

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON ZONING AND
FRANCHISES

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June 6, 2019
Start: 10:04 a.m.
Recess: 10:48 a.m.

HELD AT: Committee Room - City Hall

B E F O R E: Francis P. Moya
Chairperson

COUNCIL MEMBERS: Costa Constantinides
Barry Grodenchik
Donovan J. Richards
Ritchie J. Torres
Carlina Rivera
Rafael Salamanca, Jr.
Deborah Rose
Rory I. Lancman
Antonio Reynoso

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

Genevieve Michael

Ted Weinstein

Michael Wadman
Vice President of Real Estate Development
Phipps Houses

Ted Weinstein

1 SUBCOMMITTEE ON ZONING
AND FRANCHISES

4

2 JOHN VIANO: This is a microphone check.
3 Today's date is June 6, 2019, Committee on Zoning and
4 Franchises, being recorded by John Viano, City Hall
5 Committee Room. [pause]

6 CHAIRPERSON MOYA: [[gavel] Good morning
7 and welcome to the meeting of the Subcommittee on
8 Zoning and Franchises. I'm Council Member Francisco
9 Moya, the chairperson of the subcommittee. And today
10 we are joined by Council Members Constantinides,
11 Grodenchik, Richards, Torres, Rivera. We are also
12 joined by the chair of Land Use, Chairman Salamanca,
13 Councilwoman Debbie Rose. Today we will be voting on
14 a number of applications previously heard by the
15 subcommittee and we will hold one public hearing.
16 Please also note that LU 419 for the Court Square
17 Block 3 text amendment is being laid over. Today we
18 will vote to approve with modifications Preconsidered
19 LU numbers 436, 437, for the 2 Howard Avenue rezoning
20 in Brooklyn. The proposal would amend the zoning map
21 to zone the project area from an R6B C24 district to
22 a C4-4L district and would include a related zoning
23 text amendment to map the site as a mandatory
24 inclusionary housing area utilizing options 1 and 2.
25 As proposed, these actions would facilitate the

2 development of a new six-story mixed use building,
3 including retail use on the ground floor and
4 approximately 30 residential units, of which
5 approximately eight would be affordable under the MIH
6 program. Our modification will be to remove MIH
7 option 2, requiring the use of MIH option 1. Council
8 Member Ampry-Samuels is in support of this
9 application, as modified by the council. Today we
10 will also be voting to approve Preconsidered LUs
11 number 420 through 423, with modifications for
12 separate land use actions, requested by the
13 Department of City Planning and the Department for
14 Housing Preservation and Development in connection
15 with the Special Bay Street Corridor District
16 rezoning in Staten Island. The Special Bay Street
17 Corridor rezoning property would rezone approximately
18 20 blocks in the area of downtown Staten Island near
19 the St. George, Stapleton, and Tompkinsville
20 neighborhoods, to require contextual buildings and
21 new affordable housing and to promote economic
22 development within a vibrant mixed use downtown.
23 Additionally, the proposal would facilitate new
24 development with affordable housing, community
25 facility, and economic development components on

2 city-owned land. The council is modifying the zoning
3 text application in response to concerns voiced by
4 community members regarding the urban design of
5 anticipated new development and affordability levels
6 for residential development. The council is
7 modifying the zoning text amendment LU 421 to remove
8 to both mandatory inclusionary housing option 2 and
9 the work force option. The final version will map
10 MIH option 1 and the deep affordability option, which
11 together require the deepest affordability possible.
12 The council is also modifying the bulk rules to
13 require building heights in certain areas to more
14 closely reflect the local neighborhood character.
15 The council is modifying the bulk regulations within
16 subdistricts A and D, including the creation of two
17 subareas within subdistrict D, establishing locally
18 appropriate density height and setback rules. The
19 council's text modifications would also include
20 clarifications regarding use regulations for existing
21 public transportation facilities and bulk regulations
22 to accommodate DOE school uses in the Special
23 Stapleton Waterfront District. With regard to LU
24 423, the proposed UDAAP disposition that is a part of
25 the rezoning property, the council notes that HPD has

2 submitted a revised project summary for the future
3 development of the disposition site at 539 Jersey
4 Street. The revised submission clarifies that the
5 site will be developed with a residential component
6 of approximately 223 units that will be 100%
7 affordable and include a portion to be set aside for
8 affordable senior housing. The community is
9 represented by Council Member Debbie Rose, who has
10 dedicated countless hours with the de Blasio
11 administration and stakeholders for many years to
12 ensure that these process results in the best
13 possible outcome for her community and I would like
14 to invite Council Member Rose to make some remarks
15 prior to our vote. [pause]

16 COUNCIL MEMBER ROSE: Thank you so much,
17 Chair Moya. I want to thank you for your support for
18 this rezoning. You've been so helpful and
19 supportive. I am very excited to announce my support
20 for this rezoning of the Bay Street corridor in my
21 district. The road was long, but with the guidance
22 and the input from my constituents and the many
23 stakeholders I have secured the necessary funding and
24 commitments for the next chapter of the story of the
25 North Shore. For too long, planning on Staten Island

