

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON LANDMARKS, PUBLIC  
SITINGS, AND DISPOSITIONS

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March 8, 2021  
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HELD AT: REMOTE HEARING (VIRTUAL ROOM 1)

B E F O R E: Kevin C. Riley  
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)

Elizabeth Rohlfing  
Chief of Staff, New York City  
Department of Housing,  
Preservation, and Development.

Veanda Simmons

Felipe Cortez

Joan Wang

Joyce Kwan

Liliana Sanchez

Kenneth Morrison  
Principal Lamor  
Development Group

Immanuel Gilen

Matt Melody

Christine Retzlaff O'Connell  
Director for the Affordable  
Neighborhood Cooperative  
Program

Brian Dennis

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

Nelson Chan  
Director for the Real  
Estate Development Team  
AAFE

Andrea Alexopoulos

SERGEANT-AT-ARMS MARTINEZ: PC recording is underway.

SERGEANT-AT-ARMS JONES: Okay, cloud is up and running.

SERGEANT-AT-ARMS: Backup is rolling.

SERGEANT-AT-ARMS JONES: And, Keith, will you start with the opening statement?

SERGEANT-AT-ARMS POLLITE: Thank you. Good afternoon and welcome to the remote hearing on Subcommittee on Landmarks, Public Sitings, and Dispositions. Will council members and staff please turn on your video at this time? One again, will council members and staff please turn, turn on your video at this time. Thank you. To minimized disruptions please place all cell phones and electronics to vibrate. You may send your testimony at [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov). Once again, that's [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov). Chair Riley, we are ready to begin.

CHAIRPERSON RILEY: Thank you sergeant. Good afternoon. I am Council Member Kevin Riley, Chair of the Subcommittee on Landmarks, Publics Sitings, and Dispositions. I am joined remotely today

by Council Member Barron, Council Member Koo, Council Member Treyger, and Council Member Rivera.

Today we'll be hearing five HPD applications The Harlem Open Door Cluster, Harlem NCP, Harlem Infill NCP, Harlem NCP Western Site, and the Lower East Side Cluster, but first we will vote on LU 730, the Sutter Avenue East New York Partnership Home application submitted by the Department of Housing, Preservation, and Development Pursuant to Article 16 of the General Municipal Law.

The application requests waiver of the designation requirements of Section 693 of the General Municipal Law and the requirements of 197C and 197D of the New York City Charter and approval of the project as an urban development action area. project for property located at block 4049, part of lot 25 in Brooklyn Council District represented by Council Member Barron. This application will facilitate the convenience of a small interior lot to adjacent Affordable Housing Development.

At this time, I would like to ask my colleague, Council Member Barron, if any remarks, uh, regarding this project. Council Member Barron, do

have any... You want to give any remarks? You're on mute.

COUNCIL MEMBER BARRON: Can you hear me?

CHAIRPERSON RILEY: Yes, I can hear you now.

COUNCIL MEMBER BARRON: Okay, great. Thank you, Mr. Chair, and I just want to say that I am in favor of the conveyance of this property. It's about 424 square feet and my understanding is that at the time the lots were drawn, uh, it was not assigned to either of the lots that does... That, that housing on them and that this is a technicality which will assign the property to the, uh, Nehemiah Project who will then assign it to the home owner. So, with that understanding and with the understanding that the homeowner is in agreement with this decision I am support of this fa... of this project, this conveyance, and I ask my fellow colleagues to vote in the affirmative on this project.

CHAIRPERSON RILEY: Thank you, Council Member Barron.

COUNCIL MEMBER BARRON: Thank you.

CHAIRPERSON RILEY: And I just want to take a small, uh, time to, uh, celebrate

International Women's Day. I just want to celebrate all of the women on the call and thank you for your services today. Uh, Counsel, please call for roll.

COUNSEL CAMPAGNA: Riley.

CHAIRPERSON RILEY: Yes.

COUNSEL CAMPAGNA: Koo. Please unmute the Council Members to their vote.

COUNCIL MEMBER KOO: Aye.

COUNSEL CAMPAGNA: Thank you, Mr... Uh, Council Member Koo.

COUNCIL MEMBER KOO: Uh-hm, aye.

COUNSEL CAMPAGNA: Yes. Council Member Barron.

COUNCIL MEMBER BARRON: I vote aye.

COUNSEL CAMPAGNA: And Council Member Treyger.

CHAIRPERSON RILEY: Oh, unmute Council Member Treyger, please.

COUNSEL CAMPAGNA: That's an aye?

CHAIRPERSON RILEY: That's an aye?

COUNCIL MEMBER TREYGER: That's an aye. Thank you, Chair.

CHAIRPERSON RILEY: Thank you, Council Member.

COUNSEL CAMPAGNA: By a vote of four in the affirmative, zero in the negative, and with zero extensions LU 730 is recommended for approval to the full Land Use Committee and the vote is held open.

CHAIRPERSON RILEY: Thank you, Counsel. We will now move on to our public hearing. I recognize the Subcommittee Council again to review today's hearing procedures.

COUNSEL CAMPAGNA: Thank you, Chair Riley. I am Jeffery Campagna, Counsel to this Subcommittee.

Members of the public who wish to testify were asked to register for today's hearing. If you wish to testify and have not registered, please go to [www.council.nyc.gov](http://www.council.nyc.gov) to sign up now. If you are a member of the public who wants to watch this, hearing please watch the hearing on the New York City Council website.

