offering

4 financial literacy to every community at every time

5 we erect a building, because what I'm hearing from

6 time to time is how do we weed out people we don't

7 want there. We create a scenario saying that you may

8 not know how to manage or get into a building. If I

9 have the income to get into a building, I should, and

10 I have access to it, then no one should give other

11 barriers and have other criteria to say, "Well,

12 you're not prepared or ready, but I'm going to bring

13 these people in because they're prepared and ready."

14 They don't make the-- if someone is making 70,000 on

15 this side, same person making 70,000 dollars, but I

16 live around the corner, yeah, when you build it you

17 should be building it for that person who is right

18 around the corner who is trying to get out of mom's

19 and pop's house, not someone who lives in another

20 boroughs and bringing them in and saying, "Ah, they

21 qualify because they were fiscally responsible, and

22 they should be able to get in the building." That's

23 the point I'm saying, because I don't want us to be

24 coming in on a Land Use process and then at the end

25 of the day, the neighborhood that this house is being

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 42

2 built gets gen-- and I say gentrification is not a
3 great thing. I don't want that to happen here, and
4 that's why we're asking these hard questions, because
5 at the end of the day whatever Council Member Cumbo's
6 fighting for, we're going to stand with her whether
7 that's a yes or a no. Thank you.

8 JACQUELINE ARANGO: Thank you.

9 COUNCIL MEMBER DEUTSCH: Thank you,
10 Council Member King. We've been also joined by
11 Council Member Vanessa Gibson and Council Member
12 Ruben Diaz, Senior. Any other-- any questions? No?
13 Okay, I don't see anyone else to testify, no. Any
14 other members of the public who wish to testify?
15 Seeing none, I now close the public hearing on this
16 application, and it will be laid over. Thank you
17 very much. We will now pause our hearings to take a
18 vote on 158, 159, 160, and Friendset Apartments, and
19 161. We will be voting on two-- we're voting on two
20 projects that we will not be holding hearings on
21 today because they are amendments to previously
22 approved applications which was subject at prior
23 hearings. These amendments necessary to correct
24 typographical or similar errors. The first is LU
25 158, the NHP Hope Homes Cluster Amendment for

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 43
2 property in Council Member Perkins' and Ayala's
3 district. The exemption area was identified as one
4 property comprised of block 1750 lot 57 and 58. The
5 correction is for them to identify each property
6 separately as block 1750 lot 57 and block 1750 lot
7 58. The second is LU 161, the Small Homes Rehab, the
8 NYCHA SQVH Cluster II Amendment for property in
9 Council Member Adams' district. In this case, part
10 of the project area was identified as 147-06 Sutter
11 Place. The correction is to identify it as 147-06
12 Sutter Avenue. I now call for a vote approve LU's
13 158, 159, 160, 161, and Pre-considered LU Friendset
14 apartments, all of which have the support of the
15 local Council Members. Counsel, please call the
16 roll.

17 COMMITTEE COUNSEL: Gibson?

18 COUNCIL MEMBER GIBSON: Permission to
19 briefly explain my vote on the record? I want to--

20 COUNCIL MEMBER DEUTSCH: [interposing]
21 Permission granted.

22 COUNCIL MEMBER GIBSON: Thank you. I
23 want to speak in favor of LU 160, 1103 Franklin
24 Avenue who has applied to HPD for a 40-year tax
25 exemption, Article XI, and I am grateful for the

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 44

2 shareholders and the co-op residents of 1103 Franklin

3 in my district in the Morrisania community, because

4 they faced a number of challenges with maintaining

5 their HDFC status, and through this tax exemption

6 they're going to remain affordable for the next 40

7 years for these families as well as future families.

8 So, I want to recognize 1103 Franklin Avenue and

9 thank HPD and the HDFC Coalition who did a tremendous

10 amount of work to get them back on good ground so

11 they can maintain their status. So, I ask my

12 colleagues on the committee to please vote in the

13 affirmative, and I vote aye on all. Thank you.