2 has been haphazard or nonexistent. Today we have
3 before us a blueprint for a well-planned future.
4 Through many negotiations over nearly four years, I
5 am pleased to be delivering several critical
6 community investments that respond to the needs of
7 the existing community, while also providing a
8 sustainable path for the future of the North Shore.
9 First and foremost, I have secured a commitment to
10 fully affordable housing on publicly owned property
11 as a part of this project. The North Shore is not a
12 gated community and I have maintained a commitment to
13 ensure that no one feels shut out of their own
14 neighborhood. The two phases of the Homeport site on
15 the new Stapleton waterfront will include
16 approximately 600 affordable housing units with 30%
17 of the units in the first phase of development for
18 residents making up to 50% AMI, guaranteeing that a
19 broad spectrum of residents will be able to access
20 new affordable housing in a desirable waterfront
21 location. We have also secured commitments to build
22 100% affordable housing at 539 Jersey Street, which
23 will have a minimum of 25% of the affordable housing
24 on the site to serve households making less than 50%
25 of AMI, and 90 units of senior housing. Not only

2 have we secured 100% affordable housing on the
3 waterfront, but the School Construction Authority
4 will build a brand new, approximately 600-seat
5 elementary or elementary intermediate school on the
6 site as well. I have fought hard to make sure that
7 the much-needed school seats in our district are
8 actually built. Along with the new waterfront
9 school, SCA has committed to another new elementary
10 school at the old Hungerford school site and to build
11 a new annex for PS-13 to provide additional seats.
12 That's two brand-new schools in addition to the one
13 we are currently building on Targee Street. To
14 ensure that residents have access to adequate open
15 space we have secured the building of 12 acres of
16 contiguous, or continuous waterfront esplanade that
17 will include open space amenities such as
18 playgrounds, basketball court, dog runs, picnic area,
19 pickleball, that's news to me, I don't know what it
20 is [laughter], so don't hurt me people 'cause I don't
21 know what pickleball is, and comfort stations
22 [laughter]. The key connection, the proposed
23 Tompkinsville esplanade between this new waterfront
24 development and the ferry terminal has been long
25 discussed, but it is now finally funded with, ah, I

1 think it's 74 million dollars to complete it. This
2 will give residents in the corridor and beyond new
3 options for commuting and recreation. No longer will
4 pedestrians and bicyclists need to compete for space
5 on limited roadways. The Tompkinsville esplanade
6 will provide a safe pedestrian-oriented space that
7 will close the existing gaps in the North Shore
8 waterfront and will include resiliency measures for a
9 safe and sustainable future, a key piece in my long-
10 term vision for a continuous North Shore esplanade
11 that makes the waterfront publicly accessible and not
12 just for those who can pay for it. The
13 administration has committed to 100 vouchers for
14 North Shore families to move out of shelters into
15 affordable housing in the North Shore. Several
16 agencies have also committed to dedicated legal
17 services for residents of the North Shore who may
18 face displacement as development occurs. We have
19 also secured 50 million dollars in necessary sewer
20 infrastructure work along Bay Street to ensure new
21 development does not create flooding or drainage
22 issues. This funding is separate from the 45 million
23 in new sewers, the realignment of Front Street, and
24 the utilities at the Stapleton waterfront. Growth in
25

2 the North Shore should open up economic opportunities
3 for our residents, which is why we have secured
4 funding to reactivate 55 Stuyvesant Place for a mix
5 of job-generating uses and guaranteed prevailing
6 wages for all building service workers in new
7 buildings or buildings that receive one million or
8 more in public financial assistance. And finally,
9 finally, finally the long-delayed rebuilding of the
10 Cromwell Recreation Center at the Lyons Pool. For
11 those of you who are listening have no idea what that
12 means, but to the people in my district that was huge
13 and that was, I was told, better be the deal-breaker.
14 So that will be located at Lyons Pool, which was
15 damaged beyond repair in 2010, is fully funded. The
16 92 million dollars in new funds will ensure that the
17 Cromwell Center will be built on the Lyons Pool site
18 with an anticipated opening of the community center
19 in 2025. We will not and did not allow them to put
20 this in the budget in the out years. This will be in
21 the 2020 budget. This neighborhood anchor will
22 provide a variety of recreational activities,
23 identified in the previous community engagement
24 process, and we have guaranteed that the city will
25 work with the community on the design and programming