All people testifying before the subcommittee will be on mute until they are recognized to testify. When the Chair recognizes you, please confirm that your mic is unmuted before you begin speaking.



Public testimony will be limited to two minutes per witness. If you have any additional testimony you would like the Subcommittee to consider or if you have written testimony you would like to submit in lieu of appearing before the Subcommittee, you can email it to [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov). Please indicate the LU number or project name in the subject of the email.

During the hearing Council Members who would like to ask questions should use the ZOOM raise hand function. The raise hand button should appear at the bottom of the participant panel. I will announce Council Members who have questions who have questions in the order that they raise their hands.

Witnesses are reminded to remain in meeting until they are excused by the Chair. Lastly, there may be extended pauses if we encounter technical problems. We ask that you be patient as we work through these issues.

Chair Riley will now continue with today's agenda items.

CHAIRPERSON RILEY: Thank you, Counsel. We now hear applications for four projects in the

Manhattan Council represented by Council Member Perkins.

All four projects were submitted by the Department of Housing Preservations and Development pursuant to Article 16 of the General Municipal Law and section 19C of the New York City Charter requests an approval of the designation of four different Urban Development Action areas and four Urban Action Area Projects and Dispositions of city-owned properties for such areas.

We will hear all four applications pre-considered. We will application number C 200279 HAM for the Harlem Open Door Cluster. This application concerns property located at 2752 Frederick Douglass Boulevard, 2752 Frederick Douglass Boulevard, 131 West 133rd street, and 130 West 134th Street in Manhattan Community Board District 10. This application will facilitate the construction of four new affordable home ownership buildings with a total of approximately 448 units.

In connection with this project, we will also hear application number 20215017 HAM submitted pursuant to Article 11 of Private Housing Finance Law for approval of related tax exemption.

We will also hear application C 200277 HAM, the Harlem NCP CB 11 Site for property located at 2 East 130th Street also in Manhattan Community District 11. This application will facilitate the construction of one four story affordable rental building with seven units.

We will hear application number C 200278 HAM the Central Harlem Infill NCP Project for properties located at 2803 Frederick Douglass Boulevard, 136 West 137th Street, 203 West 135th Street, 61 West 130, 130th Street, 142 West 129th Street, and 109 West 126th Street in Manhattan Community District 10. The application will facilitate to the... Facilitate the development of five new six story buildings and one new four story building all of which will fully... will be fully affordable rental buildings containing a total of 58 units.

We will also hear application number C 200279 HAM the Harlem NCP Western Site for property located at 313 West 112th street in Manhattan Community District 10. This application will facilitate the development of one four story affordable rental building with seven units.

Counsel, please call the applicant panel.

COUNSEL CAMPAGNA: The applicant panel for these applications includes Libby Rohlfing, Veanda Simmons, Felipe Cortez, Joan Wang, Joyce Kwan, and Liliana Sanchez all for HPD and Ken Morrison, Immanuel Gilen, and Matt Melody for the developers.

CHAIRPERSON RILEY: Counsel, please administer the affirmation.

COUNSEL CAMPAGNA: Panelists, please raise your right hands and if you could one at a time state your names. Please unmute the applicants. Please be patient while we do this. (PAUSE)

KENNETH MORRISON: Kenneth Morrison.

FELIPE CORTEZ: Felipe Cortez.

VEANDA SIMMONS: Veanda Simmons.

JOYCE KWAN: Joyce Kwan.

JOAN WANG: Joan Wang.

LIBBY ROHLFING: Libby Rohlfing.

(UNIDENTIFIED): (UNIDENTIFIED). Oh, sorry.

LIBBY ROHLFING: That's okay.

COUNSEL CAMPAGNA: Do you affirm to tell the truth, the whole truth, and nothing but the truth

in your testimony before this Subcommittee and in answer to all Council Member questions?

KENNETH MORRISON: I do.

FELIPE CORTEZ: I do.

VEANDA SIMMONS: I do.

JOYCE KWAN: I do.

JOAN WANG: I do.

LIBBY ROHLFING: I do.

(UNIDENTIFIED): I do.

COUNSEL CAMPAGNA: Chair Riley.

CHAIRPERSON RILEY: Thank you. Before you begin, please state your name and an affiliation again for the record. You may begin.

LIBBY ROHLFING: Thank you. Good afternoon. My name is Elizabeth Rohlfing. I'm the Chief of Staff with the New York City Department of Housing, Preservation, and Development and I'll, I'll begin with the testimony now.

This Land Use item is related to the Urban Land Use Review Process applications seeking Urban Development action area designation, disposition, and project approval for 12 scattered city-owned vacant lots located across the central and East Harlem neighborhoods of Manhattan's Community

Districts 10 and 11 within Council District 9. The sponsors of the project, Lamor Development Group and Iris Development, were selected through HPDs 2015 NIHOP NCP RFQ competitive process. This RFQ was issued to advance new construction projects on small and hard to develop infill city-owned sites and to help build capacity for smaller groups citywide. The sponsors have proposed to develop these 12 scattered city-owned vacant lots under HPDs New Construction Program or NCP and Open Door Program.