14 COMMITTEE COUNSEL: Deutsch?

15 COUNCIL MEMBER DEUTSCH: Aye on all.

16 COMMITTEE COUNSEL: King?

17 COUNCIL MEMBER KING: Aye on all.

18 COMMITTEE COUNSEL: Diaz?

19 COUNCIL MEMBER DIAZ: Aye [sic].

20 COMMITTEE COUNSEL: By a vote of 4 in the

21 affirmative and 0 in the negative with 0 abstentions,

22 the items are recommended to the full Land Use

23 Committee.

24 COUNCIL MEMBER DEUTSCH: Thank you very

25 much. Gracias. Our next hearing will be LU 157, the

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 45
2 286 West 151st Street tax exemption application for
3 property in Council Member Perkins' district in
4 Manhattan. This application is for the termination
5 of the prior exemption for this fully-occupied 18-
6 unit residential co-op for low-income households. A
7 new Article XI tax exemption is proposed. I now open
8 the public hearing for this application. Lacy Talba
9 [sp?], Malcolm Morris, and Artie Pearson [sp?].
10 Malcolm Morris and Artie Pearson. Okay, wow we see
11 you again.

12 ARTIE PEARSON: Yeah.

13 COUNCIL MEMBER DEUTSCH: Wow. Okay, so
14 we're not going to swear you in again, unless you
15 really want. Okay.

16 ARTIE PEARSON: Land Use number 157
17 consists of an exemption area containing one
18 privately-owned building located at 286 West 151st
19 Street in Manhattan Council District Nine. This
20 property, too, is a candidate for Round 10 of the
21 third party transfer program interim action number 51
22 for which HPD is seeking Article XI tax benefits.
23 The building was taken into city ownership in 1978
24 and subsequently entered into the TIL program. On
25 June 27th of 2002, HPD conveyed the property to the

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 46

2 existing occupants as a low-income cooperative with

3 household AMIs capped by the maintenance and utility

4 formula outlined in Section 576 Article XI of the

5 Private Housing Finance Law. The building contains a

6 total of 18 residential units. It is fully occupied

7 and comprised of 11 one-bedroom, two two-bedroom, and

8 five three-bedroom apartments. Apparently-- I'm

9 sorry. Currently, the property is in TPT as it meets

10 the criteria which includes municipal arears more

11 than a year old. Some of the reasons that contributed

12 the building's candidacy include the passing of

13 original shareholders, some who have moved out of the

14 property, and some shareholders who refuse to pay

15 maintenance. Therefore, with fewer resources, the

16 HDFC was faced with operating deficiencies. After

17 realizing they were in danger of foreclosure, the

18 shareholders worked out a plan to help save their

19 building. They recently entered into a payment

20 program-- a payment plan with DEP, and in October

21 2016 the Board increased the rent and maintenance

22 fees in order to meet the financial obligations of

23 the building to maintain solvency. The HDFC will

24 enter into involuntary repair agreement to address

25 outstanding Housing Code violations and any needed

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 47

2 repairs. So, in an effort to save this building and
3 maintain affordability and stability, HPD is before
4 the Council seeking tax benefits for a period of 40
5 years that will coincide with a regulatory agreement
6 which also mandates annual maintenance increases
7 among other requirements such as hire a third-party
8 property manager. Approval of the tax exemption will
9 facilitate the removal of 286 West 151st Street from
10 consideration as a candidate for Round 10 of TPT so
11 that the building can provide long-term home
12 ownership for the shareholders.

13 COUNCIL MEMBER DEUTSCH: Thank you. Any
14 members of the public wish to testify? Seeing none,
15 I now close the public hearing on this application,
16 and it will be laid over. Our next public hearing
17 will be on LU 156 Balton [sic] Commons for property
18 located at Fillin [sic] in Council Member Perkins'
19 district of Manhattan. HPD seeks an approval of an
20 urban development action area project, UDAAP
21 designation project approval and disposition approval
22 for block 1932, lots five, seven, and 107. These
23 actions will facilitate the development of a new
24 mixed-use seven-story building with 36 affordable
25 housing units and commercial and community facility

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 48

2 space. I now open the public hearing. We have
3 Kenneth, Kenneth Morrison, Kevin Paris [sp?], and
4 Lacy Talbot [sp?]. Counsel, I'd like to ask the
5 Counsel to swear in the applicants.

6 COMMITTEE COUNSEL: Please raise your
7 right hand. Do you affirm to tell the truth, the
8 whole truth and nothing but the truth in your
9 testimony before this Subcommittee and in answer to
10 all Council Member questions?