2 at the new center as plans are finalized. We have a
3 series of other commitments that I don't have time to
4 list here because Chair Matteo is rolling his eyes at
5 me [laughter], but I believe that my constituents
6 will be pleased with the 250 million dollar package
7 we delivered for the North Shore. All of these
8 commitments include many strategies to ensure that
9 the North Shore is better equipped to deal with the
10 new housing and population growth accompanying this
11 development. I fought for the city to make good on
12 their prior commitments. I fought for the best for
13 the North Shore and fought to respond to the
14 stakeholders who voiced their concerns. With local
15 stakeholder support, I believe we have reached a plan
16 that will meet the needs of our neighborhoods, but
17 more importantly will be a roadmap to a new
18 investment in Staten Island and create vital
19 opportunities for the future of our borough. And
20 finally I want to thank the City Council Land Use
21 team, who are just absolutely phenomenal, Raju Mann,
22 Amy Levitan, John Douglas, Arthur Hand, Kevin Coat,
23 and Kelly Rosa, who we became like roommates through
24 this process. I want to thank you. Without their
25 expertise and dedication to this project we would not

2 be here this morning. I want to also say thank you
3 to my stay, my chief of staff Christine Johnson, and
4 to Vince Granyani and Esa Rodgers for their
5 dedication to this project as well. I urge my
6 colleagues to vote yes on this application, and I
7 want to thank you, Chair Moya, and always the speaker
8 of the City Council, for your support during this
9 process. Thank you.

10 CHAIRPERSON MOYA: Thank you, Debbie.
11 Congratulations, and for the record I was rolling my
12 eyes at Salamanca [laughter]. Ah, I just want to
13 make a quick note here regarding LUs 436 and 437.
14 The council is also modifying the proposals to
15 include the MIH deep affordability option in addition
16 to option 1. I now call for a vote to approve with
17 modification, ah, the modifications I described,
18 Preconsidered LUs 420 through 423 and Preconsidered
19 LUs 436 and 437. Counsel, please call the role.

20 COUNSEL: Chair Moya.

21 CHAIRPERSON MOYA: Aye.

22 COUNSEL: Council Member Constantinides.

23 COUNCIL MEMBER CONSTANTINIDES: Aye.

24 COUNSEL: Council Member Richards.

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2 COUNCIL MEMBER RICHARDS: Congratulations
3 to Council Member Debbie Rose on a job well done and
4 to the chairs, I vote aye.

5 COUNSEL: Council Member Rivera.

6 COUNCIL MEMBER RIVERA: Aye.

7 COUNSEL: Council Member Torres.

8 COUNCIL MEMBER TORRES: I vote aye.

9 COUNSEL: Council Member Grodenchik.

10 COUNCIL MEMBER GRODENCHIK: I vote aye on
11 all and congratulate Ms. Rose, and pickleball is for
12 people that are a little pickled, let's put it that
13 way [laughter]. It's for the older crowd [laughter]
14 but it's sweeping the nation and you're going to like
15 it. Thank you.

16 COUNCIL MEMBER ROSE: Thank you.

17 COUNCIL MEMBER GRODENCHIK: Aye on all.

18 COUNSEL: I have a vote of 6 in the
19 affirmative, zero in the negative, and no
20 abstentions. The items are approved and referred to
21 the full Land Use Committee.

22 CHAIRPERSON MOYA: Thank you, and again,
23 congratulations Debbie. This is a great day for you
24 and the people of Staten Island.

25 COUNCIL MEMBER ROSE: Thank you so much.

2 CHAIRPERSON MOYA: I now will be moving
3 to our public hearing. Today we are holding a
4 hearing on LU numbers 424 through 427 for the Brook
5 156 rezoning in Council Member Salamanca's district
6 in the Bronx. The applicant seeks approval for a
7 zoning map amendment to rezone the existing R72 to a
8 C62 district, a related zoning text amendment to map
9 the site within a mandatory inclusionary housing area
10 with MIH option 1 and option 2, approval for the
11 disposition of city-owned property and a special
12 permit to allow development on or over the rail yard,
13 over the rail yard right-of-way. As proposed, these
14 actions would facilitate the development of a new
15 nine-story mixed use building with approximately 54
16 affordable housing units, approximately 1100 square
17 feet of community facility use, and approximately
18 1300 square feet of open space. I now open the
19 public hearing and I would like to turn it over to
20 Chair Salamanca for his remarks.

21 CHAIR SALAMANCA: Thank you, Chair Moya.
22 Good morning, welcome. First, I want to thank the
23 land use staff and HPD for working with us. Just to
24 give you a little history as to what's happening in
25 the South Bronx, I've been in office for a little

2 over three years and in the three years that I've
3 been in office I've approved over 4900 units of 100%
4 affordable housing. All mixed-income housing,
5 ensuring that we have housing for the homeless
6 families, and we have a portion that is 15% homeless
7 set-aside. I see that as part of this project, you
8 are recommending a 17% homeless set-aside. And I
9 also believe in mixed income, ensuring that extremely
10 low families have access to housing and also our
11 working class families have access to housing. The
12 concerns that I have with this project is that I feel
13 that you're, in your income bracket you're going a
14 little too high in terms of your 90% AMI. I find it
15 irresponsible of me to approve a project where your
16 90% AMI units are higher than my 30% AMI units. And
17 I've made this clear to HPD and I've made this clear
18 to the developer and I've made this clear to the land
19 use team. I look forward to your testimony. I look
20 forward to having a dialogue, but, you know, me
21 putting, setting a line on the sand, I cannot support
22 a project where 90% AMI units are higher than the 30%
23 AMI units and I cannot support a project where this
24 MIH option 1 and option 2, the only MIH option that I
25 will be supportive is MIH option 1. So I hope that

2 we can come to an agreement. This is city-owned
3 land. This is not privately owned land. And I
4 believe that when we're talking about city-owned land
5 we should make it affordable for those residents that
6 live in that immediate community. Thank you, Mr.
7 Chair.