The 12 scattered city-owned vacant lots were clustered under the Central Harlem Infill NCP and Open Door Project, which has been divided into two clusters. The central Harlem Infill NCP cluster, which we'll refer to as cluster one, and this includes three of the Land Use items C 200277 HAM, C 200278 HAM, and C 200279 HAM and separately there is a Central Harlem Infill Open Door cluster, which we'll refer to as cluster two, and that includes Land Use item C 200276 HAM.

Cluster one is comprised of eight city-owned vacant lots and will be developed with eight new construction buildings containing approximately 71 affordable rental units plus one Superintendent

unit affordable to households earning incomes between 30 percent and 80 percent of area median income.

Under the New Construction, uh, Program sponsors purchase city-owned or privately owned land or vacant buildings and construct multifamily buildings in order to create up to 45 units of rental housing on infill sites affordable to families earning up to 80 percent of AMI.

Cluster one is expected to provide a mix of 31 studio, 38 one-bedroom, and three three-bedroom apartments. Ten percent of the units will be set aside for the homeless. Income tiers include zero percent, 30 percent, 40 percent, 50 percent, and 70 percent of AMI and rent will range from \$403.00 for a studio at the lowest AMI tier to \$2,129.00 for three-bedroom unit at the AMI tier. Amenities for cluster on include common rooms in four buildings and laundry rooms and bike storage in all of the buildings.

Cluster two is comprised of four city-owned vacant lots and will be developed with four new construction buildings containing approximately 48 affordable home ownership co-op units affordable to households earning incomes between 80 percent and 130 percent of AMI under HPDs Open Door Program. Cluster

two includes one building with ground floor retail space. The Open Door Program, uh, through this program HPD sponsors, uh... Sponsors purchase city-owned or privately owned land and construct cooperative buildings affordable to moderate and middle income households. Cluster two is expected to provide one studio, 20 one-bedroom, 23 two-bedroom, and four three-bedroom apartments. The Open Door units will be marketed to household earning income between 80 percent and 130 percent of AMI. Sales prices are projected to range between \$206,099.00 for a studio unit at the 80 percent AMI tier and \$540,010.00 for a three-bedroom unit at the 130 percent AMI tier. Amenities for cluster two include common rooms in three building, in-unit built-in washer and dryer and bike storage. Once completed the cooperative will sell the units to households who agree to own or occupy their homes for the length of the regulatory period.

As part of the Open Door Program the purchaser will be required to abide by resale restrictions. If homeowner sells or refinances during the regulatory period the homeowner may realize up to two percent appreciation on the original purchase



price per year of owner occupancy. Additionally, the homeowner will also be required to sell to a household earning no more than the project's income limit.

In addition to approval of the before URAAP applications HPD seeks approval of Article 11 Tax Benefits for cluster two in order to help maintain affordability for these homeownership co-op units. The term of the tax exemption will be 40 years and that will coterminous with the regulatory agreement. The tax benefit is approximately \$5,789,432.00 with a net present of \$1,750,702.00.

Today HPD is before the Subcommittee seeking approval of the Central Harlem Infill NCP and Open Door Project in order facilitate construction of this affordable rental and homeownership project. Thank you very much. And with that, I would like to turn things over to our development partners. Uh, where is it? Ken Morrison.

KEN MORRISON: Un, good afternoon, everyone. I just want to check... Joan, I know we have a slide. Will you put it up?

LIBBY ROHLFING: Actually, for the Council, can... There you go.

KEN MORRISON: There you go, okay. Uh, good afternoon, Council Members, and we thank you for giving us the opportunity to present this project, which we believe will be transformative for the Central Harlem community. My name is Kenneth Morrison, one of the principles of the Lemor Development Group. We are a second generation MB, MBE affordable housing developer located in Harlem. I'm joined today by joint venture partner Ema... Immanuel Gilen who is one of the principals of Iris Development an NBWE sustainable and affordable developer based in New Orleans with an office also here in Harlem. The architect on the project Curtis and Ginsberg Architects, a New York City-based WE Architecture Firm and just for clarification, the architect is not going to be in today's presentation. The, uh, next slide, please. Uh, Joan, did you want to talk about the RFQ process or do you want me to, to handle it.

JOAN WANG: Sure, I can, uh... Thank you, Ken and Veanda. Uh, also, thank you Libby. Uh, she also mentioned about... Briefly mentioned about this, but I can, uh, just also, uh, mention about, uh, the background here. So, the Central Harlem, uh, NCP and

Open Door Cluster, uh, as mentioned before, it's a, a scatter site com... uh, comprised of 12, uh, sites throughout Central Harlem and the one site located in East Harlem. So, uh, the Develop... Uh, the Development Team was selected in 2017 through RFQ, uh, through HPD 2015 (UNIDENTIFIED) Harbor NCP RFQ Competitive Process. Uh, so, this project has been presented to Committee Board 10 and 11 several times, in 2019 and in 2020, during the pre-Euler and the Euler process and City Planning Committee had its vote on March 3rd, I believe, last week. Uh, the project received a full support form CPC. Next slide, please.

Uh, so, this project was started by, uh, October 5th, uh, 2020 and we are seeking your approval for the disposition of the city-owned land to facilitate a development, development of approximately, uh, 120 units including a 72 rental and a 48 homeownership unit. So, uh, now, I'll turn the presentation over to Ken, uh, to provide the details about this project.

KEN MORRISON: Thank you, Joan. Uh, next slide, please. Actually, you could go to the next slide after this. Thank you.

