

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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MARCH 6, 2019
Start: 1:15 P.M.
Recess: 2:51 P.M.

HELD AT: 250 BROADWAY - COMMITTEE RM, 16TH FL

B E F O R E: BEN KALLOS, CHAIRPERSON

COUNCIL MEMBERS: CHAIM M. DEUTSCH
RUBEN DIAZ, SR.
VANESSA L. GIBSON
ANDY L. KING
CARLINA RIVERA
ANTONIO REYNOSO

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

LACEY TAUBER, (HPD) Department of Housing
Preservation and Development

DREW VANDERBURG, RiseBoro Community
Partnership

DAVID POWELL, Cooper Square

DARI ASKELL

GENEVIEVE MICHAEL

NINA SANCHEK

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2 MICHAEL LEONARDO: Today is March 6th.

3 This is a prerecorded test. Today is March 6th.

4 This is a prerecorded test for the Subcommittee on
5 Planning. This is being recorded by Michael
6 Leonardo.

7 CHAIRPERSON BEN KALLOS: Good afternoon
8 and welcome to the Subcommittee on Planning,
9 Dispositions and Concessions. I am Council Member,
10 Ben Kallos, the chair of this subcommittee. You can
11 tweet me at Ben Kallos and find me there on Gram and
12 Facebook, even Get Hub. Today we are joined by
13 Council Member Ruben Diaz Sr., Council Member Chaim
14 Deutsch and a guest at our Committee because it is
15 the best Committee, Council Member Carlina Rivera.

16 Today we will be holding a hearing on four projects,
17 Land Use Items 357 for 332 Eldert Street, Land Use
18 Item for 358 for 63 Stockholm Street and Land Use
19 Item 347, Cooper Square MHA Phase 1 and Preconsidered
20 Land Use Item 187 for West 133rd Street. If you are
21 here to testify please fill out a white witness
22 speaker slip with the Sargeant at Arms and indicate
23 the project name of the item you wish to testify on,
24 on that slip. Before we begin our hearings, we will
25 be voting to approve three projects we heard in

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2 February, Land Use Item 330, 67-69 St. Nicholas
3 Avenue, Land Use 342, 32-34 Putnam Avenue Cluster and
4 Land Use Items 343, 344, and 345 East Village Homes
5 Phase 1 and 2 and East Village Homes NCP. For Land
6 Use Item 330, 67-69 St. Nicholas Avenue in Council
7 Member Perkins District in Manhattan, HPD is seeking
8 a 40-year article of Tax Exemption Pursuant to
9 section 577 of the Private Housing Finance Law and
10 the termination of the prior exemption for this site.
11 The building of a 27-unit low income was carved out
12 of the most recent round of 3rd Party Transfer
13 Program. (Yay!). The 40-year Tax Exemption will be
14 retroactive for 10 years and forward for 30 years.
15 The current HDFC will retain ownership of the
16 building, that is great news. Council Member Perkins
17 is supportive of this project as am I. For
18 Preconsidered Land Use 32-34 Putnam Avenue Cluster
19 which consists of a group of buildings in the
20 District of Majority Leader Cumbo and Council Member
21 Cornegy in Brooklyn. The project includes six
22 partially occupied city-owned buildings that will
23 provide 51 affordable cooperative dwelling units, 5
24 affordable rental dwelling unit and four store-front
25 commercial spaces which are restricted on the rent

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2 for affordable commercial space. HPD is seeking
3 pursuant to article 16 of the General Municipal Law
4 and section 577 of Article 11 the Private Housing
5 Finance Law, approval of an Urban Development Action
6 Project and Real Property Tax Exemption for these
7 properties located at 32 Putnam Avenue, 34 Putnam
8 Avenue, 550 DeKalb Avenue, 55 Carlton Avenue, 374-76
9 Prospect's Place and 1216 Pacific Street, Majority
10 Leader Cumbo and Council Member Cornegy are both
11 supportive of this project and saving the best
12 perhaps for last Land Use Items 343, 344, 345 East
13 Village Home Phase I and II and East Village Homes
14 MCP will facilitate the new construction of two mixed
15 use mixed income residential rental buildings with 54
16 units in total that will be built on two
17 noncontiguous vacant city lots. Phase I of the
18 project is located at 302 East 2nd Street, Phase II
19 is located at 276 East 3rd Street in Manhattan. HPD
20 is seeking an Article 11 Tax Exemptions from the two
21 sites and Amendments to previously approved UDAPT
22 project. The original UDAPT Project was approved by
23 New York City Council on April 29, 2010. Ooh... that's
24 because it took nine years to get done. Resolution
25 #214 in July 19, 2006 under Resolution #450, Council

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2 Member Rivera is supportive of this project and is
3 here to say some words on it.

4 CARLINA RIVERA: Great, thank you, 2010
5 was a good year. So, Chair Kallos and Committee
6 Members thank you for the time to, to comment on the
7 application today. I want to briefly state my
8 support for, of course, Cooper Square Mutual Housing
9 and the project that you will be discussing today. I
10 cannot stay for it but they know that they have my
11 full support and I look forward to working with HPD
12 on this project. Thank you for the opportunity to
13 once again speak in support of an affordable housing
14 development in my District. East Village Homes is
15 sited at two vacant city-owned lots on East 2nd and
16 East 3rd Streets. At the previous attempts of
17 developing these parcels some years ago, I believe
18 that the Department of Housing Preservation and
19 Development have negotiated a develop plan that will
20 finally yield results. The development team is led
21 by Asian Americans for Equality (AAFE), a local non-
22 profit with a successful track record and not for
23 profit housing provision. Over the last two years,
24 they have diligently worked on attaining the public
25 financing and City Capital to bring this project to

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2 fruition. I was happy to commit Capital from my own
3 allotment to make truly affordable units a reality in
4 my District. The actions before you will result in
5 53 units with affordability for 40 years and will
6 include commercial and community facility space. The
7 unit mix is targeted to both individuals and families
8 and units will run as low as 27% of AMI. This is a
9 sorely needed housing asset in a neighborhood that
10 continues to see immense rental pressure. I thank
11 HPD for working quickly on this latest phase of a
12 disposition as well as the development team and AAFFE
13 for their continued efforts at expanding affordable
14 housing opportunities in the lower East side. I ask
15 this committee to support this project and vote to
16 approve these actions today. Thank you so much.

17 CHAIRPERSON BEN KALLOS: I now call for a
18 vote to approve Land Use Items 330, 342, 343, 344,
19 and 345. Counsel please call the roll.

20 COUNSEL: Chair Kallos?

21 CHAIRPERSON BEN KALLOS: Aye.

22 COUNSEL: Council Member Deutch?

23 CHAIM DEUTSCH: Aye.

24 COUNSEL: Council Member Diaz?

25 RUBEN DIAZ: Aye.

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2 COUNSEL: Uhm the Land Use Items are
3 approved by a vote of three in the affirmative, no
4 negative, no abstentions and will be referred to a
5 Land Use Committee for a vote and we will leave this
6 vote open. (long pause).

7 CHAIRPERSON BEN KALLOS: Uhm we've been
8 joined by Council Member Antonio Reynoso whose item
9 is, he was perfectly on time for the item that is
10 upcoming. Our first hearing will be on two projects
11 which we will hear together of Land Use Item 357, 332
12 Eldert Street in Council Member Espinal's District
13 and Land Use Item 358, 63 Stockholm Street in Council
14 Member Reynoso's District, both in Brooklyn. A
15 third-party privately-owned site at 272 Jefferson
16 Street is also part of the project but is not seeking
17 any City Council approval. Land Use Items 357, 332
18 Eldert Street will facilitate the development of a
19 new building with four units of affordable housing.
20 Land Use Item 358, 63 Stockholm Street will
21 facilitate the development of a new development with
22 20 units of affordable housing. Both projects will
23 be developed in vacant city-owned lots, will serve a
24 range of incomes from 30% to 80% of AMI and include a
25 10% set aside for formerly homeless. I just want to

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2 note that these are very low AMIs and I want to
3 complement the local Council Member uhm Antonio
4 Reynoso on really achieving such deep levels of
5 affordability. HPD, this project will receive as of
6 right 420 C Tax Exemption. HPD seeks approval for an
7 Urban Development Action Area of Designation, Land
8 Use 358 and for Land Use 357. Seeks project and
9 disposition approval for block 3419 lot 24 and block
10 3243 lot 65. I now open the public hearing on Land
11 Use Items 357, 358, for 332 Eldert Street and 63
12 Stockholm Street and before we hear HPD's testimony I
13 would like to invite Council Member Antonio Reynoso,
14 uhm former co-Chair of the Progressive Caucus, my
15 friend and colleague to provide uhm some remarks.

16 ANTONIO REYNOSO: Thank you Chair Kallos.
17 I appreciate the time uhm I just want to actually let
18 the HPD know and the Committee know of how supportive
19 I am of this project. The affordable housing issues
20 that we are having in our District are something that
21 we don't feel that we can get a grasp on actually
22 considering the amount of the gentrification and
23 displacement that is happening throughout the city
24 but mostly when it is brining Bushwick in my
25 District. So, this is going to be a welcome, a

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2 welcome asset to the community. These 20 units are
3 all affordable housing. The Affordability Action, I
4 don't want to take credit for any of it. It falls in
5 line with the Mission Statement of RiseBoro and St.
6 Nick's Alliance to build affordable housing for the
7 needy and for the demographic that suits our
8 community so, uhm I didn't do any pushing for them to
9 actually ask for this. They've actually done it on
10 their own uhm so there is no surprise to me that the
11 affordability that was extremely, extremely low. So,
12 I'm looking forward to seeing more details on the
13 project but happy that HPD has allowed for this lot
14 to be developed by affordable housing providers in
15 the District without the need of private developers
16 and I think we are finally going to uhm, use this as
17 a model and example and do all of the housing
18 available in our District through city-owned land
19 that it can all be developed in the near future.
20 Since Stockholm has been in the District for a long-
21 time and HPD has yet to move on it and so the fact
22 that we are moving on it is a good thing but it has
23 taken a long time. We feel like there are other
24 properties in our District that are right for
25 development that have been sitting while the City is

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2 going through and Affordability Crisis so it just is
3 beyond me why we can't get this all done in an
4 expedited timeline. But again, I want to thank HPD
5 for being here and the Chair for allowing me the
6 opportunity to speak.

7 CHAIRPERSON BEN KALLOS: We will probably
8 hear in the testimony but do you recall how long that
9 piece of land has been sitting there, vacant?

10 ANTONIO REYNOSIS: Yeah, uhm, I don't
11 know exactly the timeline but I'm, I'm pretty sure
12 that the lot is probably the part of an UDAP which is
13 probably 1980s. So, worse case scenario, this
14 property has been sitting vacant for more than 40
15 years in this community, a community that is
16 suffering from the need of affordable housing and
17 gentrification.

18 CHAIRPERSON BEN KALLOS: Thank you uhm,
19 we will now ask the panel to state your names for the
20 record. Is somebody is planning to do a presentation
21 they should go sit at that table as well. Uhm if you
22 can please state your name for the record?

23 LACEY TAUBER: Lacey Tauber, HPD.

24 DREW VANDERBURG: Drew Vanderburg,
25 RiseBoro Community Partnership.

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2 CHAIRPERSON BEN KALLOS: And I will ask
3 the Committee Counsel to administer the oath or an
4 affirmation?

