

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON LAND USE

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September 6, 2018
Start: 11:23 a.m.
Recess: 12:19 p.m.

HELD AT: Committee Room - City Hall

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

COUNCIL MEMBERS: Adrienne E. Adams
Inez D. Barron
Costa G. Constantinides
Chaim M. Deutsch
Ruben Diaz, Sr.
Vanessa L. Gibson
Barry S. Grodenchik
Ben Kallos
Andy L. King
Peter A. Koo
Rory I. Lancman
Stephen T. Levin
I. Daneek Miller
Francisco P. Moya
Antonio Reynoso
Donovan J. Richards
Carlina Rivera
Ritchie J. Torres
Mark Treyger

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

2 [sound check] [gavel]

3 CHAIRPERSON SALAMANCA: Alright, good
4 morning everyone. I want to welcome all my
5 colleagues to today's hearing. My name is Rafael
6 Salamanca, Jr. and I am the Chair of the Land Use
7 Committee. I would like to welcome my esteemed
8 colleagues who are present today, Council Members
9 Gibson, Barron, Constantinides, Chair Kallos, Koo,
10 Reynoso, Richards, Torres, Grodenchik, Chair Adams,
11 Chair—and Chair Moya, and Council Member Rivera. I
12 want to thank Chair Moya for, Chair Adams and Chair
13 Kallos for their work on our Land Use Subcommittees.
14 Today, we will be voting on items referred out of our
15 three subcommittees. From our Zoning Subcommittees,
16 we will be voting to approve LUs 188, 189, the 55-63
17 Summit Street Rezoning in Council Member Lander's
18 district in Brooklyn. Applicant PHD Summit LLC seeks
19 to rezone the property from M1-1 to R6B and apply MIH
20 Options 1 and 2. The rezoning will facilitate the
21 development of approximately 14 apartments in a
22 community facility with four to five of the
23 apartments being affordable units depending upon the
24 MIH Option chosen. We will be voting to approve with
25 modifications LUs 190 and 191 and the 205 Park Avenue

2 rezoning for properties in Minority Leader Cumbo's
3 district in Brooklyn. Applicant 462 Lexington
4 Avenue, LLC seeks to rezone a property from M1-2 to
5 R7B/C2-4 and to apply MIH Option 1 and 2. Our
6 modifications to the Zoning text will be removed—will
7 be to remove MIH Option 2 and to add deep
8 affordability option. This will facilitate the
9 development of an eight-story mixed-use building with
10 approximately 17 affordable units under MIH Option 1.
11 We will be voting to approve the 5 Bement Avenue
12 Rezoning LUs 195 for property in Council Member
13 Rose's District in Staten Island. Applicant Pelton
14 Place, LLC seeks an extension of an existing C2-2
15 commercial overlay to the project site to facilitate
16 the development of a one-story commercial retail
17 building with accessory parking. From our Landmark
18 Subcommittee we'll voting to approve LUs 176 an
19 application submitted by the New York City Police
20 Department and the Department of Citywide
21 Administrative Services for the site selection and
22 acquisition of property located at 241 West 26th
23 Street in Manhattan to facilitate the conversion of
24 an existing six-story 34,213 square foot building to
25 house the headquarters of the NYPD Bomb Squad. This

2 property is located in the Speaker's District. We
3 will be voting to approve LUs 152 the Landmarks
4 Preservation Commission designation of the firehouse
5 for Engine Companies 264 and 328 and Ladder Company
6 134 located at 16-15 Central Avenue in Rockaway,
7 Queens as a historic landmark. The landmark is in
8 Council Member Richards' district. We'll—we will
9 also be voting to approve LU 153 the Landmark
10 Preservation Commission's designation as a historic
11 landmark of 53rd now 101st Precinct Police Station
12 located at 16-12 Mott—Mont Avenue also in Far
13 Rockaway, Queens in Council member Richards'
14 district. From our Planning Subcommittees we will
15 voting to approve LUs 177 and 178, 179, 180, 181 and
16 182 related to Round 10 of the city's Third Party
17 Transfer Program, the LUs 177, 179, and 181 are all
18 applications for the tax exemption pursuant to
19 Article XI of the Private Housing Finance Law for
20 unimproved properties in Queens, Brooklyn and the
21 Bronx. LUs 178, 180 and 182 Applications for the
22 Urban Development Action Area Project Approval Waiver
23 of the area designation, UDAAP tax exemption and
24 Article XI Tax Exemption for improved property in
25 Queens, Brooklyn and the Bronx. The properties