So, there are... As, as previously stated, there are 12 sites. In total 11 are Community Board 10, one is in Community Board 11, all sites are in Council District number nine. These 12 sites are all vacant properties and vary in size from 16 feet 8 inches to 33 feet 3 inches. They are primarily clustered around 135th Street and 145th, 145th Street train stations. Next slide, please.

Of the 12 sites, four are slated for homeownership and are designated on this chart in green, uh, and listed, uh, in the box, uh, where it says Open Door. The remaining eight are designated for NCP or rental, uh, and they are in blue and are in, in the various boxes where it says NCP. Next slide, please.

Uh, the development overview. There will be... All of the properties will be residential usage only except for at 2735 Frederick Douglass Boulevard. There will be one small commercial space there. Three of the buildings will be four stories, seven will be six story buildings, and there will be one ten story building. We are not seeking any upzoning or variances as all property will be build as of right.

The entire development will be enterprise green compliant. Next slide.

We plan on using two financial executions for the development of these sites. For the eight rental properties we anticipate using HPDs NCP Term Sheet, Neighborhood Construction Program, which allows for the financing of smaller new construction affordable housing projects and these units will be affordable to families whose incomes fall between 30 to 80 percent of AMIs. The second execution we anticipate using will HPDs Open Door Program, which treats affordable homeownership opportunities for families whose income levels fall between 80 percent to 120 percent of the area median incomes. Uh, next slide.

Here we have the Open Door Affordability unit mix. So, the... Of the 72... Uh, I'm gonna start with the rental portion first, the NCP. Of the 72 apartments, 71 will go to market. There will be one super's unit. Twelve of the units will at twe... at 30 percent of AMI, 12 will be at 40 percent, 12 will be at 50 percent, 12 will be at 70 percent, and the remaining 23 will at 80 percent AMI. The unit mix will comprise of 31 studios, 38 one-bedrooms, and

three three-bedrooms. In regards to the Open Door Program for the for sale 12 of the units will be between 80 and 90 percent AMI, 12 at 90 to 110, and then, uh, the remaining 24 at 110 to 120 and the unit mix there will be... There will be one studio, 21 one-bedrooms, 23 two-bedrooms, and 4 three-bedrooms. Next slide, please.

Here we show the actual AMI levels, uh, of, uh, for each, uh... Well, the income for each AMI level. Please note that 10 percent of the units will... in the rental portion will be given to or slated for the formerly homeless. Uh, the income levels at 30 percent of AMI, the incomes will be between 23,880 to 34,110 and I'll just jump to the 80 percent AMI, which will be the highest, uh, between 63,680 to 90,960. So, basically, we'll be covering incomes between 23,880 up to 90,960. In regards to the Open Door, there were three income levels. Uh, the lowest income would be 90,960 and the highest would be at 147,810. Uh, next slide, Please.

Here we do just a deeper dive into the affordability mix. So, uh, just wanted to give you an idea of what the actual rents would be for, uh, some of the units. So, if we were to start at the lowest

AMI levels, a studio where rent is low as 397, uh, a one-bedroom at 503, a three-bedroom at 683. If we were jump over to the highest AMI level under the rentals, uh, lowest rent for a studio will be 1,250 and the higher rent will be 2,161 for the three-bedroom. Uh, all other AMIs will fall in-between those two. In regards to the Open Door, there are four... Un, in regards to the affordability of the Open Door, just wanted to point out the anticipated monthly maintenances for these units. Uh, the studio at 415, uh, the one-bedroom between 521 and 652, the two-bedrooms between 555 and 824, and the three-bedrooms at 1,111 will be the maintenances and we also show the, the (UNIDENTIFIED) sales prices. Uh, for the studios they start at 206,099 and they go as high, uh, for the three-bedroom, at 540 and, uh, 540,010. Next slide, please.

On this site... I'm sorry. On this slide, there are seven, uh, seven photos of the current situation or current condition of these sites. Most of these sites are, uh, in the middle of the blocks and currently they are all vacant, fenced off, and they are not being used. Next slide.

Uh, here we show what we, uh, uh, the wide site floor plan and it has been mentioned, uh, some of the amenities are elevator access to all floors. Uh, all buildings are handicap accessible. Onsite laundry. Uh, a common lounge room is in the, in the wider buildings. Bicycle storage. Uh, individual heating and cooling systems and ample natural daylight, uh, throughout all of the bedrooms and living rooms. Next slide.

Uh, this is a sample typical floor plan for our narrow site buildings. Uh, the first floor unit will be handicap accessible. Uh, there will be onsite laundry, uh, bike storage, uh, also ample light. Uh, the only difference here is, uh, since we don't have the width there won't be the, the common lounge area that you've seen in the other buildings, in the wider buildings. Uh, next slide.

Sustainability, we build will be built to enterprise Green Community standards. All units will be energy efficient with heating and cooling systems, energy efficient LED lights, uh, water conservation fixtures, uh, fully insulated building envelope using only low VOC paints, sealants, and adhesives. A high reflective, uh, cool-roof systems, uh, native plan..



planting at the building footages or frontages were provided. Next slide, please.

So, here we want to talk about the, uh, the appearance and, and materials that we plan on using. So, as you can imagine, we're on basically almost 12 blocks. So, each block has a different kind of streetscape and there was a lot of, uh, concern and conversations from the Community Board around this. So, what we did was we went on each block just kind of... and here we show examples of two blocks, two buildings... I'm sorry, two blocks where we took pictures of the adjacent properties and wanted to make sure that we were contextual. So, this is what it would look like. Uh, the street, streetscape would look like once construction is done for two of sites. That's on, uh, East 130th Street and also on West 133rd. Next slide, please.