5 COUNSEL: Do you affirm to tell the
6 truth, the whole truth and nothing but the truth in
7 your testimony before the subcommittee and in
8 response to all Council Member questions?

9 LACEY TAUBER: Yes.

10 DREW VANDERBURG: Yes.

11 COUNSEL: Thank you.

12 LACEY TAUBER: Okay, so uhm I have two
13 testimonies one for each site. They are a little bit
14 repetitive so I'm sorry about that but there are two
15 different actions so we need to read them both into
16 the record. Uhm Land Use Item Number 357 consists of
17 the proposed disposition of one city-owned vacant lot
18 of 332 Eldert Street in the Bushwick Section of
19 Brooklyn, Council District 37 and Bushwick Alliance
20 332 Eldert Street. The sponsors for the project was
21 selected through a competitive process and proposed
22 to develop the site under HPD.

23 CHAIRPERSON BEN KALLOS: Sorry, sorry to
24 interrupt your testimony. Give me one moment. I
25 would like to acknowledge that we have been joined by

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2 Council Member Vanessa Gibson. I just want to reopen
3 the vote. Uhm Committee Counsel?

4 COUNSEL: Uhm vote on Land Use 330, 342,
5 343, 344, and 345. Council Member Gibson?

6 VANESSA GIBSON: I vote aye.

7 COUNSEL: The Land Use Items are approved
8 by a vote of four in the affirmative, no negative, no
9 abstentions and will be referred to full Land Use
10 Committee for a vote.

11 VANESSA GIBSON: Thank you.

12 CHAIRPERSON BEN KALLOS: Please continue,
13 thank you.

14 LACEY TAUBER: Okay, where was I? The
15 sponsor for the project was selected through a
16 competitive process and proposed to develop the site
17 under HPDs Neighborhood Construction Program or NCP.
18 The NCP funds the new construction of in fill rental
19 housing on small but developable site. The Eldert
20 Street site is a component of a larger project known
21 as Bushwick Alliance NCP. Upon completion, the
22 building will contribute four units of rental housing
23 that will be affordable to low-income individuals and
24 households of income up to 80% of AMI. The unit mix
25 comprises one one-bedroom and three two-bedroom

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2 apartments with rents targeted at tiers of 37%, 47%
3 and 77% of AMI. Additionally, under a separate Land
4 Use Action the Bushwick Alliance Project will include
5 a second city-owned site and a private site that will
6 provide 24 additional units for a total of 28 housing
7 units. The estimated total development cost for the
8 Bushwick Alliance Project is \$14,594,898 which is
9 subject to change. In order to facilitate
10 construction of this project, HPD is before the
11 Council seeking approval of Land Use Item number 357.
12 Okay and then Land Use Item number 358 consists of a
13 ULURP action seeking UDAP area designation and
14 project disposition and approval for one vacant city-
15 owned lot at 63 Stockholm Street in the Bushwick
16 section of Brooklyn, Council District 34, known as
17 Bushwick Alliance 63 Stockholm Street. The sponsor
18 for the project was selected through a competitive
19 process and proposed us to develop the site under
20 HPDs Neighborhood Construction Program. I will skip
21 some things I already said, a component of the larger
22 project known as Bushwick Alliance NCP. The proposed
23 development at 63 Stockholm Street will result in new
24 construction of a 4-story building with 20 units of
25 rental housing that will be affordable to low-income

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2 individuals and households with incomes up to 80% of
3 AMI. The unit mix here comprises of five studios,
4 eight one-bedroom and seven two-bedroom apartments
5 with rents targeted at tiers of 27%, 37%, 47% and 77%
6 of AMI. Amenities for tenants will include laundry
7 facilities, storage spaces for general use and
8 bicycles and a planted recreational yard. The
9 building will be built to enterprise green community
10 standards to conserve energy and reduce environment
11 impacts. And then I think the rest of it is what you
12 have already heard about the project as a whole so I
13 will skip that part and submit this if that's okay,
14 for the record. I just want to add a comment about
15 uhm and I want to say thank you for your support of
16 this project Council Member and I think the thing
17 about your comment on these vacant lots. The NPC and
18 NYHOP program that is designed to address that exact
19 concern is still fairly new and we are starting to
20 see a lot of projects in that pipeline now where we
21 are able to use those programs to develop affordable
22 housing on some of these smaller and harder to
23 develop lots that have been sitting for a long time
24 and so that's exactly you know what this program is
25 meant to address.

2 ANTONIO REYNOSO: Can I, also given that
3 it is a new program, I think one of the parts that we
4 actually are happy about is the fact that most of
5 these projects are going to, exclusively to
6 community-based organizations. Uhm, there was a time
7 before the Bloomberg Administration where a building
8 by not-for-profits was the norm and overnight it just
9 became that they can't develop anymore. They don't
10 know how to develop or they don't have the capacity
11 to develop. Prior to that, it was almost exclusively
12 done by public by not for profits. Maybe this is the
13 beginning of restarting that conversation but even
14 know we see HPD seeing that or believing that they
15 have to have joint public private partnerships or
16 exclusively private partnerships above affordable
17 housing in the City and I disagree with that. I
18 would change anyone to, to speak to RiseBoro or St.
19 Nick's ability to build affordable housing even at
20 large scale without any private partnership. So, if
21 this is the beginning of reopening that conversation
22 and a, and a movement by HPD into building again,
23 allowing for the right people to build this
24 affordable housing then I am extremely excited for
25 it. And I am excited to see this program continue to

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2 do its work. You are right, I am very happy that we
3 are finally figuring this out and there is some
4 initiative done here by HPD to build these smaller
5 lots that have been gone vacant for quite some time.

6 CHAIRPERSON BEN KALLOS: Lets go to the
7 presentation from RiseBoro.

8 DREW VANDERBURG: Hello, thank you for
9 having me here today. I'm just going to speak
10 briefly on the project, happy to answer any
11 questions, let you know the details. Uhm, so this
12 project is one ULURP and also one UDAP as was
13 discussed earlier, two items and this is also two
14 non-profit developers based on the community who will
15 both be developing and owning these buildings and I
16 just want to point out to Scott at St. Cluster,
17 obviously two vacant owned sites and one private site
18 and that is three new buildings that will be property
19 managed by RiseBoro. We have buildings all over his
20 neighborhood so we are excited to add these three to
21 our scattered site portfolio uhm and it is a total of
22 28 new affordable apartments uhm in Bushwick. So,
23 here is the technical language about what we are
24 requesting today, Urban Development Action Area
25 Project Designation and Project Approval.

2 CHAIRPERSON BEN KALLOS: You can skip
3 that and go to the next one. Everyone else has done
4 it.

5 DREW VANDERBURG: Alright, you got it.
6 Uhm this is just a bird's eye view of the site,
7 bounded by Evergreen Avenue, Central Avenue, DeKalb
8 Avenue and Stockholm Street and then here we have the
9 details about the building. So, this is, get to the
10 good stuff, 20-units, 4-stories, 27% AMI to 80% AMI
11 uhm and this building will be design to passive house
12 standards which RiseBoro and St. Nick's are really
13 excited about, a type of architecture and
14 construction methodology that I will get in to at a
15 later slide. There will be solar panels. There will
16 be a laundry room. There will be bicycle storage, a
17 back yard. It is going to be about 19,000 square
18 feet of new housing and something that was recently
19 introduced to the plan from HPDs initiative is a 10%
20 formerly homeless set aside so we've added those at
21 27% AMI for formerly homeless folks. Alright, then
22 we've got the site plan so I think the building is
23 contextual with the neighborhood. You can see we've
24 got slight setback from the street wall so that there
25 can be some planted areas and a little bit a soft

2 landing for the residents, there will be street
3 trees. There is a back yard which is accessible to
4 all the residents in the building at 63 Stockholm and
5 it is touch and go neighboring lots right there. So,
6 this is just for the 63 Stockholm site, I mean I
7 wanted to specify this building as the ULURP and out
8 of the 20 units you can see the unit sizes and the
9 rents, we've been over this and then the next slide
10 shows you the other two buildings in the site. 272
11 Jefferson Street and 332 Eldert Street which will
12 both be 4-unit buildings adding 37% AMI to 80% AMI
13 units to the building or to the project rather. And
14 uhm while 63 Stockholm will be designed to the
15 passive house standard, these buildings are a little
16 too small to technically be passive house buildings
17 but they will still be using the same energy
18 efficient methodologies in their construction style.
19 So, this is what the whole cluster looks like then
20 when you add all 28 units together, most 2-bedrooms
21 because we are responding to community need for
22 larger unit sizes for families. Uhm but we've also
23 got some studio units and one-bedrooms and then
24 you've got the whole affordability distribution. Uhm
25 in prior innovations of this project which we spoke

2 to your office about, we were not utilizing the
3 income averaging but this is now an early income-
4 average project with HPD which allowed us to add some
5 deeper affordability uhm in exchange for also adding
6 a few more 77% AMI units so that you can see an
7 approximation of what the monthly rents would be for
8 residents and that doesn't even account for the
9 formerly homeless units. I just want to say a little
10 more about Passive House Design because this is an
11 exciting thing that we are trying to emphasize that
12 should become the norm for the building code in the
13 City ideally and also for all architects working in
14 the City to have these skills in their shops.
15 Essentially we have thicker walls there and insulin
16 which provides air tightness to the building so that
17 you can have a lot more temperature control, creates
18 better air quality for the residents, you also
19 utilize efficient equipment in the building, low
20 voltage equipment and low flow water appliances and
21 then uhm we also have HVAC systems that use heat
22 recapture and air source heat pumps getting into the
23 technical stuff but essentially a way to recycle the
24 energy load and the heat usage in the building and
25 then finally we harness the sun with photo vortex on

2 the top and we are hoping to work with NYSERDA to add
3 a little additional financing and energy incentives
4 to fund the solar grid on the ceiling of 63
5 Stockholm, I mean the roof. And the solar shading is
6 a really cool thing. This is a building in
7 Knickerbocker, it's called Knickerbocker Commons,
8 it's a RiseBoro Building where you can see the angles
9 of the exterior kind of blocks the light, sometimes
10 of year and allows it in at other times of year. I
11 don't think our building has exactly that design but
12 it is part of the methodology of Passive House. Also
13 wanted to emphasize another initiative that St. Nick
14 and RiseBoro will be collaborating on for this
15 project which is to employ local folks and MWBE folks
16 in the construction and the operations of this
17 building. So, you can see right there, essentially,
18 we will be meeting all of the local hiring
19 requirements throughout the city focusing on the
20 Bushwick area and section III. Also, we will be
21 meeting MWBE contractors and vendors to work on this
22 project to ensure that the general contractor who we
23 do soon eventually will bring aboard will be seeking
24 those opportunities and will meet all of the HPD
25 requirements for that. In fact, our architect is

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2 already helping us meet that as an MWBE organization.
3 Uhm this project will be listed in HPDs higher NYC
4 Portal and RiseBoro and St. Nicks both have robust
5 workforce development programs and we are even
6 opening a new training center in Bushwick right
7 nearby the 332 Eldert Building. So, I am looking
8 forward to the opportunity to provide those services,
9 not just for the residents but for potential hires
10 who will be working on the constructions and
11 operations of this building. And that's it for now.
12 Any questions, I'd be happy to speak further.