11 UNIDENTIFIED: Yes.

12 UNIDENTIFIED: Okay.

13 COUNCIL MEMBER DEUTSCH: You may begin.

14 UNIDENTIFIED: Thanks. LU number 156
15 consists of the proposed disposition of three city-
16 owned sites located at 263 to 267 West 126th Street
17 in Council District Nine, known as Balton Commons.
18 In 2008, HPD completed a ULURP application to approve
19 the disposition of city-owned sites for the expansion
20 of an existing commercial facility in the borough of
21 Manhattan. Subsequent to these actions, HPD did not
22 continue with the disposition of these sites.
23 Therefore, to facilitate the intended project, the
24 ULURP actions before the City Council involve an
25 Urban Development Action Area Project, or a UDAAP,

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 49
2 designation and project approval and disposition for
3 the proposed development of Balton Commons under
4 HPD's Neighborhood Construction Program, or NCP. The
5 project site contains a community garden known as
6 Mandela Garden which was licensed as an interim
7 garden in late 2014. In 2015, HPD informed the
8 gardeners that the site was moving forward as an
9 affordable housing project. Over the course of the
10 last two years, HPD and the Parks Department have
11 made several attempts to engage the cooperation of
12 the gardeners in an effort to provide relocation
13 assistance that included alternate sites upon which
14 to establish a new garden. While eight alternative
15 sites were offered, none were accepted. In 2015, HPD
16 issued a request for qualifications geared toward
17 certified MWBE organizations that would be given the
18 opportunity to submit a proposal to develop the lots
19 as low-income rental housing. On January 13th, 2017,
20 the development team was selected to develop the
21 Balton Commons site under the NCP term sheet, as I
22 mentioned. The proposal includes the construction of
23 a seven-story mixed-use building containing
24 approximately 37 apartments, including a
25 superintendent's unit, as well as 6,000 square feet

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 50

2 of commercial space and 1,400 square feet of

3 community facility space. Once completed, the new

4 building will be comprised of 11 studios, 12 one-

5 bedroom, and three three-bedroom units, plus one for

6 a superintendent. Targeted incomes will range from

7 30 to 100 percent of AMI, approximately 93,900

8 dollars for a family of three, with rental tiers at

9 27, 57, and 90 percent of AMI, which is about 367

10 dollars for a studio to 2,367 dollars for three-

11 bedroom. Amenities for the building include a

12 dishwasher in all residential units, as well as a

13 gym, an outdoor activity space, laundry per floor,

14 and bicycle parking spaces. The sponsor has

15 partnered with Silicon Harlem, a for-profit

16 organization that focuses on technology who will

17 operate from the commercial space. The community

18 facility space will be utilized by Silicon Harlem's

19 nonprofit arm, offering educational and workspace for

20 local groups. Additionally, the retail space is

21 anticipated to be utilized by a coffee shop. In order

22 to facilitate development of the Balton Commons

23 project, HPD is before the Council seeking approval

24 of Land Use Item Number 156. And we have a

25 representative from the development team who can take

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 51
2 you through a brief presentation. If you're ready,
3 yeah.

4 COUNCIL MEMBER DEUTSCH: Okay.

5 KENNETH MORRISON: Good afternoon.

6 Kenneth Morrison, Principal of Lamar Realty
7 Corporation, one of the MBWE partners that was
8 awarded the site.

9 COUNCIL MEMBER DEUTSCH: Great. Okay.
10 You're not testifying yet? No comments, right?
11 Okay. This project is supported by the Council
12 Member--

13 UNIDENTIFIED: [interposing] Presentation,
14 do you want to do the presentation?

15 COUNCIL MEMBER DEUTSCH: Okay, you don't
16 have to. Supported by the Council Member, and are
17 there any questions-- any members of the public that
18 wish to testify? Seeing none, I know close the
19 public hearing on this application and it will be
20 laid over. Thank you. I would like to thank the
21 Council and Land Use staff for preparing today's
22 hearing, the members of the public, and my colleagues
23 for attending. This meeting is hereby adjourned.

24 [gavel]

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1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 52

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1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 53

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C E R T I F I C A T E

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



Date August 8, 2018