Here we also did the same thing. This is one of the narrow sites at 109 West 126th Street. Here we took a little bit of liberty with the exterior, uh, as we are about 50 feet away from the corner and on the corner of 126th and Lenox there is this colorful motif. So, we decided to try and to

render... Uh, to match that, the color scheme. Next slide.

Uh, and this next slide just looks at the two taller buildings. At 2752 Frederick Douglass Boulevard we have a six-story building, uh, in the middle of the block and then at 150th Street... I'm sorry, at hundred, uh... I think this is 146 at 2735 Fredrick Douglass. This is our ten-story building and we anticipate using a local artist, uh, to assist us with the upper portion of the exterior of the building. Next slide.

And that, uh, ends our presentation. Myself, Immanuel, and the staff here at HPD we're, uh, here to answer any questions. Thank you very much.

CHAIRPERSON RILEY: Thank you, and we were just joined by Council Member Miller. I just wanted to give him a chance to give a vote LU 730.

COUNSEL CAMPAGNA: Council Member Miller, how do you vote on LU 730 the Sutter Avenue East New York, uh, application?

CHAIRPERSON RILEY: Council Member Miller.

COUNSEL CAMPAGNA: Is he still here?

CHAIRPERSON RILEY: No, he's... Uh, I think he's muted. You're muted, Council Member Miller.

COUNCIL MEMBER MILLER: Okay, I vote aye.

CHAIRPERSON RILEY: Thank...

COUNSEL CAMPAGNA: It's, uh, five in the affirmative, zero in the negative, and with zero extensions the item is approved and recommended to the Full Land Use Committee and, uh, and continue.

CHAIRPERSON RILEY: Thank you, Counsel. Uh, thank you, uh, to the panelists for that presentation. I just have one question and that really, uh... That goes for the, the last, uh, slide. I believe you were referring to the building. Uh, I know the City Planning Commissioners were, were wary about including public art on the front of the buildings and how are you responding to those comments? Ken, Ken, you're on mute.

KENNETH MORRISON: There you go. Yeah, okay, I'm sorry. I wasn't able to unmute myself. Yeah, so, sure, if, if there was an issue, uh, with that... Like I said, we just took a little bit of liberty with it because we were trying to, you know, match the corner motif, uh, but I mean if there is an issue with it then there was no problem with us just

to sticking to a, a one-color, uh, on the facade of the property.

CHAIRPERSON RILEY: Okay, and you'll be having a local artist, uh, do the building if I'm not mistaken, correct?

KENNETH MORRISON: That, that is correct.

CHAIRPERSON RILEY: Okay, all right cool. All right, I now invite my colleagues to ask questions. Counsel, are there any Council Members with any questions?

COUNCIL MEMBER MILLER: Mr. Chair.

CHAIRPERSON RILEY: Council Member Miller.

COUNCIL MEMBER MILLER: Yes, Sir. Uh, thank you. So, uh, I have a question for Mr. Morrison and his team here just, uh, as a point of clarification. Is, is this the... And, and perhaps they mentioned and you, you can answer. Is this by virtue, these projects, by virtue of the, uh, RFP, RFPs that went out I guess in 17. Uh, there was a number of them toward MWBE developers.

KENNETH MORRISON: So, I can... Uh, uh, no, I'm sorry. I will say that this RFP was not part of the MBWE RFPs in 2017. I believe the NCP and HPD can correct me if I'm incorrect, but I believe it was

called an IHOP NCP RFP and I believe it was issued in 2014.

COUNCIL MEMBER MILLER: Okay, so, this is a total separate project.

KENNETH MORRISON: Total separate project, correct.

COUNCIL MEMBER MILLER: Okay, good. Uh, okay, I have no further questions. Thank you. Good to see you.

KENNETH MORRISON: Glad to meet you, Council Member Miller.

COUNCIL MEMBER MILLER: Excuse me. Take care.

KENNETH MORRISON: All right.

CHAIRPERSON RILEY: Thank you, Council Member Miller. There being no more questions for this panel, this panel is excused.

KENNETH MORRISON: Thank you.

CHAIRPERSON RILEY: Thank you. Counsel, are there any members of the public who wish to testify on this item? Jeff, you're on mute.

COUNSEL CAMPAGNA: There are no members of the public signed up to testify on this item.

CHAIRPERSON RILEY: There being no other members of the public that wish to testify on this item the public hearings on application number C 200276 HAM, 20215017 HAM, C 200277 HAM, C 200278 HAM, and C 200279 HAM are now closed and the items are laid over.

Our last public hearing today will be on LU 741, the Lower East Side Cluster ANCP. This is an application submitted by HPD pursuant to Article 16 of the General Municipal Law and Article 11 of the Private Housing Finance Law requesting waiver of, of the area designa... designation requirement and the requirement of Charter Section 197C and 197D and approval of the Urban Development Action Area Project and exemption from real property taxation for properties located at 406-08 East 10th Street, 533 East 11th Street, and 6, 656 East 12th Street in Manhattan Council District represented by Council Member Rivera. This application will facilitate the preservation of 44 affordable cooperative units pursuant to the Affordable Neighborhood Cooperative Program, ANCP.