13 ANTONIO REYNOSO: I just have one
14 question, we are trying to do more when it comes to
15 supportive housing in the City Council, some of us
16 are trying to do more when it comes to supportive
17 housing in the City Council.

18 CHAIRPERSON BEN KALLOS: I support
19 Antonio fully.

20 ANTONIO REYNOSO: We've been talking
21 about increasing the homeless set asides from 10% to
22 15% in some cases. Is there an opportunity here to
23 revisit that conversation about expanding or adding
24 maybe an apartment or two have for 15% of it be

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2 homeless set aside? Just wanted to know if we still
3 have time to have a conversation about that?

4 DREW VANDERBURG: I think we do have time
5 and I'm definitely willing to have the conversation.
6 RiseBoro is open to that and St. Nicks is and of
7 course it is just a matter of the budget for the
8 project but we just recently added the 10% at HPDs
9 behest so I see no reason why we can't look at it
10 again.

11 ANTONIO REYNOSO: Alright so I would love
12 to have that conversation and be mindful that I don't
13 necessarily want to increase the amount of 77% to 80%
14 units to offset that. I just want more money than
15 was. But I would say that it is more affordable to
16 house homeless families in these units than it is to
17 you know manage them through the homeless shelter
18 system. So, I think comprehensively the City would
19 be saving money by having these units available. So,
20 I really want to just have that conversation. I
21 think because of the amount of units that we are
22 talking about here it is probably like one more
23 apartment but please let's have a conversation about
24 it. I don't to go to the Chair of the Land Use who
25 has made a commitment to pushing for 50% set aside

2 and not have that, and that I don't follow through
3 with that commitment outside of Legislation so if we
4 could just have that commitment it would be helpful.

5 LACEY TAUBER: We can take that back to
6 the finance team and see if we can make the numbers
7 work.

8 ANTONIO REYNOSO: Alright and if you need
9 me give me a call and I would be more than happy to
10 help to make that happen. And outside of that the
11 project looks, looks great and I am excited to see
12 the development happen as soon as possible. Thank
13 you.

14 CHAIRPERSON BEN KALLOS: Thank you. What
15 portion of those who are going to be winning the
16 lotteries or in your experience or that move into the
17 affordable housing, how many of the folks are on the
18 younger side? How many of the folks are on the older
19 side? How many folks who are disabled apply and get
20 offers and how many of your units will be fully
21 accessible for tenants as well as if a tenant should
22 happen to have somebody who has a mobility disability
23 who would love them to be able to visit them or stay
24 with them if there is a Hurricane in Puerto Rico per
25 se?

DREW VANDERBURG: Right so uhm when we open projects like this to the Housing Lottery, we get sometimes 50,000 applications. I think it might have been something like upwards of 60,000 on our last building in Bushwick and averaging more like 20,000, 30,000, so it is a wide variety of folks. I actually don't work on the marketing of these buildings as I'm in the development team at RiseBoro but I know that we get a wide variety of folks, a lot of younger folks, a lot of seniors because RiseBoro has a reputation for seniors and we also get a lot of families which would be then you know children and parents.

CHAIRPERSON BEN KALLOS: And children need elevators if you want to get that stroller. It's not easy to get strollers up four flights of steps.

DREW VANDERBRUG: Right.

CHAIRPERSON BEN KALLOS: Is there an elevator in the larger 20-unit building?

DREW VANDERBURG: There is no elevator currently planned.

CHAIRPERSON BEN KALLOS: Uhm is there an opportunity to provide an elevator so that seniors,

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2 families, people who become temporary disabled,
3 people who get pregnant, things like that can still
4 have access to their fourth floor?

5 DREW VANDERBURG: Well that would
6 definitely change the design of the building
7 substantially. We do emphasize with those needs and
8 we have a lot of buildings in our portfolio that meet
9 those needs and so what we have here in this project
10 right now is there is one mobility fully adaptable
11 and accessible. UFAS section 503 unit on the ground
12 floor in the 63 Stockholm building.

13 CHAIRPERSON BEN KALLOS: One out of 20?

14 DREW VANDERBURG: One out of 20. Which
15 meets the 5% requirement and then there is another
16 one in the Eldert building.

17 CHAIRPERSON BEN KALLOS: Okay so you are
18 exceeding the requirements?

19 DREW VANDERBURG: If you do it by cluster
20 technically it would be requiring 1.4 so we round it
21 up to 2, yes, so we are exceeding the requirements
22 technically. But we also with the entire ground
23 floor is going to be accessible and adaptable
24 although there is only building that is UFAS in the
25 63 Stockholm Building.

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2 CHAIRPERSON BEN KALLOS: What is, what is
3 limiting you? Is it zoning? Is it DOB? Is it not
4 enough funding from HPD?

5 DREW VANDERBURG: Well our goal is always
6 to create the most affordable housing as possible so
7 we designed the building without the elevator and
8 sticking to the requirements of the HPD design
9 guidelines and the accessibility handbook so that we
10 can get the most units.

11 CHAIRPERSON BEN KALLOS: Would you be
12 willing to share with me what section in the HPD
13 design guidelines tilted the scale towards not
14 putting an elevator versus in favor because so if the
15 HPD changed its guidelines would you be able to add
16 the elevator?

17 DREW VANDERBURG: Maybe so. I, I would
18 love to share that with you but I don't know off the
19 top of my head.

20 CHAIRPERSON BEN KALLOS: Okay but you
21 can, you can email it to me it's
policy@benkallos.com.

23 DREW VANDERBURG: Okay.

24 CHAIRPERSON BEN KALLOS: Would you send
25 it to me before we vote on it.

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2 DREW VANDERBURG: Sure, we have the
3 architect also in the room and other folks who are
4 working on the project.

5 CHAIRPERSON BEN KALLOS: Are you
6 comfortable having the architect answer questions?

7 DREW VANDERBURG: Maybe you can add some
8 gloss to this. I do want to get to the bottom of it.

9 CHAIRPERSON BEN KALLOS: Okay.

10 LACEY TAUBER: I mean I think from HPDs
11 perspective you know they are following or even
12 technically exceeding you know our requirements. Uhm
13 we share the goal of trying to maximize the number of
14 units that we can within a build, we have done that
15 in this project and I think you know, we were talking
16 before something that your team was saying was not
17 because you have such a large portfolio, if the needs
18 should arise for a resident who say becomes disabled
19 while they are living in the building there could be
20 an opportunity to you know move them to a different
21 unit within the portfolio as needed.

22 DREW VANDERBURG: Absolutely.

23 LACEY TAUBER: Uhm, you know we are
24 talking about two organizations that own a lot of
25 buildings in the area.

2 DREW VANDERBURG: Right it is important
3 to note that we have senior buildings and supportive
4 housing buildings in the neighborhood so if we did
5 have a resident who became disabled, needed an
6 elevator in their building, we would try to find
7 accommodations for them nearby if possible. I hope
8 that helps?

9 CHAIRPERSON BEN KALLOS: I thank you, I
10 guess another question is I guess one of my
11 colleagues who may be sitting next to me frequently
12 asks about affordable housing so this is a question
13 for HPD so it seems that my colleague, Council Member
14 Reynoso represents a, a community that has a high
15 concentration of low income communities of color. I,
16 on the other hand do not. I don't believe HPD has
17 come to this committee with any projects for the side
18 uhm how can we work together so that the east side is
19 building its share of housing at 30% of AMI, at very
20 low items to bring economic diversity to my District
21 and the city. I will let, since I said his name, I
22 will let Council Member Reynoso jump in if he wants
23 to add anything?

24 ANTONIO REYNOSO: I will, so part of, one
25 of my foundational conversations that I have in this

2 Council and with the City, the problem that I have
3 with the administration is that they build affordable
4 housing, the supportive housing, exclusively in
5 neighborhoods that are poor and of color which adds
6 to the lack of diversity, to the segregation that we
7 have in our city and I think HPD is unintentionally
8 perpetuating segregation which is a big problem for
9 me. So, when I talk to Ben Kallos who lives in a
10 District that is a lot of affluent and white than
11 mine, I'm going ot ask him why and when are you going
12 to do your part when it comes to addressing the
13 affordability housing crisis and he states to me that
14 HPD doesn't allow for that to happen. The HPD hasn't
15 given him any opportunities. That HPD is not
16 presenting him with opportunities. So, I would like
17 to know why it is that my District seems to be at the
18 top of the list of places where building affordable
19 housing in someone like his District where I imagine
20 the AMIs look a lot different than what my AMIs look
21 like. He sees almost no affordable housing and one
22 thing that I want to note is to no fault of Council
23 Member Kallos who would actually want some affordable
24 housing in his District, so I just want to know where
25 that comes in and whether or not we can have a

2 rationale as to why he hasn't built any affordable
3 housing since he has been a Council Member?

4 LACEY TAUBER: (laughing) I mean I think
5 one of the things that limits where we can do some of
6 these projects like the one that you are seeing right
7 now where they are sitting on land that we can access
8 for affordable housing and you know the situation is
9 there is more city-owned land available in some
10 places than others. That is part of it. Uhm I will
11 say you know there are also affordable housing
12 preservation opportunities in the Council Member's
13 District. We have an article 11 application we have
14 been working with your office on for quite some time
15 now. Some other things like that that we would like
16 to get moving. Uhm but then I would also say that
17 you know we are working on this city-wide process
18 called Where We Live NYC where we are really are
19 trying to tackle some of these questions and have you
20 known a real city-wide conversation about uhm why
21 people live where they live, there the opportunities
22 area? How we can help folks access some of these
23 high opportunity neighborhoods as they are called in
24 the business and so uhm you know I would encourage
25 people to check out that initiative, to participate

2 in those conversations and you know we are going to
3 have a, sorry, we are doing a lot of note passing
4 here. We have a couple of updates, I think. Uhm you
5 know again we are having a city-wide conversation
6 about this very issue and we are expecting to make
7 some policy related recommendations I think as soon
8 as this fall.

9 ANTONIO REYNOSO: Can we get so. It is
10 good to hear it the way you've presented it but can
11 we get that actual information. I would love to see
12 the lack of opportunities in Ben Kallos' District.
13 Almost exclusively, specifically how many city-owned
14 sites are in his District? I would love to see that,
15 under-utilized school land in backyards. NYCHA
16 Develops and in and around NYCHA develops and
17 opportunities to develop. If I can get that
18 information, then I can, I can feel more comfortable
19 about the fact that I wouldn't even consider him, his
20 District a high-opportunity area. There are no
21 opportunities I that District and I would walk away
22 from the argument that these mostly white affluent
23 Districts are almost, are, are not playing their part
24 when it comes to building affordable housing.

2 CHAIRPERSON BEN KALLOS: I don't think I
3 would let you because I think we are incumbent to
4 find the affordability wherever it is and take on
5 what ever challenges so if we don't have vacant lots
6 and I will, I will share my dataset that I have
7 provided with HPD. I have also sent a letter to HPD
8 with every single closed church site for affordable
9 housing and for school sites. The, the arch diesis
10 happen to be selling off land in my District to raise
11 money for certain reasons.

12 DREW VANDERBURG: They aren't raising
13 money for good reasons.

14 LACEY TAUBER: I would just say to that,
15 that we are looking in to uhm, we have done a couple
16 of big like faith-based development events in
17 Manhattan. It has been a little while since we've
18 done one. We are looking into doing that again soon.
19 Working with the Manhattan Borough President's Office
20 on that so we really do want to be connecting some of
21 these church properties that have available land to
22 make sure that they know about opportunities to work
23 with us before they sell off. You know...