8 CHAIRPERSON MOYA: Thank you, Chair.
9 Before we begin I just want to recognize that we have
10 been joined by Council Member Lancman, and I just
11 want to quickly open up the roles for a vote.

12 COUNSEL: Continuing vote of the land use
13 items, Council Member Lancman.

14 COUNCIL MEMBER LANCMAN: Aye.

15 COUNSEL: A vote of 7 in the affirmative,
16 zero in the negative, and no abstentions, and the
17 items are approved and referred to the full Land Use
18 Committee.

19 CHAIRPERSON MOYA: Thank you. Ted
20 Weinstein. Michael Wadman. Genevieve Michael. How
21 are you? Counsel, if you could swear in the panel.

22 COUNSEL: Please state your name as part
23 of the response. Do you swear or affirm that the
24 testimony you are about to give will be the truth,
25

2 the whole truth, and nothing but the truth, and that
3 you will answer all questions truthfully?

4 GENEVIEVE MICHAEL: Genevieve Michael,
5 yes.

6 TED WEINSTEIN: Ted Weinstein, yes.

7 CHAIRPERSON MOYA: Thank you, you may
8 begin.

9 GENEVIEVE MICHAEL: Land Use numbers 424
10 to 427 are related to ULURP actions pertaining to
11 disposition approval of a city-owned lot as zoning
12 map change, a special permit and a zoning text
13 amendment in order to establish mandatory
14 inclusionary housing area for a project known as
15 Brook 156, located at 740 Brook Avenue, block 2360,
16 lot 3, in the Melrose section of the Bronx in Council
17 District 17. Brook 156 will be developed by the
18 sponsor of Phipps Houses, who proposes to construct a
19 residential building under HPD's extremely low and
20 low income, or ELLA program. Under the ELLA program,
21 sponsors develop buildings in order to create low-
22 income rental housing for families with a range of
23 incomes from 30% to 60% of the area median income and
24 projects may include a tier of units with rents
25 targeted to households earning up to 100% of AMI.

1 Subject to project underwriting, up to 30% of the
2 units may be rented to formerly homeless households,
3 referred by the Department of Homeless Housing or
4 other public agencies. The project consists of the
5 city-owned lot, lot 3, and adjacent privately owned
6 lot, lot 1. Lot 1 is a former rail right-of-way and
7 active open cut railroad trench. Both lots were
8 designated as part of Urban Renewal Site 404 under
9 the Mott Haven North, ah, Urban Renewal Plan, the
10 Mott Haven Plan, in 1994. It should be noted that
11 while the Mott Haven Urban Renewal Plan will not
12 expire until the year 2034, the land use restrictions
13 of site 404 did expire in 2008. Land use number 424
14 is related to an amendment of the zoning map. The
15 change seeks to change the R72 to C62 in order to
16 facilitate the construction of more affordable units
17 and would be allowed under existing zoning in a
18 building that is consistent with the density of the
19 surrounding area. Land Use number 425 will
20 facilitate the construction of a nine-story building
21 with approximately 51 affordable dwelling units, plus
22 one unit for a superintendent. The unit mixture is
23 comprised of 11 studios, 19 one-bedrooms, 14 two-
24 bedrooms, and eight three-bedrooms. Targeted incomes
25

1 will be between up to 30%, up to 80% of the area
2 median income with up to 20% of the units targeted to
3 110% of AMI. Rents will be affordable to families
4 from 27% to 87% of AMI, with up to 20% of units
5 affordable to families with incomes up to 90% AMI,
6 although obviously understand those conversations are
7 ongoing. Amenities include approximately 1119 square
8 feet of community facility space, a fitness center,
9 and laundry room. Land Use 426 seeks approval of an
10 amendment of the zoning resolution in order to
11 establish a mandatory inclusionary housing area
12 mapping option. Option 1 requires 20% of the units
13 be affordable to 60% of AMI, with 10% required to be
14 40% of AMI. Proposed affordability for the project
15 far exceeds the option 1 minimum. Additionally, HPD
16 will be requiring at least an additional 15% of the
17 units be permanently affordable for at least 40% of
18 the units. Land Use number 427 seeks approval of the
19 special permit that will allow for development over a
20 formal rail right-of-way. As zone order to
21 facilitate the development of the Brook 156 project,
22 HPD is before the council seeking approval of Land
23 Use numbers 424 to 427. [pause]