2 affected by these applications are all subject final
3 judgement of foreclosure for failure to pay taxes to
4 the city. The Third Party Transfer Program was
5 created in 1996 as an alternative to the city owning
6 and managing foreclosed properties. Instead,
7 ownership can be transferred directly to a not-for-
8 profit organization designated by the Commission of
9 Finance. Neighborhood Restore is the name of the
10 not-for-profit organization, which will work with
11 qualified non-profits and for-profit developers to
12 stabilize, manage and plan for the rehabilitation and
13 future ownership of these properties. Each of the
14 Council Members representing districts with affected
15 properties is supportive of the transfer, and each is
16 also supportive of the tax exemptions we are about to
17 vote on. We will also be voting to approve LUs 183,
18 the Triple HDFC Tax Exemption Application in relation
19 to properties in Council Member Ayala's district in
20 Manhattan. This application is for the termination
21 of the prior tax exemption, and for the approval of a
22 new tax exemption pursuant to Article XI of the
23 Private Housing Finance Law for three fully occupied
24 buildings totaling 68 rental units, and one
25 superintendent unit in the East Harlem neighborhood

2 of Manhattan. This application is for the
3 termination of the prior tax exemption and for the
4 approval of a new tax exemption pursuant to Article
5 XI of the Private Housing Finance Law for three fully
6 occupied buildings totaling 68 rental units and one
7 superintendent unit in the East Harlem neighborhood
8 of Manhattan. We will also be voting to approve LUs
9 186, the Nueva Era Apartments application for
10 property at 287-289 Auburn Avenue in Council Member
11 Rodriguez's district in Manhattan. This application
12 is for the termination of the prior Article V Tax
13 Exemption and dissolution of the redevelopment
14 company, which owns the site, and for the approval of
15 the Article XI Tax Exemption under the Private
16 Housing Finance Law for the fully occupied 34-unit
17 residential building. We will also vote to approve
18 LUs 187, the Deshler Apartments Application for
19 properties located in Council Member Perkins'
20 district in Manhattan. This application is for the
21 termination of the prior Article V Tax Exemption and
22 dissolution of the redevelopment company, which owns
23 the site, and for approval of a new Article XI tax
24 exemption under the Private Housing Finance Law. The
25 subject property consists of two fully occupied 7-

2 story multiple dwelling buildings containing a total
3 of 60 rental units. Are there any questions or
4 remarks from members of the committee? I see Council
5 Member Kallos. Sorry. Chair Kallos.

6 CHAIRPERSON KALLOS: Thank you Chair
7 Salamanca. This city has gone out of the—has stopped
8 the business of managing property, and we now have a
9 program called Third Party Transfer. We have
10 properties that are essentially abandoned by their
11 landlords, can be moved to non-profits and for-profit
12 affordable housing developers to take them over and
13 support those tenants in affordable housing moving
14 forward. Well call that that Third Party Transfer
15 Program. Under the terms of the program, these units
16 that are often in low-income communities of color
17 were allowed to be offered for vacancies at 150% of
18 AMI, which is well over \$80,000 a year and well over
19 the incomes, and rental rates for those communities
20 in response to questions that HPD received on this,
21 and I am happy to state that they've actually lowered
22 the term sheet as of August 14th of the his year, and
23 changed the term sheet so that the highest AMI in any
24 of these Third Party Transfer units will be 120% of
25 AMI. It's still moderate. I would love to see it be

2 100% low-income. They have testified that 90% of the
3 units previously were at 80% and lower. We will be
4 continuing to do oversight, and ensuring that we
5 reach the deepest levels of affordability possible on
6 this, but I think that the lowering from 150% to 120%
7 is a big victory, and I think the other piece that I
8 just wanted to make sure was on the record is we did
9 notice that based on the projects that they put
10 forward before they withdrew several, the for-profit
11 affordable housing developers on average were getting
12 larger buildings than the non-profit affordable
13 housing developers, which is another item that will
14 continue on. That being said, this is 1,200 units of
15 affordable housing that will be preserved. Existing
16 tenants will be protected. They will have enhanced
17 Section 8 vouchers so that they are paying 30%--no
18 more than 30% of their income and they'll be able to
19 stay in these units for the rest of their lives, and
20 as the units become vacant that's what we're talking
21 about the 100% of AMI cap, and urge my colleagues to
22 vote yes and thank the Land Use staff and our Land
23 Use Chair for his partnership on all of this.