24 CHAIRPERSON BEN KALLOS: And actually, we
25 will have the opportunity. I already asked

2 Commissioner Banks for a couple of, several million
3 dollars to build shelters in my District but if HPD
4 is able to help and just for the record we've got
5 three affordable housing sites in my District since
6 I've been Council Member where we are hopefully
7 opening 17 supportive housing beds with WIN but that
8 is far less than we are seeing in your District just
9 on this one item and you've been in this Committee a
10 number of times. So, I, please if you can give some
11 of the answers to Council Member Reynoso and I and we
12 are interested and uhm but we won't take no for an
13 answer. We need to figure out a way to build 30% AMI
14 in this, in the east side, even though there is
15 higher land acquisition cost because equity is equity
16 and as the Mayor frequently says about a garbage
17 dump, he is opening in my District this month.
18 Equity sometimes costs more. So, I am not mad at the
19 garbage dump but, I, I would challenge even the
20 Council Member in noting that Winesburg has one of
21 the highest land values in all of the City and in
22 Bushwick and in Winesburg. I would see what those
23 prices look like. They are actually comparable so
24 that shouldn't be a deterrent to being able to build
25 affordable housing. I agree that you know Winesburg

2 and Bushwick and other places, land value tends to be
3 a conversation as to why we can't build as much of
4 affordable housing that we want so I don't want that
5 to be the excuse by HPD but I would like for myself
6 to see that uhm just what his District is going
7 through so I can be able to advocate through facts as
8 opposed to just anecdotes and like personal
9 experiences.

10 LACEY TAUBER: Yeah, I think we have a
11 lot of that already through where we live. I will
12 take a look at what we can share.

13 CHAIRPERSON BEN KALLOS: I want to just
14 try to continue impressing my colleague here. One of
15 the questions I often have started asking as of this
16 year when I had too much time on my hands is whether
17 the not AMIs, the actually rents if you can pull up
18 the slides of the actual rents that show that it is
19 from \$366 to \$1738. Whether or not that will have a
20 gentrifying effect. I prefer to focus on the census
21 District, census tract and under the DCP Census Tract
22 it shows that about most of the, I would say, sorry,
23 90, 84% of the housing is actually under \$199,000. I
24 will show Council Member Reynoso, so about 20% is
25 \$1500 to \$1999, uhm 23% is \$1000 to \$1499 and 23% is

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2 from \$500 to \$1000 and only 12% is less than \$500.

3 So, I guess the question is that HPD analysis in

4 RiseBoro is that these units are going to present

5 additional affordability in the community or just

6 preserve the status quo of the affordability

7 currently seen in the community?

8 LACEY TAUBER: I mean so, this is a

9 scattered site project. There is actually three

10 buildings, so, you know if we look at it in the

11 neighborhood level, about 64% of people in Bushwick

12 make 80% AMI or less which comports with the range

13 that you see here so I think people in the, in the

14 neighborhood will be able to qualify for these units.

15 CHAIRPERSON BEN KALLOS: This is one of

16 the, I like... when I see 80% and believe, you are very

17 lucky. So, I am going to go through some of the

18 other questions I tend to ask.

19 DREW VANDERBURG: Not to be a labor but

20 do you want me to give you the info that I just

21 received from the architect related to the first.

22 CHAIRPERSON BEN KALLOS: Yes. In hopes

23 of moving on to the vote without needing to. Yes,

24 yes, yes, I am very happy.

25

2 DREW VANDERBURG: Uhm she just wanted to
3 clarify that there are actually 25% of the cluster is
4 accessible because while I was referring to the
5 sectio 503 UFAS units of which there are two, there
6 is actually 5, all five units on the ground floor of
7 this Stockholm building are accessible and adaptable.
8 So, that is a lot better and also one in Eldert and
9 one in the Jefferson building.

10 CHAIRPERSON BEN KALLOS: And then does
11 the architect did they happen to write down what
12 section of the HPD design guidelines is running the
13 elevator?

14 DREW VANDERBURG: No but.

15 LACEY TAUBER: They did not.

16 DREW VANDERBUG: They did mention in
17 another source here that it is because of the
18 building code, uhm a building that is four stories or
19 less is not required to have an elevator.

20 CHAIRPERSON BEN KALLOS: I but do we know
21 if the building code prevents and elevator and if the
22 zoning code penalizes making something accessible
23 that is four-stories. Because if it is, I would be
24 interested in changing the building code and the
25 zoning code?

2 DREW VANDERBURG: I don't think that is
3 quite accurate but essentially, we would have to
4 lower the number of units in the building and it
5 would also construction costs and energy costs to.

6 CHAIRPERSON BEN KALLOS: Sure.
7 Construction, energy where I think the City should be
8 able to cover in terms of the problem, we are trying
9 to solve is that elevators don't take up floor area
10 ratio so I am, I am. Okay so I am hearing from the
11 audience that they do, which is. Anyway, I would the
12 architects be willing to give some pro bono advice on
13 what changes would need to happen in order to get
14 this elevator in without costing units?

15 LACEY TAUBER: My team thinks no but we
16 will, I mean we will, it's.

17 CHAIRPERSON BEN KALLOS: Okay we will
18 continue to have this conversation as a reasonable
19 item that comes before this committee. Uhm who is
20 the contractor on this project?

21 LACEY TAUBER: So, okay, we are at
22 maximum building envelope is what I am being told so
23 there is not really a way to add an elevator without
24 losing units.

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2 CHAIRPERSON BEN KALLOS: Okay. So, I had
3 a conversation with the Department of City Planning,
4 what they are looking for from me is specifically
5 instances such as this where if you can give me the
6 design constraints and where are the envelopes so I
7 am guessing this is a quality housing building?

8 DREW VANDERBURG: Uhm I believe so.

9 CHAIRPERSON BEN KALLOS: Quality Housing
10 is one of the only ones with the envelope
11 restriction, so, I just need to know what we need to
12 do so that when it's 100% affordable like this we can
13 just relax the envelope and then whether it is
14 through BSA, Special Permit or DCP creating a new
15 change citywide I would really like to get to a place
16 where we are doing, when it is 100% affordable
17 housing that we are relaxing certain standards to get
18 100% accessibility. Uhm who is the contractor?

19 DREW VANDERBURG: Uhm not selected yet.

20 CHAIRPERSON BEN KALLOS: Uhm when will
21 the project start?

22 DREW VANDERBURG: We are hoping for
23 construction closing in Spring of 2020. Uhm. Or
24 potentially as early as December or January 2020.

25

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2 CHAIRPERSON BEN KALLOS: When is my
3 colleague going to be standing there with his shovel?

4 DREW VANDERBURG: I'm hoping spring 2020.

5 CHAIRPERSON BEN KALLOS: Any, any reason
6 why it will take a year?

7 DREW VANDERBURG: Well, this ULURP
8 process is currently the critical path for the
9 project so once we, pass ULURP.

10 CHAIRPERSON BEN KALLOS: So, we will vote
11 on it in a week, it's 2019, how do we get shovels in
12 the ground now versus next year?

13 DREW VANDERBURG: Because we are also
14 going to be applying for the 9% Tax Credit
15 Application, the HPD Tax Credit Applications which
16 will be going in maybe August, September and then
17 will be awarded and then that's when we can close.
18 So then after that it would be a question of getting
19 the finances in order, working up the paperwork and
20 closing.

21 LACEY TAUBER: And having them approve of
22 a place before they do the Tax Cut Application puts
23 them in a much better potential place to get those
24 Tax Credits.

25

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2 CHAIRPERSON BEN KALLOS: What is the
3 construction hard costs on? The total project cost
4 according to testimony on the Stockholm site are
5 \$14.6 million for the hard cost?

6 DREW VANDERBURG: I think it's about \$12.

7 LACEY TAUBER: Sorry, that was for the
8 whole project and not a site-specific number.

9 DREW VANDERBURG: Right, yeah, I mean
10 that's \$12 million hard cost for all three buildings.
11 I don't have the Budget exactly in front of me but.

12 CHAIRPERSON BEN KALLOS: What are your
13 soft costs?

14 DREW VANDERBURG: About \$2 million.

15 CHAIRPERSON BEN KALLOS: What are you
16 developer fees?

17 DREW VANDERBURG: I don't know off the
18 top of my head but it is within the soft cost number,
19 no that's not accurate, it's not, uhm I don't know
20 off of the top of my head.

21 CHAIRPERSON BEN KALLOS: Are you going to
22 defer developer fees?

23 DREW VANDERBURG: I believe yes. Uhm
24 that does apply to the finance plan.

25

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2 CHAIRPERSON BEN KALLOS: There was
3 another developer at the last hearing said I should
4 start asking what you are going to do with the
5 developer's fees, is it going to go into somebody's
6 pocket or is it going to go into your community?

7 DREW VANDERBURG: Good question and
8 nonprofits love answering that question.

9 CHAIRPERSON BEN KALLOS: It's true.

10 DREW VANDERBURG: Because they can talk
11 about all the different programs that we run and all
12 of the staff that we hire from the community and we
13 will be re-investing those profits 50/50 between St.
14 Nicks and RiseBoro in our services, in our staff and
15 keeping our organizations strong.

16 CHAIRPERSON BEN KALLOS: Uhm Council
17 Member Reynoso for a followup?

18 ANTONIO REYNOSO: So just, having a
19 general conversation with HPD, I think uhm for some
20 reason when we talk at these hearings, we are on the
21 same page but the policy just doesn't fall in line
22 with the. The developer fees are a perfect example
23 of funding that is necessary for folks like RiseBoro
24 and St. Nicks to do the work that you want when it
25 comes to the preservation of units but almost never

2 get an opportunity to have in sites that are
3 exclusively given to private developers. Uhm, so, it
4 is just another example of a cycle by which in the
5 past these not for profit organizations should be
6 able to protect people through the money that they
7 make from developer costs of buildings that they were
8 building. Once he stopped the, giving him the
9 opportunities to build affordable housing or to build
10 housing in general you cut a life line in regard to
11 the amount of funding that they get to do this work.
12 So, they've had to come through other places like
13 City Council, the state and federal funding to, to,
14 for the expense budget, for expense budget request so
15 they can continue to do their work. So, there was a
16 cycle that worked. It was cut during the Bloomberg
17 Administration. It existed all the way through until
18 now and into the de Blasio Administration, the same
19 practices where you cut off an important lifeline.
20 This is a perfect example right here of a building
21 that is going to give them developer fees, that is
22 going to allow for them again to fight against
23 evictions which is something that you want to ensure
24 that other buildings are taken care of and they can
25 staff not only through lawyers but through organizing

2 to do underground work but again you seem to value
3 but don't seem to support when it comes to allowing
4 for them to take on projects of development. So, I
5 just want to make sure that I have that conversation
6 when I hear developer fees deferred. You know, I
7 want to have the conversation in context. It is not
8 deferred, like they are not going to take it. They
9 are going to put it back into the building.

10 Sometimes the deferment means that no one is
11 pocketing it and they are putting it back into their
12 organization to do their work. So, I just want to
13 have clarification of that and just this, what I
14 think hypocritical request of HPD in the city for
15 organizing and eviction assistant but no support on
16 the construction side which used to allow for funding
17 to go into those services. That was a statement so.