2 MICHAEL WADMAN: Hi, I'm Michael Wadman,
3 vice president of real estate development at Phipps
4 Houses. Thank you, council members, for letting us
5 present to you today. Given the description of the
6 project that you just received, I'll try to focus on
7 items that are not duplicative. You see the project
8 location here at the corner of East 156th Street and
9 Brook Avenue. It's just north of another Phipps
10 Houses development called Rio Verde, quite near the
11 La Centrale development and a lot of the other
12 housing going up and that has gone up in Melrose.
13 This is a key area for Phipps. We own about 2000
14 apartments in this general part of the Bronx. We
15 also provide a lot of social services in this area,
16 and this is a site that we've owned since 2011, so
17 we're pretty excited to be here talking to you about
18 it and looking forward to resolution of any open
19 issues and proceeding. Phipps is the largest not-
20 for-profit housing developer, owner, and manager in
21 New York City. We've been around since 1905 and
22 we're committed to keeping all of our housing
23 affordable, essentially in perpetuity. We've only
24 lost one project to unaffordable forces when we sued
25 by our limited partners many years ago, so you can

2 count on us to preserve this important community
3 asset. The zoning actions were already listed, so
4 I'll pass over those, if you don't mind, and give you
5 a little more feel for the building. On the
6 community facility space, I'm not sure if I heard
7 that the number was right in the earlier
8 presentation, it's 1100 square feet, ah, OK, all
9 right, my apologies, good. I just wanted to make
10 sure I was hearing that correctly. That space that
11 we expect our social service agency, Phipps
12 Neighborhoods, to occupy and they're focusing on
13 identifying a form of work force development or
14 employment training for young adults that would be
15 housed in that location. That's one of their key
16 issue areas. As mentioned previously, we have a lot
17 owned by a Phipps affiliate and a lot owned by HPD.
18 It's also along this railroad right-of-way that was
19 described. One thing that's I think most exciting
20 about this is that this particular site has been a
21 real blight for, since around the time I was born in
22 the late '60s, from what I've gathered from the
23 records. It attracts trespassers and garbage and
24 illegal activity, and I think removing, it's also
25 surrounded by now redeveloped housing with good

2 neighbors who don't like the site being in the state
3 it is. So it's going to be exciting to clear that
4 and put some nice housing there. The bridge closure
5 was also mentioned. This is what the site looks
6 like, again, pretty derelict and DOT is now working
7 on that, so that we should be able to proceed once
8 they are done closing that tunnel. This is the shape
9 of the building, and then a couple more of the
10 renderings that you saw on the cover page. We think
11 it's an attractive building that fits in with the
12 other buildings around it. It has a very active
13 ground floor with a community facility space we
14 described, as well as a lobby and a community room is
15 focused on the ground floor with windows to the
16 street, so there will be quite a lot of eyes on the
17 street. These are the other sides of the building.
18 The ground floor, as I mentioned, has the community
19 center, as well as the community facility space and a
20 fitness center for tenants, even though it's a small
21 building. By providing good solid amenity areas and
22 actually an outdoor patio deck in the rear we think
23 we are providing a very high level of amenity for the
24 people who will live here. That's the typical floor
25 apartment distributions, ah, lobby, so we're really

2 looking to make this not a low-income-looking
3 building regardless of the deep affordability that we
4 will be providing. As discussed, the conversations
5 are ongoing on the specific median income bands. We
6 are, um, Phipps is really willing to implement
7 whatever is agreed up, serving formerly homeless as
8 well as 30%, 40%, 50%, 60%, 70%, 80%, 90% of median.
9 We think, you know, we support mixed-income housing
10 completely and I think by providing this kind of
11 level of mixed-income community it adds a lot to the
12 building, as well as to the neighborhood. As I
13 mentioned, we have amenities, a fair number of
14 family-sized units. We're also looking to conduct
15 outreach to senior citizens for the smaller units so
16 that those units can be put to better use. This is
17 the unit distribution and another just general
18 description, since the specific affordability is
19 still under discussion. Yeah, of course, sorry,
20 yeah. Um, so you'll see that this slide presents
21 very broad bands because of the ongoing discussion,
22 so, um, the specifics will be fairly equal
23 representation we think, again, pending the
24 conclusion of the discussions of serving those
25 different bands. Is it OK to proceed, or did you

2 want, yeah, OK. And that's just another shot of what
3 the building looks like, and I'd be happy to answer
4 any questions or proceed in any way you'd like to.
5 Thank you very much.

6 CHAIRPERSON MOYA: Thank you for your
7 testimony. I'm going to turn it over to Chair
8 Salamanca.

9 CHAIR SALAMANCA: Thank you for your
10 presentation. It's a good total number of units.
11 Your presentation, though, with the unit sizes, the
12 one-, two-, and three-bedrooms, OK, 55 units, percent
13 studio units, all right. It's good to see a good
14 size of three- and two-bedroom units. I mean, that's
15 an ask that we've had in the community, so I thank
16 you for that. A question for HPD. Have you released
17 your new term sheets already?

