

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND
DISPOSITIONS

----- X

March 11, 2020
Start: 1:08 PM
Recess: 1:19 PM

HELD AT: 250 Broadway Committee Rm.
16TH Fl.

B E F O R E: ADRIENNE E. ADAMS
Chairperson

COUNCIL MEMBERS: Inez D. Barron
Peter A. Koo
I. Daneek Miller
Mark Treyger

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

Artie Pearson, Office of Intergovernmental
Affairs, HPD

Hollis Savage , Housing Preservation and
Opportunities Unit, HPD

(sound check) (pause) (gavel)

CHAIRPERSON ADAMS: Good afternoon. I'm Council Member Adrienne Adams, and welcome to this subcommittee meeting on Landmarks, Public Sitings and Dispositions. We will be joined by other Council Members shortly. We will begin today by holding a public hearing on the Preconsidered Application Number 20205318 HAM submitted by HPD pursuant to Article 16 of General Municipal Law requesting an amendment of a previously approved project. The existing ground lease for property located at 455 East 1-0-1-0 Second Street, Block 1694, lot 3 in Manhattan would be amended to extend the term for 99 years and other related changes. The property is located in Council-I Community District 11, Council Member Ayala's district. I now open the public hearing on this application. We're joined yet today, again by our representatives of HPD who are- I see Artie Pearson. Hi, Artie and Hollis Savage. Welcome. Counsel will swear you in.

LEGAL COUNSEL: Please raise your right hand. Do you affirm to tell the truth, the whole truth and nothing but the truth in your testimony

1
2 before this Subcommittee and in all-in response to
3 all Council Member questions?

4 ARTIE PEARSON: Yes, Sir.

5 HOLLIS SAVAGE: Yes.

6 CHAIRPERSON ADAMS: Thank you. You may
7 begin.

8 ARTIE PEARSON: Good afternoon Chair
9 Adams. I'm Artie Pearson from HPD's Office of
10 Intergovernmental Affairs. I'm joined by my
11 colleagues Hollis Savage who runs the Housing
12 Preservation and Opportunities Unit. This
13 preconsidered item No, 2025318 HAM consists of the
14 proposed ground lease amendment for a multiple
15 dwelling and parking garage located at Block 1694,
16 Lot at 1694, Lot 3 at 455 East 102nd Street in the
17 borough of Manhattan, Council District Number 8. The
18 property is part of a four-building portfolio known
19 as River Crossing. The subject buildings were
20 originally constructed in 1973 under the Mitchell
21 Lama Program, and are the only buildings within the
22 portfolio with a ground lease that was negotiated
23 with the city. It is our understanding that the city
24 retained the land for the purpose of building the
25 school adjacent to the lot. The city subsequently

1
2 leased the ground lease—leased the ground to the
3 owner when the residential building, a parking
4 garage, were constructed. River Crossing Complex
5 exited the Mitchell Lama Program in 2005 and operated
6 as market rate housing until recently. As part of a
7 private preservation deal, the sponsor L & M
8 Development Partners purchased the property in 2019
9 with the assistance of HPD’s Housing Preservation
10 Opportunities Program, and obtained Article XI
11 benefits approved by the Council’s Finance Committee
12 on July 23, 2019. It should be noted that the ground
13 lease site on Block 1694, Lot 3 was not included in
14 the Article XI transition—transaction, and is not in
15 the exemption area as the building maintains it in
16 lieu of taxes to the Department of Finance. The
17 ground lease pilot payment is equal to the building’s
18 full taxes and is set to expire in 2058. HPD is
19 working with the sponsor to extend the ground lease
20 from 2058 to 2118 for a total of unexpired term of 99
21 years. The pilot payments for the site will be
22 frozen at \$1,091,118 for Fiscal Year 2019. In
23 addition, the ground lease payment will increase by—
24 will increase from \$12,957 to \$25,914 and will
25 continue increasing by the Consumer Price Index

1 annually. The building on the ground leased comprised
2 147 rental units including one for a superintendent
3 of the total unit count. 110 units will be
4 affordable to households with targeted incomes
5 ranging from 80% of AMI to 160% of AMI, and rents
6 will range from 70% AMI to 120% AMI. The remaining
7 36 units will remain market rate. There is a mixture
8 or unit types including 52 studios, 18 1-bedrooms, 24
9 2-bedroom, 12 3-bedroom and 4-4-bedroom apartments.
10 The building is fully occupied and rents average
11 \$1,924 for a studio to \$3,327 for a 4-bedroom unit.
12 At acquisition in October of 2019 the sponsor entered
13 into a regulatory agreement restricting rents and
14 incomes for all of the units on the ground lease site
15 as well as the larger River Crossing Complex. Rents
16 and incomes through the units under the ground lease
17 will continue to be restricted for the entire length
18 of the proposed ground lease extension. HPD is
19 before the Subcommittee seeking Urban Development
20 Action Area Project findings in order to facilitate
21 the amendment to the ground lease between the city
22 and the sponsors for Block 1694, Lot 3 in Manhattan.
23 Thank you.
24
25

1
2 CHAIRPERSON ADAMS: Thank you very much.
3 Did you have written testimony for the committee
4 members?