Uh, before we call the Council, I just want to give Council Member Rivera a chance if she wants to give any remarks regarding this project.

COUNCIL MEMBER RIVERA: Uh, Chair Riley, thank you so much. I'm going to forgo a, a statement and hear from the applicants and then maybe ask a couple of questions.

CHAIRPERSON RILEY: Thank you.

COUNCIL MEMBER RIVERA: Thank you.

CHAIRPERSON RILEY: Counsel, please call on the applicant panel.

COUNSEL CAMPAGNA: The applicant is Libby Rohlffing, Christine Retzlaff (SP?) O'Connell, and Brian Dennis for HPD and Nelson Chan and Andrea (UNIDENTIFIED) for the developer.

CHAIRPERSON RILEY: Counsel, please administer the affirmation.

COUNSEL CAMPAGNA: Uh, Panelists, please raise your hands if you have not already been sworn in. Please say your names.

CHRISTINE RETZLAFF O'CONNELL: Christine Retzlaff O'Connell.

NELSON CHAN: Nelson Chan.

ANDREA ALEXOPOULOS: Andrea Alexopoulos.

COUNSEL CAMPAGNA: Do you affirm to tell the truth, the whole truth, and nothing but the truth in our testimony before the Subcommittee and in answer to all Council Member questions?

CHRISTINE RETZLAFF O'CONNELL: Yes.

NELSON CHAN: Yes.

ANDREA ALEXOPOULOS: Yes.

CHAIRPERSON RILEY: Thank you. Before you begin, please state your name and affiliation again for the record and before we begin, I just want to acknowledge that we're, we're joined by Council Member Perkins. You may begin panel.

LIBBY ROHLFING: Great, thank you and good afternoon. Uh, my name is, uh, Libby Rohlifing and I am with the New York City Department of Housing, Preservation, and Development.

Uh, today's Land Use item consists of the proposed disposition of three partially occupied city-owned buildings and the approval of Article 11 tax benefits for properties located at 40608 East 10th Street, 533 East 11th Street, and 656 East 12th Street in Manhattan Council District three known as the lower east side cluster.



The Buildings will be developed through HPDs Affordable Neighborhood Cooperative Program or ANCP. Under program guidelines city-owned multiple dwellings are conveyed to restoring communities HDFC for one dollar per tax lot and then rehabilitated by private developers selected through a competitive process.

The developer will sign a Site Development Management Agreement with Restoring Communities that will be effect until co-op conversion occurs and title transferred from Restoring Communities HDFC to the individual cooperative.

From the time of the cooperative conversion the developer will remain the property manager for at least one year. After the first year the co-op will have the choice of keeping the developer as property manage, manager or hiring a new company approved by HPD.

All of the buildings entered into city ownership through an in-rem foreclosure process and joins the Tenant Interim Lease Program as early as the mid-1990s. As part of this help program tenants are required to form Tenant Associations to self-

manage their buildings, which includes collecting rent under a net lease agreement with HPD. The cluster is comprised of 44 units and the residents are ready move forward with the next step in cooperative conversion under HPDs ANCP Pro... Program.

The designated developer, Asian Americans for Equality, has been selected to develop the site. The three buildings in this cluster will require a substantial rehabilitation that includes structural joint replacement, replacement of building systems including electrical upgrades, plumbing upgrades, and the installation of new boilers. Additionally, work with the envelope of the building is needed including new windows, new roof, and masonry repair. The scope of work also includes new bathrooms and kitchen fixtures, entry doors, new flooring, new mailboxes, hallway upgrades, painting, and asbestos and lead removal.

Units will also be brought into compliance with current 2014 building codes and ADA accessibility requirements. Additionally, five percent of units will be renovated with accessibility for mobility and two percent for hearing and visually impaired households. Post-rehab the 44 residential

units will include five studios, one one-bedroom, 23 two-bedrooms, 14 three, three-bedrooms, and one four-bedroom apartment. Of the 44 units 23 units will be occupied by returning shareholders and 21 units will be vacant for marketing. There will be three commercial spaces, two at 40608 East 10th Street and one at 656 East 12th Street.

Household incomes for existing tenants range between a reported five percent of very median income to 42 percent of AMI and the cooperative interests attributable to occupied apartments will be sold to the existing tenants for \$2,500.00.

Maintenance will be set at 40 percent of AMI for existing tenants. The monthly rent for each unit for existing tenants is anticipated to be roughly 866 per one-bedroom, \$1,033.00 per two-bedroom, \$1,186.00 per three-bedroom, and 1,315 per four-bedroom apartment.

The cooperative interest attributable to vacant apartments will be sold for a price affordable to families earning no more than 110 percent of the median income.

In addition to seeking disposition approval for the Lower East side ANCP cluster, HPD requests a 40-year Article 11 tax exemption in order

to help the shareholders maintain affordability. The term of the tax exemption will be coterminous with the regulator agreement and the total tax benefit is approximately \$8,432,696.00 within that present value of \$2,355,853.00. In order to facilitate development of the Lower East Side ANCP cluster HPD seeks approval of the Land U... Land Use item. Thank you.

Uh, with that, I would like to turn things over to, the... to AAFE, o Nelson Chan.