18 CHAIRPERSON BEN KALLOS: I would love to
19 see private developers defer as much of their fees as
20 I see from nonprofits. Uhm will there be an onsite
21 super?

22 DREW VANDERBURG: That is currently being
23 discussed internally, uhm related to our property
24 management needs. Uhm the proposal before you today
25 do not include a supervision unit but we will, but

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2 that person will be in a building right down the
3 street that RiseBoro operates.

4 CHAIRPERSON BEN KALLOS: Will there be
5 any commercial units?

6 DREW VANDERBURG: No.

7 CHAIRPERSON BEN KALLOS: What is the
8 value of the city land being disposed?

9 DREW VANDERBURG: I don't know.

10 LACEY TAUBER: Uhm the market appraisal
11 value of the city-owned lots is \$3,140,000 for 63
12 Stockholm, and \$790,000 for 332 Eldert.

13 DREW VANDERBURG: I also want to correct
14 the record on a prior question I knew I totally
15 pulled out of my head. The construction costs which
16 is still totally subject to change is actually more
17 around \$10 million, not \$12.

18 CHAIRPERSON BEN KALLOS: Okay, so then it
19 is \$4 million soft costs? Actually \$4.5?

20 DREW VANDERBURG: No, it's a little less.

21 LACEY TAUBER: And then there is some
22 other things in there like contingency and.

23 DREW VANDERBURG: Yeah, yeah, it's like,
24 it's more like.

25

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2 CHAIRPERSON BEN KALLOS: So, what are the
3 soft costs? This will make Antonio happy.

4 DREW VANDERBURG: The way that it is
5 adding here is strange but it is about \$1.4 in soft
6 cost proper for the pre-development phase and then we
7 have financing fees and carrying costs on top that
8 brings it up to a little more than \$2 million. I, I
9 the project is very much still in the pre-financing
10 and.

11 CHAIRPERSON BEN KALLOS: That's good
12 news. 2% set aside. And perhaps even for this
13 elevator I am hoping to get in every building. What
14 is the value of the Tax Abatement from the 420C?

15 LACEY TAUBER: We don't do that
16 calculation. For the 420C.

17 CHAIRPERSON BEN KALLOS: I will continue
18 to ask because I think it is valid. It is a 40-year
19 Tax Abatement as of right.

20 LACEY TAUBER: Uhm it's a 30-year
21 regulatory period.

22 CHAIRPERSON BEN KALLOS: And it is a full
23 Tax Abatement?

24 LACEY TAUBER: Yes.

25

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2 CHAIRPERSON BEN KALLOS: On a, what is
3 the assessed value for the property once it will be
4 built? I can back into the tax. I can figure out
5 what the statement would be under 420 C if you won't
6 give it to us. Okay, we will look into so we can
7 just know exactly how much we are doing. Is there an
8 additional HPD subsidy?

9 DREW VANDERBURG: No, just the, uhm no
10 there is just not.

11 LACEY TAUBER: It's about, the City
12 Subsidy is about 19% of TDC.

13 CHAIRPERSON BEN KALLOS: Thank you. Oh,
14 under which program?

15 LACEY TAUBER: Uhm NCP.

16 CHAIRPERSON BEN KALLOS: Alright is there
17 any HDC Financing? First mortgage?

18 DREW VANDERBURG: No.

19 LACEY TAUBER: No.

20 CHAIRPERSON BEN KALLOS: Any federal
21 money, state money city capital?

22 DREW VANDERBURG: NYSERTA, the Energy
23 Research Organization, technically that is State
24 money although that financing is also still in flux.

25

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2 CHAIRPERSON BEN KALLOS: How much are you
3 expecting that financing to account for?

4 DREW VANDERBURG: Uhm it would depend on
5 the energy modeling of the building. If we can
6 actually get the performance that we anticipate then
7 we could have I think the Budget currently has
8 \$125,000 for NYSERTA incentives.

9 CHAIRPERSON BEN KALLOS: Right.

10 DREW VANDERBURG: Based on the solar
11 panels.

12 CHAIRPERSON BEN KALLOS: There is no up
13 zoning, here right? It's just the zoning is staying
14 the same? Uhm, okay here's, the, here's the other
15 quick question, uhm the folks who will be building
16 these buildings and those who are operating it will
17 they get paid enough money so that they won't qualify
18 for the affordable housing? Or will they be paying,
19 getting paid so little that they will actually need
20 the affordable housing that they are building which
21 means it will be making the crisis worse? The Mayor
22 is very fond of saying the best way we can get out of
23 the Affordable Housing crisis is by paying people
24 more. So, what does the pay look like? Will the
25 people have health insurance if they get hurt on the

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2 job? Or do they just have to rely on worker's comp?

3 Will they one day be able to retire because they have
4 access to retirement? This is for the construction
5 workers and the people who operate?

6 DREW VANDERBURG: So, RiseBoro and St.

7 Nicks are committed to working with general
8 contractors who have these protections for their
9 workers as well but since we have not selected the
10 general contractor, I can't speak to the exact
11 conditions that their workers will enjoy but of
12 course, they will follow all of the local hiring,
13 etc. however, this is not a prevailing wage project.
14 As of the uhm, employees of RiseBoro who will be
15 operating the building and also developing the
16 building, our staff I believe is well taken care of,
17 we all have health insurance at RiseBoro and our
18 property management staff is 32BJ unionized so those
19 folks will have all of those benefits and union pay
20 rates.

21 CHAIRPERSON BEN KALLOS: Uhm you
22 mentioned a lot in your presentation which I really
23 appreciate. If somebody is watching right now and
24 they are a constituent of Council Member Antonio
25 Reynoso and they would like a job building or

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2 maintaining one of these three properties uhm who
3 should they call? How do they get that job?

4 DREW VANDERBURG: I think you can
5 reliably contact the project managers which is myself
6 and Phillip and those are the main lines for the
7 housing offices at RiseBoro and St. Nicks.

8 CHAIRPERSON BEN KALLOS: If you can read
9 them into the record. For folks watching on TV or on
10 the live stream.

11 DREW VANDERBURG: Yes so.

12 CHAIRPERSON BEN KALLOS: This is the
13 Committee to watch if you want jobs.

14 DREW VANDERBURG: Right and I'll qualify
15 this after I read these contact information but my
16 name is Drew Vanderburg, Dvanderburg@RiseBoro.org
17 718-366-3800 is the mainline for our housing office
18 and the St. Nicks Alliance, Philip I am going to
19 share you contact info with the whole city
20 Phoffman@stnicksalliance.org , 718-388-5454. So, you
21 can start with the project managers but they will
22 refer you within the organization to probably the
23 work force development training center, the staff
24 there at the time that the housing is available or
25 the jobs are being offered. RiseBoro has a level up

2 program, you can find that at RiseBoro.org and you
3 can also just visit Stnicksalliance.org and apply
4 through those websites.

5 CHAIRPERSON BEN KALLOS: This is one of
6 my favorite parts of the hearing. Thank you. Uhm
7 Council Member Reynoso, what languages are spoken in
8 this part of your District most predominantly?

9 ANTONIO REYNOSO: English and Spanish.

10 CHAIRPERSON BEN KALLOS: Uhm. My, my
11 question to uhm RiseBoro and St. Nicks is this was
12 also suggested by another developer, uhm what
13 languages will marketing occur in? What languages
14 will lease up occur in? How do you intend to make
15 this accessible to the broader New York City
16 Community which incidentally speaks over 800
17 different languages?

18 DREW VANDERBURG: Right, so uhm in the
19 marketing uhm process, we have the HPD Standard Forms
20 and paperwork which has many languages on there. Uhm
21 and I believe there is also a whole list of protocols
22 that HPD requires for language accessibility in the
23 marketing. Meanwhile, our Community is largely
24 Spanish speaking. We also have a large Mandarin,
25 Cantonese population in some of our senior buildings,

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2 so we have staff at RiseBoro who can offer at least
3 those two languages if you walk-in in person and want
4 to fill out an application. We can help you do that.

5 CHAIRPERSON BEN KALLOS: And will you
6 engage in proactive outreach to. Speaking and
7 Mandarin and other Chinese dialects speaking
8 communities?

9 DREW VANDERBURG: Certainly.

10 CHAIRPERSON BEN KALLOS: That is great.
11 Uhm this is the toughest question I have for you. If
12 there is a question that I have missed that you think
13 I should ask you as well as other developers, there
14 are two more today?

15 DREW VANDERBURG: Uhm I, I would think
16 you should ask everyone about the energy performance
17 of their buildings and the sustainability features on
18 their buildings because that is something that we
19 love to emphasize.

20 CHAIRPERSON BEN KALLOS: Can I, can I
21 mention your name because I feel like folks are going
22 to get grumpy with me for that one but?

23 DREW VANDERBURG: Sure, I mean say,
24 actually that's up to you but, you can, you can say

25

2 we know some really cool nonprofits in Bushwick that
3 are doing this stuff, so. (laughing).

4 CHAIRPERSON BEN KALLOS: They will think
5 I am a hipster but that is fine. Alright Council
6 Member Reynoso do you have any uhm final questions?

7 ANTONIO REYNOSO: No, I just want to
8 thank uhm, both adjust their performance from
9 RiseBoro is a perfect example of like how in-depth
10 and how much they care about what is happening in the
11 community. We take this very seriously even though
12 it might just be 20, 28 units that might not seem
13 significant to us it is very important. I just
14 really appreciate uhm how you answer all the
15 questions uhm so thank you so much for being here and
16 thank you to HPD, looking forward to getting that one
17 extra unit for supportive housing.

18 CHAIRPERSON BEN KALLOS: Thank you to
19 Council Reynoso for his partnership over the past
20 five years, his friendship, for caring about the same
21 things, for having excellent staffers over the past
22 four years, even if we may question some of their
23 decisions at certain points but thank you and thank
24 you for staying for the whole hearing and then also
25 being cool with what I've been told might be the

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2 third or fourth degree. Uhm are there any members of
3 the public who wish to testify on this item? Seeing
4 none, I will close the public hearing on Land Use
5 Items 357, and 358 and they will be laid over. Our
6 second hearing is Land Use 347, Cooper Square MHA
7 Phase I in the District of Council Member Chin and
8 Council Member Rivera in Manhattan, where Square
9 Mutual Housing Associations Portfolio includes 21
10 limited equity coop buildings, it is only 327 units,
11 22 commercial spaces, would sit on community land,
12 Cooper Square is renovating its portfolio of
13 buildings in a multi-phase projects through HPDs
14 Green Housing Preservation Program. The renovations
15 will include Capital Improvements as well as Energy
16 Efficiency, Water Conservation Upgrades, they are
17 lucky because they are about to get this new question
18 on it. HPD is seeking the termination of the prior
19 exemption of the site and a new 40-year article 11
20 Tax Exemption pursuant to Article 577 the Private
21 Housing Finance Law to facilitate this work. I would
22 like to do a public hearing on this application. I
23 would like to invite HPD to testify. If the Counsel
24 would please administer the oath.

25

COUNSEL: So uhm Lacey just a reminder
you are still under the oath and for Mr. Powell I
believe can you please state your name for the record
and do you affirm to tell the truth, the whole truth
and nothing but the truth in your testimony before
this subcommittee and in response to all Council
Member questions?