5 HOLLIS SAVAGE: No, I don't.

6 CHAIRPERSON ADAMS: Okay, we'll ask you
7 to submit that to us when you can.

8 HOLLIS SAVAGE: Yes.

9 CHAIRPERSON ADAMS: Okay. I don't have
10 any questions. It's pretty cut and dry for the
11 moment.

12 ARTIE PEARSON: Yes.

13 CHAIRPERSON ADAMS: So, there really
14 isn't anything much for us to go into at this point
15 so I thank you for your testimony here today. Are
16 there any members of the public wishing to testify on
17 this matter? Seeing none, we'll close the hearing
18 and we will take a pause.

19 ARTIE PEARSON: Thank you. (pause)

20 CHAIRPERSON ADAMS: Okay, we will
21 continue. We'll now vote on three related items
22 heard in our February 26 meeting before moving onto—
23 before—before concluding today. We will vote to
24 approver three applications submitted by HPD to
25 facilitate—I'm sorry. We've been joined by Council

1
2 Members Treyger and Koo. Today we will vote to
3 approve three applications submitted by HPD to
4 facilitate the Rochester Site an affordable housing
5 development. This project consists of 7 new
6 buildings that will contain approximately 78
7 affordable housing units. LU 637 is for the approval
8 of an Urban Development Action Area, and an Urban
9 Development Action–Action–and an Urban Development
10 Area project for property located at 421 through 423
11 Herkimer Street, Block 1864, Lots 48 and 49, 440
12 through 444 Herkimer Street Block 1871, Lots 42 and
13 43; 35 through 37 Rochester Avenue, Block 1709, Lots
14 9 and 10; 18 through 22 Suydam Place, Block 1709,
15 Lots 27, 28 and 29; 815 Herkimer Street Block 1710,
16 Lot 9; 329 through 331 Ralph Avenue, Block 1556 Lots
17 7 and 8 and 335 Ralph Avenue, Block 1656 Lot 3 in the
18 Borough of Brooklyn in the Council Districts
19 represented by Members Ampry Samuel and Cornegy,
20 Community District 3. LU 638 is for the approval of
21 real property tax exemption pursuant to Article XI
22 and the Private Housing Finance Law for property
23 located at 423 Herkimer Street, Block 1864, Lot 48;
24 421 Herkimer Street, Block 1864, Lot 49; 440 Herkimer
25 Street Block 1871, Lot 42; 444 Herkimer Street Block

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND
DISPOSITIONS

9

1 1871, Lot 43; 37 Rochester Avenue, Block 1709, Lot 9,
2 35 Rochester Avenue. Sorry, 37 Rochester Avenue
3 Block 1709, Lot 9; 35 Rochester Avenue, Block 1709,
4 Lot 10, 18 Suydam Place, Block 1709, Lot 27; 20
5 Suydam Place, Block 1709, Lot 28; 22 Suydam Place,
6 Block 1709, Lot 29 and 18 Herkimer Street Block 1710,
7 Lot 9; Borough of Brooklyn in Council District 6-36,
8 Lot 6-sorry. LU 639 is for the approval of a real
9 property tax exemption pursuant to Article XI of the
10 Private Housing Finance Law for property located at
11 329 Ralph Avenue, Block 1556, Lot 8; 331 Ralph
12 Avenue, Block 1556, Lot 7; and 335 Ralph Avenue,
13 Block 1556, Lot 3, Borough of Brooklyn in Council
14 District 54. With the support of the local Council
15 Members we will not now vote to approve LUs 637, 638
16 and 639. Counsel, please call the roll.

18 LEGAL COUNSEL: Adams.

19 CHAIRPERSON ADAMS: I vote aye.

20 LEGAL COUNSEL: Koo.

21 COUNCIL MEMBER KOO: Aye.

22 LEGAL COUNSEL: Treyger.

23 COUNCIL MEMBER TREYGER: Aye.

24 LEGAL COUNSEL: By a vote of 3 in the
25 affirmative, zero in the negative and zero

1
2 abstentions, the items are approved and recommended
3 to the full Land use Committee.

4 CHAIRPERSON ADAMS: Okay, we will hold
5 the vote open. We will not hold the vote open. Then
6 I'd like to close the vote at this time and thank the
7 members of the public, my colleagues, counsel and
8 Land Use staff for attending today's hearing. This
9 meeting is hereby adjourned. [gavel]

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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 March 15, 2020