NELSON CHAN: Good afternoon, Council Members and thank you for your time. Uh, my name is Nelson Chan, I'm the Director for Real Estate, uh, Development Team over at Asian Americans for Equality or AAFE for short and I'm very happy to see so many familiar faces because I, uh, I was at HPD for, for about four years prior to rejoining AAFE and, uh, for those of you who do not know AAFE, AAFE is a 45-year-old, uh, non-profit community organization founded in the Civil Rights Movement, uh, in Chinatown. Our organization was born out of, uh, a grassroot group fighting to get local workers access to construction jobs, uh, at government developmental sites, uh, and we've been fighting for equal, uh, opportunities and

equal right in New York City in New York ever since then.

Uh, uh, our serv... services span from safety net social services, uh, to neighborhood small support and ownership, uh, homeownership counseling and affordable housing rehab and development. Uh, we are deeply committed to preserving affordable housing throughout New York City and providing new opportunities for our city's, uh, diverse community and just want to add that the tenants have been... Uh, for these cluster, uh, have been waiting a long time for this opportunity. Uh, to be a co-op and they have been cooperative with us and also with HPD and we're confident of, uh, this. It's a success and we're happy to answer any questions you may have. Thank you.

CHAIRPERSON RILEY: Thank you, panel. Uh, I just have one question. I know that there was a restaurant, uh, located at one of the buildings. I just want you to speak about, uh, preserving the restaurant's business, uh, after this cooperative comes into the neighborhood.

CHRISTINE RETZLAFF O'CONNELL: Sure. Uh, so, my name is Christine Retzlaff O'Connell. I'm the

Director for Affordable Neighborhood Cooperative Program at HPD. Uh, AAFE has been very hands-on in terms of working directly with the, the existing business, uh, and we are crafting, uh, some, some language to be able to share with that restaurant owner to ensure that they have the right of first refusal once the, uh, the work is done. Uh, they are a pillar in the community. They, they work with a lot of residents within the buildings and so, it is very important that they have a right to return, uh, and that they are able to return with a very affordable rent to ensure that they can remain a pillar in the community.

CHAIRPERSON RILEY: Thank you, Christine.

NELSON CHAN: And just wanted to add that AAFE has been working in tandem with this, uh, restaurant owner in terms of designs as well to make sure that the space is, uh... Works with his restaurant when he... Should he return.

CHAIRPERSON RILEY: Will he be... Uh, will the restaurant lose any square feet, uh, with the new building going up or...

NELSON CHAN: Well, we're doing a, rehab. So, it will be code compliant, uh, and this was, uh, you know, told to the, the tenant there.

CHAIRPERSON RILEY: Okay, all right, thank you. I now invite my colleagues, uh, if my colleagues have any questions. Council Member Rivera.

COUNCIL MEMBER RIVERA: Hi, thank you so much for allowing me to just ask a couple of quick questions and I know you covered some of it in the opening, but just, you know, forgive the redundancy just so we can get it on the record and thank you, uh, Mr. Chair, for allowing me the time. Uh, so, what percentage of area median income, AMI, will the vacant units be targeted at?

CHRISTINE RETZLAFF O'CONNELL: Uh, so, the vacant apartments will be sold at prices, uh, at 95 percent of area median income. Uh, that's based on the specific finances of this project, which is calculated based on returning.. Number of returning residents, available vacant apartments, uh, cost of rehab. So, every project is a little different, but we are targeting 95 percent AMI for the vacant apartments.

Uh, during the testimony you may have heard that, uh, incomes will be capped at 110 percent of area median income. So, what that means is we will set a price at 95 percent of area median income and we will market the vacant apartments to families between 95 and 110.

COUNCIL MEMBER RIVERA: So, how does this compare to the typical AMI targets for the ANCP Program?

CHRISTINE RETZLAFF O'CONNELL: Our term sheet allows for affordability between 80 percent and 120 percent. So, we're right in the middle pretty much.

COUNCIL MEMBER RIVERA: Okay. What are the... I know we mentioned, uh, the restaurant, but what are three commercial businesses on these properties? Are they all active?

CHRISTINE RETZLAFF O'CONNELL: Only the restaurant remains. There are two other spaces that are currently vacant. Uh, AAFE will work with the tenant bodies of each building to, to bring in a viable commercial tenant for those other two spaces once the work is done.



COUNCIL MEMBER RIVERA: Okay. So, that's helpful and I know that you just mentioned to the Chair that you were, uh, in touch with the restaurant and, and you... Certainly code compliance is one of the priorities, but can you describe the outreach that has been done to that commercial business and also any of the outreach, uh, that has been done to the tenants to really kind of explain their rights, what to expect, and certainly, I Guess, like timeline and any relevant details.

CHRISTINE RETZLAFF O'CONNELL: Sure. So, in terms... I'll, I'll speak in terms of the, the resident body and I'll let AAFE marriage the, uh, the, uh, the commercial center. Uh, so, as part of ANCP we engage with residents a lot. These are, these are residents of city-owned buildings. They've been waiting for this opportunity a very long time. One, we have a, uh, what's called a, uh, pre-engagement meeting where we let them know how the program works and how we'll be involved. Then we have a kickoff meeting where AAFE was actually introduced. Uh, we did that back in 2017. From there we have a series of meetings where we go through the plan. So, every single resident receives a side-by-side plan of their

existing unit and then the, the proposed rehab of the unit so that they can see if there's differences based on co-compliance. Uh, we also have a meeting with residents right before we close on the construction loan and start the work where we share with them a budget and talk about what their maintenance fees will be when the work is done. Uh, we, we understand that these folks are gonna be homeowners. So, it's important for them to understand what the budget is, how it impacts them, uh, and how they will be able to afford the, the new maintenance once it goes into effect after the work is done.