DAVID POWELL: David Powell and yes, I
do.

COUNSEL: You may begin.

LACEY TAUBER: Uhm Land Use Item Number
347 consists of an exemption area containing 21 no
equity cooperative buildings with 327 units and 22
occupied commercial spaces which sit on a Community
Land Trust. The buildings are located in Manhattan
Council Districts 1 and 2 and are known as Cooper
Square Mutual Housing Association or MHA. The
buildings are planned for rehabilitation through HPDs
Green Housing Preservation Program or GHPP. The
properties in the MHA portfolio were former public
sites that were taken into city ownership through
either condemnation or End Rim Tax Foreclosure
between 1975 and 1989. In 1991, the city entered
into a Mutual Housing Association Program Lease with

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2 the MHA and CLT whereupon the city agreed to renovate
3 the buildings and convey the to the MHA. Between
4 1994 and 2003, the city conveyed the buildings for \$1
5 each to the current owner through HPDs mutual housing
6 program and the Tenant Lease II program with the
7 intention of converting all of the units from rental
8 to a no equity cooperative model. In July 2012, the
9 conversion was completed upon approval of an Article
10 11 Tax Exemption. Recently the shareholders entered
11 into the HPDs Green Housing Preservation Program or
12 GHPP which provides low or no interest loans to
13 finance energy and water conversation improvements as
14 well as lead mediation and moderate rehabilitation
15 work. The goal of the program is to assist small and
16 midsized building owners to lower operating senses,
17 reduce energy consumption and to ensure the long-term
18 physical financial houses or buildings as well as
19 preserve safe and affordable housing for low and
20 moderate-income New Yorkers. While subject to
21 change, the current plan is to rehabilitate all of
22 the buildings in the portfolio and four-phases over
23 the course of three years. The rehabilitation will
24 consist of upgrades to the envelope of the buildings
25 and installation of low flow fixtures, installation

2 of solar panels on the roof and upgrades to the
3 heating and hot water systems. The first phase
4 consists of five-buildings and phases two through
5 four are planned to cover the remaining 16 buildings.
6 For all phases, all work will be done with tenants in
7 place. The estimated total development cost for
8 phase I is \$1,950,442. The cost estimates for future
9 phases are not yet determined. Incomes for future
10 purchases where be capped at 80% of AMI which is
11 approximately \$83,440 for a family of 4 and
12 maintenance charges range from \$431 for a studio to
13 \$875 for a three-bedroom apartment. In an effort to
14 help facilitate continued affordability for these
15 homeownership units, HPD is before the Council
16 seeking article 11 Tax Benefits that will replace the
17 current Tax Exemption. The 40-year exemption will
18 run co-terminates with the new HPD loan, as well as
19 but not contingent upon any subsequent loans that HPD
20 will make to the remaining 16 buildings in the
21 portfolio. The estimated cumulative value of the Tax
22 Exemption is \$34,286,327 with a new present value of
23 \$9,578,614.

24 CHAIRPERSON BEN KALLOS: We have uhm, are
25 we no longer using the screen?

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2 LACEY TAUBER: Yeah, he has testimony but
3 not a presentation.

4 CHAIRPERSON BEN KALLOS: Let's just close
5 the laptop. Good, and you may begin.

6 DAVID POWELL: So, uhm thank you Chair
7 Kallos for this opportunity to testify. First of
8 all, just apologizing that my testimony actually says
9 that this is before the Land Use Committee not the
10 Planning Committee but getting.

11 CHAIRPERSON BEN KALLOS: I will take the
12 promotion.

13 DAVID POWELL: Okay, uhm so I just wanted
14 to, since Lacey talked a little bit about the project
15 itself. I just want to talk a little bit about us
16 because our organization and our model is somewhat
17 unique. Although it is expanding and growing in the
18 present moment which we are very excited about. Uhm
19 as Lacey mentioned we are a scattered site, low-
20 income housing coop and I think one distinction to
21 make between us and other HDFC based scattered site
22 coops or coops generally is that from our inception
23 we have had a dedication to permanent affordability
24 which is baked into our model and that is primarily
25 due to the fact that the land underneath our

buildings is owned by a Land Trust. We have a 99-year lease with this distinct entity, the Cooper Square Community Land Trust which is renewable and up until two years ago we were the only uhm organization and coop with this structure. Uhm recently HPD and the Enterprise Foundation have infused \$1.65 million to other purchasing community Land Trusts including Interborough CLT, El Barrio CLT, Mott Haven-Port Morris CLT to name a few and we are very excited about that development and look forward to working with the Council on this Subcommittee and supporting permanently affordable Land Trust based housing. In our case again, again this is a home ownership model. We are a Coop and without subsidy our, our Coop, currently the maintenance fees are currently affordable to households making 25% to 40% of AMI which as has been discussed today is a demographic and income group that is frequently left out of almost all affordable housing programs here especially home ownership ones. So, we are very pleased that the GHPP will allow us to address some of our Capital needs while at the same time maintaining that depths of affordability. Just to be clear, uhm I am just anticipating some of your

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2 questions Councilman based on the previous project,
3 so this is a fully occupied preservation program so
4 there is no initial rent up. I can talk to you very
5 lovingly and at length about our existing community
6 but uhm you know we are, we are a multi-generational
7 coop and just to give you an idea our last three
8 board chairs were second and third generation Cooper
9 Square Residents so we are holding down an inter-
10 generational community in a very, very gentrified
11 part of the lower East side. We are an island of
12 affordability and most of the movement in our units
13 when they become vacant go to frankly to
14 accommodating seniors who are on upper floors who
15 need the accommodation to an accessible apartment or
16 to families that have expanded, let's say a second-
17 generation now has a family of their own and they are
18 living in a one-bedroom apartment with their parents
19 to accommodate our people who can't afford to live
20 anywhere else in the neighborhood, so I just want to
21 sort of make that distinction between the previous
22 project that was talked about and ours in addition to
23 it being a Green Housing Preservation Program Project
24 specifically. It is a preservation uhm and I think I
25 will leave it there and entertain questions along

with Lacey. I guess the other thing that we wanted to say is uhm you know a big part of this project is energy efficiency and specifically getting solar panels on our buildings is going to be a first step for us in that direction. We have participated in weatherization and other energy efficiency programs before but it is the first time that we are embracing solar and energy independence and as a Sandy impacted community, we are very excited about that and uhm you know looking forward to taking that next step with uhm, with HPD. Uhm I also want to just give some praise to the HPD staff. It took us a little while to get to this point. It was a process of negotiation and collaboration but one thing that we are also very excited about is that we are accessing the funds for this program without going into debt and that has been historically a big part of what's made our organization financially successful and allowed us to hit such low levels or deep levels of affordability rather without additional subsidy and so we are very happy that we are going to be able to maintain not just uhm the Fiscal integrity of the buildings or five of our 21 buildings in this case in

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2 phase 1 but also the fact that the arrangement is
3 financial sustainable for us as well.

4 CHAIRPERSON BEN KALLOS: Do any of you,
5 so most of these are several, I think this is over a
6 dozen buildings?

7 DAVID POWELL: This is uhm our coop is a
8 21-building scattered site coop but this particular
9 project touches 5 buildings and 87 units.

10 CHAIRPERSON BEN KALLOS: Alright, do any
11 of the have, are any of the accessible or are they
12 all walkups?

13 DAVID POWELL: So, these are all, so
14 these were just to give you a little bit of back
15 story. These were all gut-renovated in the 1990s at
16 a time where the city was for better and for worse
17 less, less aware of it's responsibility to, maybe for
18 worse to house people who were in need of that kind
19 of accessibility but also sort of acknowledging some
20 of the issues that came up with the previous project.
21 These are you know old lots, buildings that are end
22 to end so an elevator removes units and so what
23 happened in the 1990s is that these were renovated as
24 walk up and they continue to be so.

25

2 CHAIRPERSON BEN KALLOS: I often say that
3 I do not have a magic wand which is not quite true
4 because I do have a replica of Harry Potter, but in
5 the one place that I am very interested in is what
6 laws is it Zone Law, is it Building Code, is it a
7 little bit of both is in the way of going back in and
8 putting in some sort of elevator that can provide
9 some sort of accessibility to the higher floors and
10 some sort of visiting ability for people who have
11 accessibility challenges and uhm at what cost so the
12 tenants, uhm because I spent way too much time
13 looking at this have the, uhm, we call it air shafts,
14 they call it court yards but that little space
15 between the building is actually called a court yard
16 and so the question is, where the court yard is
17 adjacent to the stairwell in most cases it actually
18 usually is, uhm whether or not there is space to do
19 it there and whether you or your association would
20 have any interest in digging a little bit deeper on
21 if we could wave the magic wand for you and your 200
22 or 300 units as well as all the other folks living in
23 tenements throughout our City and all of a sudden
24 have elevators available for you to add especially if
25 it is 100% affordable portfolio or 100% rent

2 stabilized that we would do it. Do you have any
3 ideas?

4 DAVID POWELL: Uhm I would just say that
5 the magic wand just to a large degree is money, right
6 so if there are programmatically funds are made
7 available to study and implement elevators into all
8 of our buildings without affecting affordability of
9 our units, we would be 100% behind that. Uhm and in
10 fact you know recognize that that is, that that is a
11 need. I think the other piece of this is because we
12 are a fully occupied coop. You know when we are
13 talking about one or two households or even a half
14 dozen households check or boarding people to vacant
15 units is possible when we are talking about an entire
16 building getting essentially a gut renovation then
17 that becomes a where do you put people issue uhm and
18 we want to be. You know as a fully occupied coop uhm
19 we certainly don't want to displace anybody and we
20 would also have to figure out how do we manage that
21 disruption and literally you know where do people go
22 in a 20-unit building for example.

23 CHAIRPERSON BEN KALLOS: In terms of the
24 work that you are doing, will any tenants need to be
25 relocated?

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2 DAVID POWELL: No.

3 CHAIRPERSON BEN KALLOS: Okay, in terms
4 of the money wand I do have a small budget of \$92
5 billion. So, it is up for a raise of \$9 billion so
6 that magic wand is one piece. I think the other
7 piece is just any regulatory hurdles. If all you, if
8 all you are saying is we actually just need \$250,000
9 and x number of dollars to handle relocation then I
10 would just need to know that so I can go back to HPD
11 which will be having its hearing soon on the budget
12 very soon and say hey I need x number of million
13 dollars to do this. I have this site and many sites
14 like it. Uhm in terms of the contractor, have you
15 selected one yet?

16 DAVID POWELL: Uhm yes, an RFP was put
17 out by HPD and the contractor selected is a nonprofit
18 organization Habitat for Humanity New York.

19 CHAIRPERSON BEN KALLOS: Will Jimmy
20 Carter show up to do this work. Wait did he
21 seriously just say yes. Uhm and I think that was a
22 joke and uhm nobody hold up this project unless Jimmy
23 Carter calls me or agrees to show up.

24 DAVID POWELL: We will do our best.

25

2 CHAIRPERSON BEN KALLOS: Everytime I hear
3 that I was just like I need to meet Jimmy Carter.
4 Uhm the, the project is a project cost are \$1,095,442
5 according to the testimony. Uhm how much of that is
6 hard cost? How much of that is soft cost?

7 DAVID POWELL: So, I have. You are
8 going.

9 CHAIRPERSON BEN KALLOS: We are going to
10 need so either repeat what you are saying or hop up
11 there and say your name and get sworn in.