24 CHAIRPERSON SALAMANCA: Thank you, Chair
25 Kallos. I want to recognize that we've been joined

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2 by Council Member Deutsch. Are there any other
3 members of the committee that would like to make
4 comments? No? Seeing none, I will now call a vote
5 in accordance with recommendations of the
6 Subcommittees and the local member to approves LUs
7 152, 153, 176, 177, 178, 179, 180, 181, 182, 183,
8 186, 187, 188, 189, 190 and 195, and to approve with
9 modifications I have described LUs 191. Will the
10 Clerk please call the roll?

11 CLERK: William Martin, Committee Clerk.

12 Roll call vote Committee on Land Use. Chair
13 Salamanca.

14 CHAIRPERSON SALAMANCA: Aye on all.

15 CLERK: Gibson.

16 COUNCIL MEMBER GIBSON: [off mic] Aye on
17 all.

18 CLERK: Barron.

19 COUNCIL MEMBER BARRON: Permission to
20 explain my vote.

21 CHAIRPERSON SALAMANCA: Council Member
22 Barron to explain her vote.

23 COUNCIL MEMBER BARRON: Thank you. I
24 just wanted to speak briefly on the same topic as my
25 colleague, Chair Kallos regarding the Third Party

2 Transfer. There is a property included in Land Use
3 Item 180, which is, in fact, a part of this vote that
4 we're taking today, and I urge all my colleagues to
5 support it. It's a development of a six-story
6 building in my community, which is, in fact, actually
7 an HDFC, and what we were able to work out was that
8 if the shareholders of that property were able to
9 satisfy the requirements of HPD that they themselves,
10 in fact, could continue to have the share that they
11 presently have, which means that they would not lose
12 the equity that they had gained, which would have
13 been the fact had they gone through with the Third
14 Party Transfer. So, they were able to satisfy all of
15 those requirements. They are in the final stages of
16 getting a loan that they need to satisfy the
17 commercial part of the debt because they did qualify
18 for an Article XI. So, the residential was
19 satisfied. So, I do want to thank all of those who
20 were working to make this a reality, and I've meeting
21 with those residents and shareholders. We met with
22 them this week, and they understand how important it
23 is to make sure that they maintain their
24 responsibilities, but at this point, we're able to
25 maintain I think it's 34 apartments, 1-bedroom

2 apartments with persons paying \$440 for a 1-bedroom
3 apartment, and we certainly want to make sure that we
4 don't displace people in that-in that income range.
5 So I vote aye on all with the exception of Land Use
6 Item 190, 191, which, in my opinion, does not offer
7 enough low-income apartments in that development. I
8 grew up in that neighborhood. I live about a block
9 away. I live about a block away from where that is,
10 and certainly that's a low-income neighbor-
11 neighborhood, and I think this is an effort or an
12 action that will increase gentrification and
13 displacement. Thank you.

14 CHAIRPERSON SALAMANCA: Thank you,
15 Council Member Barron.

16 CLERK: Constantinides.

17 COUNCIL MEMBER CONSTANTINIDES: Aye.

18 CLERK: Deutsch.

19 COUNCIL MEMBER DEUTSCH: Aye.

20 CLERK: Kallos.

21 COUNCIL MEMBER KALLOS: Aye.

22 CLERK: Koo.

23 COUNCIL MEMBER KOO: [off mic] Aye on
24 all.

25 CLERK: Lancman.

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2 COUNCIL MEMBER LANCMAN: Aye.

3 CLERK: Reynoso.

4 COUNCIL MEMBER REYNOSO: Permission to
5 explain my vote.

6 CHAIRPERSON SALAMANCA: Council Member
7 Reynoso to explain his vote. [pause]

8 CLERK: I'll do that again. Land Use No.
9 180, Third Party Transfer, there is a property at 142
10 Central Avenue that I'm extremely concerned about.
11 It was sold to a constituent of mine through the
12 Sheriff's Office about a month and a half ago, and it
13 stood in the Third Party Transfer list, and it didn't
14 allow him ample time to try to pay off the taxes and
15 the liens, and but this property in a position where
16 it could be successful, and I really want to start
17 having a conversation about the Sheriff's Office
18 auctioning properties that are—are going to stay on
19 the Third Party Transfer List, and are going to be
20 lost by a property owner or potential property owner.
21 So this person bought the property, and is now losing
22 it in less than a month and a half, and I really
23 think that there's something to be said there about
24 procedure or systems that don't protect these buyers.
25 So, it's—I'm concerned about it. So, for this Land

2 Use Committee, I want to vote aye on all with the
3 exception of Land Use No. 180. I just want to have
4 further conversations before we go to the full
5 committee.