18 GENEVIEVE MICHAEL: We have not formally
19 released our new term sheets. I think, as you know,
20 we've been considering some changes and starting to
21 work with developers towards changes, but have not
22 formally released them.

23 CHAIR SALAMANCA: So what term sheets are
24 they working out of? Their presentation has formerly

2 homeless, 30% to 80% AMI, but HPD's presentation is
3 up to 90% AMI.

4 GENEVIEVE MICHAEL: So, I mean, they're
5 working off of the ELLA term sheet, I think it's even
6 our [inaudible], correct if I'm wrong, I think we've
7 been doing a little bit of a hybrid of both, like
8 what the current ELLA term sheet is as well as we're
9 looking at some of the changes, I think to make the
10 program really work. But, again, I think as far as
11 the specific AMIs on this is just still working out
12 where we're going to land finally.

13 CHAIR SALAMANCA: So, to Phipps, when you
14 got an approval in February of 2019, in front of the
15 community board, the presentation that you made was
16 what AMI levels?

17 MICHAEL WADMAN: It was the slide that
18 you see here.

19 CHAIR SALAMANCA: The slide that I see
20 here? [inaudible]

21 MICHAEL WADMAN: The fairly broad...

22 CHAIR SALAMANCA: Up to 80% AMI, but yet
23 you're here in the council asking us to approve 90%
24 AMIs. [pause]

2 GENEVIEVE MICHAEL: Do you know when the
3 90 AMIs [inaudible]?

4 MICHAEL WADMAN: I guess that's right, in
5 that the at the time of the community board
6 presentation 80% of the AMI was the highest band
7 under contemplation.

8 CHAIR SALAMANCA: So how do you expect
9 the community to trust you when you're presenting to
10 them a plan and you're getting their approval from
11 30% AMIs to 80% AMIs? You went to the borough board
12 and got borough president approval with that same,
13 that same plan, and you're here in the council
14 presenting a different plan.

15 GENEVIEVE MICHAEL: Sorry, to clarify I
16 think the borough president's recommendation actually
17 does have the nine units at 90 AMI.

18 CHAIR SALAMANCA: Does it?

19 GENEVIEVE MICHAEL: Yep.

20 CHAIR SALAMANCA: OK, well, can you
21 explain to me, did you go back to the community board
22 and say hey, our plan changed?

23 MICHAEL WADMAN: We haven't yet, but we
24 certainly could.

2 CHAIR SALAMANCA: So you originally went
3 to the community board seeking community board
4 approval. You made changes to the plan and you have
5 not gotten back to tell the community board who voted
6 on one particular plan that that plan that they voted
7 on has been changed and this is the new plan?

8 MICHAEL WADMAN: We haven't done that
9 yet, you're right.

10 CHAIR SALAMANCA: This is why there is a
11 lack of trust between the community and city agencies
12 and this agency. I'm not going to continue to beat a
13 dead horse, but I think that is just wrong. Um, this
14 is city-owned land, correct?

15 MICHAEL WADMAN: One of the two parcels
16 is city-owned, yes.

17 CHAIR SALAMANCA: OK, and how did Phipps,
18 can you explain how did Phipps get, how did Phipps,
19 was there an RFP, ah, or did HPD just select Phipps
20 because they have the adjacent lot next door?

21 TED WEINSTEIN: The site consists of these
22 tax lots. One of them is the remainder of the
23 abandoned railroad line, which is private and has
24 always been private, and then next to that, sort of
25 in between the trench and the sidewalk is this narrow

2 sliver. It looks like a sidewalk. That's the city-
3 owned. The reason, um, that this was originally done
4 was that it was part of an urban renewal site that
5 included the rest of that entire block, site 404 of
6 the old Mott Haven North urban renewal plan. The,
7 ah, the city-owned land, which is narrow and is on
8 the outside, like on the sidewalk side, is of no use
9 to anybody for development purpose other than whoever
10 would own the private lot, and that's generally been
11 a common criteria [inaudible] when we don't do a
12 competitive process because it just isn't of any use
13 or value to anybody else. If we were to RFP the
14 city-owned lot there's nothing they could do with it
15 because Phipps owns the larger lot right next to it.

16 CHAIR SALAMANCA: OK, all right, that
17 makes sense. [pause] So this development would be
18 nine stories, 55 units? It's kind of a big building
19 for just 55 units.

20 MICHAEL WADMAN: It's not a big building,
21 or?

22 CHAIR SALAMANCA: It's kind of, pretty
23 normally when you get a nine-story building you get
24 more units. Is it because of the way the lot is
25 designed?