12 LACEY TAUBER: Come up (laughing).

13 DARI ASKELL: Okay I'm Dari Askell.

14 COUNSEL: Let me just uhm swear you in.
15 Can you say your name for the record and do you
16 affirm to tell the truth, the whole truth and nothing
17 but the truth in your testimony before the
18 Subcommittee and in response to all Council Member
19 questions?

20 DARI ASKELL: Hi my name is Dari Askell
21 and yes, I do. So, I think so the soft costs are
22 very, very minimal here, probably around like \$30,000
23 and most of it is hard costs.

24 CHAIRPERSON BEN KALLOS: So, \$30,000 for
25 administrative costs?

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2 DARI ASKELL: Yes, uh-huh.

3 DAVID POWELL: So, so we have soft costs.
4 We broke it up into two pieces just to explain to our
5 board. Uhm we've spent already about \$17,500 for an
6 engineering report and asbestos testing because roof
7 replacement on two of these buildings is part of the
8 scope and we anticipate about another \$38,500 for TA
9 training, legal fees, benchmarking, title report
10 insurance, etc. so, it's a little less than \$60,000.

11 CHAIRPERSON BEN KALLOS: Any developer
12 fee whatsoever?

13 DAVID POWELL: No.

14 CHAIRPERSON BEN KALLOS: Please make sure
15 to fill out a witness slip. Uhm. Your project has
16 commercial units, are those commercial units uhm
17 being made available at market rate which is in your
18 part of the City is quite high in order to cross
19 subsidize the affordable units or are the commercial
20 units they themselves affordable for local
21 businesses?

22 DAVID POWELL: Uhm four out of the five
23 buildings do have commercial units and I would say
24 that it's a little, it's a little bit of both so most
25 definitely the rents of the uhm commercial spaces

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2 cross-subsidize our housing, about 27% of our annual
3 budget uhm comes from rents that we collect from
4 commercial spaces. We do not in the two subject
5 buildings but we do have one or two nonprofits that
6 are, in our, in our commercial spaces and we do
7 actually have, actually one of the, one of the, one
8 of the subject buildings we actually have a resident
9 entrepreneur who opened their own restaurant on the
10 ground floor and so that's at a submarket rent.

11 CHAIRPERSON BEN KALLOS: Is there
12 anything that stops you from kicking all of those
13 tenants out and renting it to yet another bank or yet
14 another Starbucks and making it account for 100% and
15 just letting the people stay there for free?

16 DAVID POWELL: Legally no, but we are an
17 organization that comes out of anti-displacement
18 movement. Those buildings were literally secured by
19 people who lived in them and fought in succession,
20 Robert Moses, drug dealers and arsonists, gentrifies
21 and speculators and then the city itself in order to
22 get self-ownership of the housing so displacing
23 buildings is not something that we, even though we
24 are cross subsidizing our housing and housing is the
25 primary mission of the organization uhm displacing

2 businesses, uhm particularly long-term uhm small mom
3 and pop businesses is not something that we aim to do
4 and we you know we definitely work with businesses to
5 keep them in the neighborhood and I will point out
6 also that you know these are very small uhm
7 commercial store fronts you know 200 to 300 square
8 feet, so you are not generally going to get a
9 Starbucks or a bank fitting in a space that size but
10 we endeavor to keep our local merchants where they
11 are.

12 CHAIRPERSON BEN KALLOS: You would be
13 surprised. You would be surprised where banks are
14 squeezing in on the site. At this point it is kind
15 of scary. The last thing that we need in the site is
16 another bank. The units that will become vacant
17 during your 40-year period are currently I am very
18 grateful to hear so that HPD has a cap of 120% on the
19 regulatory agreement but you are volunteering it to
20 go down to 80%. Does that 80%, is that, higher or
21 lower or maintaining the status quo for the current
22 AMIs that you are seeing in the neighborhood. You
23 mentioned it being an island, what is the surrounding
24 AMI?

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2 DAVID POWELL: Yeah I mean I, couldn't
3 even tell you except to just say in saying for our
4 community you know, the pace of gentrification has
5 been massive and uhm we've really been more focused
6 on making sure that our housing is affordable to our
7 people rather than sort of tracking the incomes of
8 the affluent around us. I will say that so our
9 current regulatory agreement is pegged at 80% of AMIs
10 you mentioned and we are currently affordable to 25%
11 to 40% of AMI. A great deal of our units were tenant
12 occupied when we became a coop and so the vast
13 majority of our residents were at incomes that are
14 much less than 80% of AMI so we always treat that as
15 kind of a, you know, as sort of a uhm distant feeling
16 and limitation and in fact most of our people are
17 well below 50% of AMI and uhm we are aiming to keep
18 our, our maintenance fees at that level and so far
19 we've been successful. Again, without subsidy.

20 CHAIRPERSON BEN KALLOS: Thank you, give
21 me one second, I'm just looking up the AMI for the
22 census track at East 4th Street and it looks like the
23 mean family income is \$71,438 which would take you
24 closer to 90% of the AMI. So that is good news.
25 Uhm. Do you have existing debt on the project?

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2 DAVID POWELL: Uhm we have a small loan I
3 think of \$84,000 that I think is historical and has
4 not and HPD has not made requests on that so it is a
5 little bit in the state of limbo.

6 CHAIRPERSON BEN KALLOS: Will HPD forgive
7 the note as part of this in order to gain our
8 approval?

9 LACEY TAUBER: No, no but we will. I
10 don't think we would forgive the note but we are
11 going to do a loft note affidavit.

12 CHAIRPERSON BEN KALLOS: We are, we are
13 literally giving how many, \$9.6 million in present
14 Tax Abatement but we are going to be sticklers over
15 the \$80,000?

16 LACEY TAUBER: I think so.

17 CHAIRPERSON BEN KALLOS: Okay uhm in
18 terms of the work that is being done and how the
19 buildings are maintained, do people earn enough
20 income that they don't need affordable housing at 80%
21 of AMI? Do they have health insurance? Uhm do you
22 have access to retirement vehicles such as 401k? Or
23 better yet a defined benefit for both the people who
24 will be doing the work that has been? I don't even

25

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2 know what Habitat for Humanity's requirements are but
3 for both the additions and the maintenance?

4 DAVID POWELL: So, I can't speak to uhm
5 the, Habitat for Humanities you know wage scale as
6 you eluded to. Uhm in terms of our own staff, uhm it
7 really depends on the position. Right? So you are
8 talking about an organization that has office staff
9 and maintenance staff which include people with
10 pretty serious hard skills like boiler mechanics who
11 are making you know \$35 and hour an upwards and then
12 you have you know porters, who are cleaning our
13 buildings and some of them actually are, some of our
14 staff. We do have a handful of staff that are
15 residents as well as two super units. But the, the
16 porter salaries are going to be you know much lower
17 than the boiler mechanics salary. A starting, a
18 starting porter salary would be about \$16 an hour.

19 CHAIRPERSON BEN KALLOS: So, so above
20 minimum wage?

21 DAVID POWELL: Yes.

22 CHAIRPERSON BEN KALLOS: And do they have
23 health insurance?

24 DAVID POWELL: Yes, full benefits and a
25 simple IRA. That is, that is sadly better than most

of the developers that we see here so that is, great news. Give me just. Uhm, I don't know Habitat for Humanities. I don't think they've been here. I think the Habitat that we did have here was like a local branch, uhm do we know wh... can we make sure that if you award the contractor that they are here to answer do you know about the MWBE and whether they are going to be satisfied with the MWBE requirements. You hired an engineer, are they an MWBE?

DARI ASKELL: Yeah, so this project doesn't actually trigger the MWBE requirement because it's under \$2 million.

CHAIRPERSON BEN KALLOS: But we would agree that even if it is not triggered, we still want to hit those goals?

DARI ASKELL: For sure, but they are just not required to by, by Law.

CHAIRPERSON BEN KALLOS: Okay is, is Cooper Square HMA committed to trying to work with uhm MWBEs on this project?

DAVID POWELL: We are uhm, uhm our construction consultant is a woman owned and women staffed firm. And that is Susan Trainer Associates.

2 CHAIRPERSON BEN KALLOS: If somebody is
3 interested in working in one of your buildings and
4 you already said that you have some of your tenants
5 doing so uhm and I imagine that this doesn't get
6 triggered on this project either but is interested in
7 doing the solar work and developing some of those
8 hard skills to put solar on other buildings. Uhm are
9 you participating in local hire, will I get one of my
10 favorite moments during every hearing now or not so
11 much?

12 DAVID POWELL: We are working with
13 contractors and subcontractors and the job is not,
14 you know, uhm it's not ground up construction right
15 so we are working with boiler companies and solar
16 installers. Uhm the again we have already mentioned
17 that Habitat for Human... by the way it is Habitat for
18 Humanity New York so it is the local affiliate of the
19 national organization just to be.

20 CHAIRPERSON BEN KALLOS: There are even
21 sub-affiliates within each borough that we have had.

22 DAVID POWELL: Okay is that right?

23 CHAIRPERSON BEN KALLOS: Uhm up here.

24 Uhm.

2 DAVID POWELL: Well it's the one who has
3 their offices here, downtown, that's who we typically
4 deal with.

5 CHAIRPERSON BEN KALLOS: And so, I guess
6 is there an opportunity for local hire or is that too
7 much to ask given the size of this project?

8 DAVID POWELL: Probably given the size of
9 this project that's not realistic. I will say that
10 the. I mean yeah it doesn't, it doesn't necessarily
11 trigger the requirement but I think in terms of, I
12 think it is more by virtue of hiring local firms that
13 are existent in New York City as opposed to. I think
14 what you are speaking of Council Member is you know
15 if somebody is uhm, is trying to get in to trades you
16 know could this be a gateway and I think the answer
17 is no. But if they get to Dari's point the side here
18 is that we are working with local contractors and
19 local firms, so. Yeah.

20 CHAIRPERSON BEN KALLOS: Thank you for
21 being Community Land Trust. I know that there are
22 folks that are sitting in this room who are
23 incredibly enthusiastic about Community Land Trust.
24 I believe Public Advocate now Attorney General James
25

2 had Legislation on it which is now being carried by a
3 former progressive caucus co-chair Donovan Richards.

4 DAVID POWELL: Sounds right.

5 CHAIRPERSON BEN KALLOS: And so, it is
6 something that we are interested in. I would love to
7 sit down at another point to, to learn more and see
8 if we can use that model elsewhere as perhaps as an
9 alternative to Neighborhood Restore and some other
10 folks who are just trying to really build out these
11 Land Trusts so you don't have to be in a situation
12 where as we have with almost every one else here it
13 is a situation like Oh My God in 10 years or 5 years
14 they are going to have a regulatory agreement expire.
15 In this case it's like we own the land.

16 DAVID POWELL: That's right. That's
17 right. Yeah.

18 CHAIRPERSON BEN KALLOS: Uhm is there
19 anyone from the public who is here to testify on this
20 item? Uhm seeing none, I will now uhm close the
21 public hearing on Land Use Item on 347 and oh sorry.
22 Before I close it, is there a question I didn't ask
23 you that I should have that I should ask everyone
24 else?