6 CHAIRPERSON SALAMANCA: [off mic]

7 COUNCIL MEMBER REYNOSO: No, I'm going—
8 I'm going to vote no on it?

9 CHAIRPERSON SALAMANCA: Alright, thank
10 you Council Member Reynoso. Council Member Barron.

11 COUNCIL MEMBER BARRON: Yes, I want to
12 clarify my statement. I'm voting in favor of because
13 that property listed is being removed from the Third
14 Party Transfer List. So, that's why I'm voting in
15 favor of it. I do want to make that clear. Thank
16 you.

17 CHAIRPERSON SALAMANCA: Thank you.

18 CLERK: Richards.

19 COUNCIL MEMBER RICHARDS: Thank you.

20 Just want to thank Chair Adams, John Douglas. Thank
21 you, Mr. Chairman, for landmarking both the Police
22 Precinct and the firehouse in the Rockaways, which
23 are two institutions that were building during the
24 Renaissance Revival of the Rockaways, and as we
25 undergo much needed upgrades in Downtown Far

2 Rockaway, I'm glad that these institutions will be
3 preserved in the fashion they are. So, with that,
4 thank Chair. Adams. Again, I vote aye.

5 CLERK: Torres.

6 COUNCIL MEMBER TORRES: [off mic] I vote
7 aye.

8 CLERK: Grodenchik.

9 COUNCIL MEMBER GRODENCHIK: Aye.

10 CLERK: Adams.

11 COUNCIL MEMBER ADAMS: I vote aye on all.

12 CLERK: Moya.

13 COUNCIL MEMBER MOYA: Aye on all.

14 CLERK: Rivera.

15 COUNCIL MEMBER RIVERA: I vote aye on all
16 with the exception of Land Use 186 and 187, and note
17 that my husband works in Operations at CAMBRA
18 Property Group, and for these items, I will abstain.
19 [gavel] [background comments, pause]

20 CLERK: All items on today's Land Use
21 agenda have been adopted by a vote of 15 in the
22 affirmative, 0 in the negative and no abstentions
23 with the exception of the following items: Land Use
24 190, 191 and 180 have been adopted by the committee
25 14 in the affirmative, 1 in the negative and no

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2 abstentions, and Land Use Items 186 and 187 are
3 adopted by the Committee 14 in the affirmative, 0 in
4 the negative and 1 abstention.

5 CHAIRPERSON SALAMANCA: Alright. I would
6 like to thank the members of the public, my
7 colleagues, Council and Land Use staff for attending
8 to days hearing. We will leave the roll open for 10
9 minutes. [pause]

10 CLERK: Continuation roll call, Committee
11 on Land Use, Council Member Levin.

12 COUNCIL MEMBER LEVIN: Aye on all, sir.
13 [background comments, pause]

14 CLERK: Continuation roll call, the
15 Committee on Land Use. Council Member Treyger.

16 COUNCIL MEMBER TREYGER: I vote aye.
17 [pause]

18 CLERK: Continuation roll call, the
19 Committee on Land Use, Council Member Miller.

20 COUNCIL MEMBER MILLER: I vote aye on
21 all. [pause] The final vote Committee on Land Use.
22 All of today's items have been adopted by a vote of
23 17 in the affirmative, 0 in the negative and no
24 abstentions with the exception of the following
25 items: Land Use Items 180, 190 and 191 are now are

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2 adopted 16 in the affirmative, 1 in the negative and
3 no abstentions and finally Land Use items 186 and 187
4 are adopted by the committee in the affirmative, 0 in
5 the negative and 1 abstention. [background comment,
6 pause]

7 CLERK: Revised final vote count: All
8 items are adopted by a vote of 18 in the affirmative,
9 zero in the negative and no abstentions, with the
10 exceptions of Land Use items 180, 190 and 191 which
11 are adopted by 17 in the affirmative, 1 in the
12 negative and no abstentions and Land Use items 186
13 and 187 which are adopted by 17 in the affirmative,
14 zero in the negative and 1 abstention.

15 COUNCIL MEMBER RIVERA: And with this,
16 the Land Use hearing is now adjourned. Thank you.
17 [gavel]

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C E R T I F I C A T E

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



Date September 10, 2018