AAFE, I'll let you talk about the commercial tenant.

NELSON CHAN: Yeah, so, for the commercial tenant we actually, uh, reached out to the commercial tenant, uh, often and then he actually... today he submitted a letter for support. I'm not sure if, uh, we were... we sent that over to, uh, Council Member Rivera, but, uh, if I may, I, I have it in front of me. I can sort of present it to, you know, read it into the testimony if you would like or if you have the, uh, that available.

COUNCIL MEMBER RIVERA: **We... I, I think I'll defer to the Chair, but I believe you could sort of...**

CHAIRPERSON RILEY: **Yes, of course. Of course, go ahead.**

NELSON CHAN: Okay. Apologies, I'm going to need a second before I can open this up, uh, but yes, uh, we, we've been in, in contact with everyone in, in the building and everyone knows that, uh, that cooperation is the key thing and just to get everyone in this cluster to cooperate, to agree with the milestones was, uh, very, uh, instrumental for us and we, we rely on everyone to, to do that. Uh, AAFE is actually the, the group that closed the first ANCP, uh, years ago and we were able to convert that and we found that the success... the recipe for success was actually, uh, to, to have many touchpoints and many communications and often as well. So, I... Sorry, I apologize, I'm struggling to, to find...

COUNCIL MEMBER RIVERA: You can... So, maybe you would just submit it for the record and then...

NELSON CHAN: Yeah.

COUNCIL MEMBER RIVERA: We still some time between today and the final like vote. So, if you

could just submit that for the record it means, it means a lot. I, I trust that it's a letter... Uh, so, just, I guess, one last question, Mr. Chair, if that's okay.

Uh, what is the plan, uh, for the businesses in the proposed development? So, you discussed, uh, you're working closely with the restaurant owner and that your going to work with the residents to try to bring in a viable operator so, that way they can have that source of revenue, uh, but what, what, what's the plan?

CHRISTINE RETZLAFF O'CONNELL: Generally, what happens is once the building is about 90 percent complete and we feel pretty confident that we're, we're gonna get the signoffs and, and be able to bring people back into the building, uh, AAFE will work with the residents and identify some of their, their, their no list. Uh, every group of tenants may have a preference for what kind of business they want to have in place. They may have seen, uh, a type of business not work out before and so, they'll give their recommendations. Uh, AAFE actually has previously coordinated this, uh, as, as Nelson mentioned on the first ANCP, uh, a market meeting

took place. Several qualified vendors applied, uh, and working with the tenant body a specific vendor was selected. One that had a, uh, a sturdy financial track record, uh, would, would be an asset to the community, an asset to the building, uh, and then that vendor moved in under a lease that was approved by HPD and also negotiated with the tenants.

NELSON CHAN: Uh, if I may, I actually just have the, the letter open. So, it will take me about a minute to read this.

CHAIRPERSON RILEY: Go ahead now, sir.

NELSON CHAN: Thank you. It says dear honorable City Council, HI, my name is Pedro Rodriguez and I am both a tenant in building located at 406-08 East 10th Street and a small business restaurant owner. On behalf of the families in the building and our tenant association we are in full support of AAFE working with us to develop our future homes through the ANC Program. AAFE has been coordinating with us regarding our unit layouts and the program milestone. AAFE has been fully engaged with us to make we understand the timeline every step of the way. We have waiting for decades for this opportunity and we are excited it is finally here.

AAFE had been very transparent and regularly, regularly communicating with us. As long-term residents or as long-term tenants of this neighborhood we are thrilled for this opportunity and in full support of this project. Sincerely, Pedro Rodriguez and I will submit that as well.

CHAIRPERSON RILEY: Thank you, Nelson. Council Member Rivera, did you have any more questions?

COUNCIL MEMBER RIVERA: Pretty good. Pretty good letter. Uh, well, thank you. Thank you for bringing it to our attention. That certainly means a lot because I know not only is it an important business, but like you said, they employ people from the community and they're very involved with the tenant association. So, I think that's all of the questions I have, uh, Mr. Chair. I know we'll certainly be in discussions on the AMI and, and how we can proceed in, in pushing this application forward responsibly and I want to thank you for your testimony and, of course, to you, Mr. Chair, for allowing me to ask a few questions.

CHAIRPERSON RILEY: Thank you Council Member Rivera. There being no more questions for this panel, this panel is excused. Thank you.

NELSON CHAN: Thank you.

CHAIRPERSON RILEY: Counsel, are there any members of the public who wish to testify on this item?

COUNSEL CAMPAGNA: There are no members of the public signed up to testify on this item.

CHAIRPERSON RILEY: There being no other members of the public who wish to testify on this item the public hearing on LU 741 is now closed and the item is laid over.

That concludes today's business. I remind you that if you have written testimony on today's item you may submit it to

[landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov) .gov, excuse me.

Please indicate the LU number or the project name in the subject heading. I would like to thank the applicants, members of the public, my colleagues, Subcommittee Council, Land Use staff, and Sergeant-At-Arms for participating in today's hearing. This meeting is hereby adjourned and happy International Women's Day. Have a great one everyone.

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 22, 2021