2 DAVID POWELL: Well uhm I just uhm I
3 think asking people about the permanent affordability
4 is really important and you know it would be remiss
5 of you. I think you hit the nail right on the head
6 as the Land Trust Model and Permanent Affordability
7 Visave that vehicle, takes you further into the
8 future than the City can anticipate or is willing to
9 commit to at this time and uhm so I think that is
10 good to push people on and I just want to also thank
11 you for raising the issue of possibly retrofitting
12 all buildings with elevators and I look forward to
13 following up with you on that conversation. I need
14 the expertise because literally City Planning
15 believes that there is no impediment and I just need
16 to be able to show them in a concrete example. We
17 are rezoning the city right now as we speak to get
18 rid of voids. So, just to get really cynical and off
19 topic we are putting up buildings that are supposed
20 to be 23-stories tall but a 23-story tall building at
21 249 East 62nd Street is going to be 500 feet tall
22 because after 12 stories they are going to put 150
23 feet of nothing and then they are going to have 11-
24 stories so that they can build apartments for
25 billionaires and charge them a lot.

ANTONIO REYNOSO: The mechanical zone.

CHAIRPERSON BEN KALLOS: Uhm it's a
mechanical void and so once we are able to show
examples to DCP so for DCPs purposes they need to see
like here are our buildings where we would be able to
add elevators. It would cost x much, this much money
for HPD and this much, this would be the change in
the bulk and use and we did that in zoning for
quality and affordability. That was supposed to be
what it was supposed to help us do. We added
additional height and bulk in different places so
I'm, that is in place and I am very interested and I
know that Council Member Reynoso and other people who
have worked with him are also interested. I will
also say that I agree with you on the Permanent
Affordability. At least yours is 99 years. I, I
would love to get to like Deed Restrictions.
(laughing).

DAVID POWELL: It yes there is that and I
want to point out that it is a renewable lease so you
know we won't.

CHAIRPERSON BEN KALLOS: Do you have a
Deed Restriction on you?

LACEY TAUBER: Oh yeah.

2 DAVID POWELL: Uh-huh.

3 CHAIRPERSON BEN KALLOS: That's awesome.

4 I will go back. We asked about Deed Restrictions
5 before.

6 DAVID POWELL: We have Enforcement
7 Mortgages, Deed Restrictions, Land Leases and
8 Regulatory Agreements.

9 CHAIRPERSON BEN KALLOS: So.

10 DAVID POWELL: And a history of community
11 organizing so, we're, we're, we're locked down for
12 life.

13 CHAIRPERSON BEN KALLOS: My pl... my
14 pleasure to meet you. My luck to meet you. I will
15 now finally close the public hearing on Land Use Item
16 347 and it will be laid over. I will ask each to
17 continue to great nonprofit organizations like they
18 have been building. Our third and final hearing will
19 be on Preconsidered Land Use Item 167 West 133rd
20 Street in Council Member Perkins District in
21 Manhattan. HPD is seeking the termination of the
22 prior exemption for this site and a new 40-year
23 article 11 Tax Exemption Pursuant to section 577 of
24 the Private Housing Finance Law. The building is a
25 15-unit low-income coop that was carved out of the

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2 most recent third-party transfer program (yay). Uhm
3 the reason for these yays is there was quite a bit of
4 controversy over home ownership opportunities being
5 lost up due to a 3rd party transfer program but at
6 least in my belief was they are to take properties
7 back from bad landlords not bad owners where they
8 owned their own units. The 40-year Tax Exemption
9 will be retroactive of 8 years. Yay. This will help
10 get rid of some of the tax burdens that would
11 otherwise have forced these homeowners out of their
12 homes. The current will retain ownership for this
13 building. Yay. I now open the public hearing on
14 this application. I would like to invite HPD to
15 present its testimony. Before doing so I would
16 remind one person in particular that they are still
17 under oath.

18 I haven't been sworn in yet?

19 CHAIRPERSON BEN KALLOS: She wasn't sworn
20 in?

21 LACEY TAUBER: She hasn't been sworn in
22 yet?

23 I'm not under oath.

24 CHAIRPERSON BEN KALLOS: Oh wow, I was
25 wrong. You are not still under oath I've just been.

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2 You have been communicating throughout the hearing
3 from the audience so let that reflect. So, I will
4 ask the Counsel to please swear in both people.

5 COUNSEL: She communicated through notes.
6 Can you please state your name before answering? Uhm
7 do you affirm to tell the truth, the whole truth and
8 nothing but the truth in your testimony before the
9 Subcommittee and in response to all Council Member
10 Questions?

11 GENEVIEVE MICHAEL: Genevieve Michael, I
12 do.

13 CHAIRPERSON BEN KALLOS: Try again.

14 NINA SANCHEK: Nina Sanchez I do.

15 GENEVIEVE MICHAEL: This preconsidered
16 item consists of an exemption area containing one
17 privately owned partially occupied building located
18 at 167 West 133rd Street, block 19, 18, lot 7 in
19 Manhattan Council District 9 seeking article 11 Tax
20 Benefits. 167 West 133rd Street Housing Development
21 Fund Corporation (HDFC) is a 15-unit low-income coop
22 which was taken into city ownership in 1978. In
23 December of 2000, the property was conveyed to
24 existing tenants as part of the TILT Program. The

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2 building was pulled from round 10 TPT through Local
3 Law #1197. HPD is seeking.

4 CHAIRPERSON BEN KALLOS: Yay.

5 GENEVIEVE MICHAEL: HPD is seeking a full
6 article 11 Tax Exemption with a 40-year regulatory
7 agreement retroactively applied beginning in 2011 to
8 preserve the building as affordable home ownership.

9 To help stabilize the building, the HDFC used
10 proceeds from the sale of a vacant apartment in 2018
11 to pay the DEP arrears in full on 10/19/2018. Other
12 components of the plan including maintenance
13 increases, addressing matters regarding shareholders
14 and arrears and the sale of four of the five vacant
15 units. The fifth will be a rental. Additionally,
16 the HDFC will modify their original mortgage and
17 execute a new regulatory agreement. Under the
18 proposed terms of the new agreement, the sale of
19 shares for any unit that becomes available will be
20 restricted to households with income at or below 120%
21 AMI. The property contains a mixture of unit types
22 which includes one studio, nine one bedrooms, four
23 two bedrooms and one four-bedroom apartment. The
24 AMIs for the existing shareholders range from up to
25 30% of AMI to 60% of AMI and maintenance charges

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2 include \$535 for the studio, \$750 for a one-bedroom
3 unit, \$963 for a two-bedroom unit and \$1498 for the
4 four-bedroom unit. The building has minimal housing
5 code violations and will be addressed through regular
6 maintenance, therefore the HDFC is not planning to
7 apply for any rehabilitation loan funding. In
8 effort, in an effort to maintain continued
9 affordability and stability in the building, HPD is
10 before the Council seeking Article 11 Tax Benefits
11 dating back to 2011. This exemption will be for a
12 term of 4-years that will coincide with the
13 regulatory agreement. The current estimated cost of
14 the Tax Benefit is \$3,121,311 with a net present
15 value of \$1,271,545.

16 CHAIRPERSON BEN KALLOS: What is the uhm,
17 what is the retroactive Tax Burden that is being
18 forgiven?

19 NINA SANCHECK: I will answer that, it is
20 \$320,516.

21 CHAIRPERSON BEN KALLOS: What are the
22 AMIs for the current tenants and shareholders of this
23 building or the anticipated AMI targets for future
24 shareholders of this building?

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2 GENEVIEVE MICHAEL: Uhm so as I said they
3 range from 30 to 60% of AMI for the current tenants.
4 Uhm I think new uhm purchases will be restricted to
5 income at or below 120 AMI.

6 CHAIRPERSON BEN KALLOS: What is the AMI
7 for that census tract and the surrounding
8 communities?

9 GENEVIEVE MICHAEL: I think as we
10 discussed. I think HPD doesn't actually feel like
11 Census Track is the most reliable piece of data uhm
12 you know given varying sizes throughout the City as
13 well as a very large margin of area. But 64% of
14 residents in the Community District or roughly in the
15 Community District make below 80% of AMI.

16 CHAIRPERSON BEN KALLOS: So, just to be
17 clear that means that these future vacancies will
18 actually be 50% more for people making 50% more than
19 the people in the Community?

20 NINA SANCHEK: Yeah I mean I think you
21 know you are certainly familiar with the TPT Program
22 and I think the goal here is to stabilize the
23 building and ensure the future financial stability
24 and health for the existing tenants so we are not

25

2 another you know situation where you have arears or
3 various problems.

4 CHAIRPERSON BEN KALLOS: The concern I
5 want to raise is just the current tenants are at 60%
6 of AMI. Is that correct? That's the, the ceiling?

7 GENEVIEVE MICHAEL: Yeah, it's between 30
8 and 60, yeah.

9 CHAIRPERSON BEN KALLOS: So people if it
10 is a single individual they are making \$21,000 to
11 \$43,860 and the new tenants who are going to come in
12 are going to be making if it is just a single person
13 \$87,720 and if it is a family of 8 you've updated the
14 sheet on your website, it would be \$165,240. Uhm and
15 so uhm I liked it when it was 6 but that's fine. I
16 didn't realize these things went up to a quarter of a
17 million dollars a year. I need uhm, wow, sorry, the
18 quarter of a million 165 percent to AMI a family
19 could make \$227,205 which again does not feel
20 affordable. So, I guess, I will bring it to the
21 local Council Member. My concern is that the
22 regulatory agreement should preserve at least this,
23 preserve, at the minimum preserve the status quo not
24 have a gentrifying impact on the community.

2 GENEVIEVE MICHAEL: I hear the concern
3 but again I think that HPDs focus here is providing
4 stability to the building and this is the best way
5 that we think to do that.

6 CHAIRPERSON BEN KALLOS: Uhm what is the
7 anticipated sales price for vacant units?

8 NINA SANCHEK: Uhm it is \$100,000 for the
9 one-bedroom and \$180,000 for the two-bedrooms, those
10 three two-bedrooms.

11 CHAIRPERSON BEN KALLOS: And how many
12 vacant units?

13 GENEVIEVE MICHAEL: Uhm there are five in
14 total, uhm four are going to go up on the market for
15 sale and one of them the coop is hoping to rent out
16 before they start the regulatory agreements.

17 CHAIRPERSON BEN KALLOS: Are there any
18 commercial units?

19 GENEVIEVE MICHAEL: No.

20 CHAIRPERSON BEN KALLOS: If somebody
21 would like one of these three home ownership
22 opportunities how do they apply for one of these
23 three home ownership opportunities for people who are
24 watching at home that would mean that you earning

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2 \$87,720 a year if you are a single individual. If
3 you are a family of 8 you could earn \$165,240.

4 GENEVIEVE MICHAEL: Uhm like with uhm the
5 prior projects that you saw today as well as all of
6 HPDs affordable units, they will be availing on
7 Housing Connect.

8 CHAIRPERSON BEN KALLOS: Uhm thank you.
9 I think that resolves my questions on this. I am
10 generally in favor of preserving our HDFC Housing
11 stock. Are there any questions, sorry, is there
12 anyone here from the public who would like to
13 testify? Seeing none I will now close the public
14 hearing on this application and it will be laid over.
15 This concludes today's hearing. I would like to
16 thank the Council and Land Use Staff for preparing
17 today's hearing and the members of the public and my
18 colleagues for attending. This meeting is hereby
19 adjourned (gavel pounding).

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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 April 17, 2019