2 MICHAEL WADMAN: Yeah, the parcels are
3 pretty small, first of all.

4 CHAIR SALAMANCA: OK.

5 MICHAEL WADMAN: But also there are some
6 constraints on the [inaudible] building.

7 CHAIR SALAMANCA: All right. What is the
8 developer fee that you'll be getting out of this
9 project, the dollar amount?

10 MICHAEL WADMAN: Say it again?

11 CHAIR SALAMANCA: The dollar amount, as a
12 developer fee.

13 MICHAEL WADMAN: So it's typically 15% of
14 cost. I think in this case that's about 3 million
15 dollars.

16 CHAIR SALAMANCA: What's the total cost
17 of the building? Of the project?

18 MICHAEL WADMAN: About 30 million.

19 CHAIR SALAMANCA: Sorry?

20 MICHAEL WADMAN: About 30 million.

21 CHAIR SALAMANCA: 30 million. OK.

22 MICHAEL WADMAN: I mean, sorry, I can
23 double check a little more specifically.

24 CHAIR SALAMANCA: Please do.
25

2 MICHAEL WADMAN: Yeah, it's an
3 approximately 30 million dollar project. The maximum
4 allowed fee is typically 15% of that. We're
5 typically only paid more like 2% to 5%, sometimes a
6 little bit more.

7 CHAIR SALAMANCA: So my calcification of
8 15% of 30 million is 4.5 million.

9 MICHAEL WADMAN: Right. The budget
10 doesn't support being paid that amount, but there
11 will be, so much of that will be deferred and paid
12 out of cash flow or something.

13 CHAIR SALAMANCA: In my conversations
14 with HPD about moving around the AMIs and getting
15 more of an equal distribution in the 30 and 40 and 50
16 and 60 and having less in the 90% AMI units, HPD
17 mentions that there is a gap right now. Can you tell
18 me what's the current gap now?

19 MICHAEL WADMAN: Yeah, the last version
20 of the numbers we looked at the gap was about 2
21 million dollars.

22 CHAIR SALAMANCA: OK, and should, they
23 made the changes that I'm recommend..., I'm sorry.

24 GENEVIEVE MICHAEL: I think actually, the
25 last version I have seen from [inaudible] 3 million.

2 CHAIR SALAMANCA: Three-million dollar
3 gap? And should there be changes, the changes that
4 I'm recommending, what, how much of a gap would that?

5 GENEVIEVE MICHAEL: I don't have those
6 numbers. I think it would depend on various
7 scenarios, but I think any change would pretty
8 considerably add to that gap.

9 CHAIR SALAMANCA: All right. A question
10 to HPD, and I've seen this before. We've approved
11 projects here in the council where we agreed to
12 certain AMI levels. It's gone through subcommittee,
13 it's gone through Land Use, it's gone through the
14 council, it's been approved, and HPD doesn't close on
15 the project a year from now, a year and a half from
16 now, things happen, I understand. But I've had
17 developers come back and say, Salamanca, you approved
18 this project a year ago, a year and a half ago.
19 These were the AMIs. This is what was agreed upon.
20 Now we have to change the AMI levels. How often does
21 that happen?

22 GENEVIEVE MICHAEL: Ah, I can't speak to
23 how often it happens. I think it happens
24 occasionally. I think the unfortunate reality is, as
25 you know, our tax credits are a finite resource and

2 we end up with projects that I think are hugely
3 expensive or where we can't make the numbers work, so
4 occasionally we will have go back if things have
5 changed to try and reassess, but I think, you know,
6 our goal, ah, is for that not to happen, but, you
7 know, I don't know the exact number of times that it
8 happens.

9 CHAIR SALAMANCA: All right. You mention
10 affordability of this project. Permanently
11 affordability will be 40 years?

12 GENEVIEVE MICHAEL: Ah, I think that's
13 correct.

14 CHAIR SALAMANCA: All right.

15 GENEVIEVE MICHAEL: I think that's
16 correct.

17 CHAIR SALAMANCA: All right. No way that
18 we can increase that permanent affordability since
19 there's city-owned land that's attached to this
20 project?

21 GENEVIEVE MICHAEL: You know, I think the
22 issue there is, ah, the 420-C tax exemption, which is
23 what pairs with the ELLA is a 40-year tax exemption.
24 I think we end up in, ah, rough situations if we
25 extend affordability beyond when the tax exemption

2 expires. I think you end up with, ah, buildings that
3 are going having tax flow, ah, cash flow problems.

4 CHAIR SALAMANCA: OK, well, I'm going to
5 be very transparent and very honest. At the moment
6 I'm not supporting this project. If you want support
7 from my office, from myself, you have to remove
8 option 2 from MIH. You have to back to the community
9 board and see, you need to meet with them and see if
10 you can get an updated letter of recommendation,
11 because you did change the AMIs and there's no way
12 that I can support a project where 90% AMI units are
13 higher than my 30% AMI units.

14 GENEVIEVE MICHAEL: Yeah, I just want to,
15 because I have the borough president's recommendation
16 in front of me that I think does reflect the 90 AMI
17 mix, I want to make sure that and we can go back and
18 look at what the community board approved and
19 actually confirm whether or not there is a
20 discrepancy there. I'm sorry I don't have that
21 before me today.

22 CHAIR SALAMANCA: That's fine. Thank you
23 all. Thank you, Mr. Chair.

24 CHAIRPERSON MOYA: Thank you. I just
25 have one quick question, if you can clarify something

2 for me. Can you list the minimum square footage for
3 affordable housing units? How much for a studio, how
4 much for a one-bedroom, two-bedroom, three-bedroom?

5 MICHAEL WADMAN: I don't have HPD's
6 guidelines in front of me. These unit sizes that you
7 saw in the slide are not the very bare minimum sizes,
8 but they're probably in the lower half of the range
9 that HPD provides. As you know, they, the design
10 guidance were revised a couple years ago and they did
11 produce smaller units than previously.

12 CHAIRPERSON MOYA: So from my
13 understanding New York City sets a minimum apartment
14 size for affordable housing. Market-rate buildings
15 do not have to follow those regulations, correct?

16 MICHAEL WADMAN: Correct, other than
17 zoning requirements.

18 CHAIRPERSON MOYA: Right. So the
19 apartment square footage for this purpose is to
20 measure the inside face of the walls. It says that a
21 studio apartment minimum is 400 square feet. Is that
22 correct?

23 MICHAEL WADMAN: There are different
24 calculations of square footage. In the zoning code
25

2 that 400 is measured a different way than that 361
3 you see here. We're fully compliant with zoning.

4 CHAIRPERSON MOYA: So explain that to me.

5 MICHAEL WADMAN: Well, there are
6 different, I mean, the zoning code is looking at
7 floor area as zoning defines it. It has...

8 CHAIRPERSON MOYA: Could you speak into
9 the mic a little bit more?

10 MICHAEL WADMAN: Yeah, sorry. And a way
11 of calculating that, the type of square footage you
12 see for the purposes of an architect talking about
13 the square foot of the unit isn't calculated exactly
14 the same way.

15 CHAIRPERSON MOYA: But if we have a
16 minimum size, correct, HPD, I'm going to you now,
17 right? It's 400 square feet. How is it that we're
18 then allowing a studio to zero bedroom be 361 square
19 feet?

20 GENEVIEVE MICHAEL: I don't have the
21 answer to that in front of me. I can certainly
22 follow up with you guys to make sure we're not
23 getting...

24 CHAIRPERSON MOYA: I think...
25

2 GENEVIEVE MICHAEL: I mean, I'm sure
3 there is an explanation, but...

4 CHAIRPERSON MOYA: [inaudible] really
5 important. Ah, just be the requirements that I'm
6 seeing right here, ah, what the breakdown here is
7 much less than what the city has in terms of
8 requirements for a minimum-size unit for affordable
9 housing. One bedroom is 575 square feet, two
10 bedrooms is 775 square feet, three bedrooms are 950
11 square feet. And then looking at also what was given
12 to the borough president and what he had put
13 together, we have 11 studio units at approximately
14 418 gross square feet for studios. The one-bedrooms
15 were at 645, two bedrooms at 813, and the three
16 bedrooms at 1109 square feet, and three of those
17 units would be specifically designed to pursue the
18 ADA mandates for the one and two bedrooms.

19 MICHAEL WADMAN: It sounds like we should
20 do our research and get back to you on that.

21 CHAIRPERSON MOYA: I think that that is
22 really important, given the size of these units and
23 what we're seeing here. It would be extremely
24 important on the process and I think for the chair
25 and his constituents. They certainly would deserve

2 to have the right to not be, ah, having less of the
3 square footage made available to them.

4 MICHAEL WADMAN: Very good, we'll follow
5 up.

6 CHAIRPERSON MOYA: Thank you. [pause]
7 Thank you. Any other questions, Chair? Nope? I just
8 want to take the opportunity to recognize Council
9 Member Reynoso. I'd like to thank the panel for
10 coming here and testifying here today. You are
11 dismissed, and I will now reopen the vote for Council
12 Member Reynoso.

13 COUNSEL: Continuing with the vote of the
14 land use items, Council Member Reynoso?

15 COUNCIL MEMBER REYNOSO: Thank you,
16 Chair. I vote aye on all.

17 COUNSEL: I have a vote of 8 in the
18 affirmative, zero in the negative, and no
19 abstentions. The land use items are approved and
20 referred to the full Land Use Committee.

21 CHAIRPERSON MOYA: Are there any other
22 members of the public who wish to testify? Seeing
23 none, I now close the public hearing on this
24 application and it will be laid over. This concludes
25 today's meeting, and I would like to thank the

1 SUBCOMMITTEE ON ZONING
AND FRANCHISES

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2 members of the public, my colleagues, counsel, and
3 land use staff for attending. This meeting is hereby
4 adjourned. [gavel]

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C E R T I F I C A T E

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



Date June 14, 2019