

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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June 2, 2021  
Start: 2:08 p.m.  
Recess: 3:43 p.m.

HELD AT: Remote Hearing, Virtual Room 1

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

COUNCIL MEMBERS: Kevin C. Riley  
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

Ismene Speliotis

Matthew Feis

Olga Jobe

Ben Shavolian

Carrie Grassi

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3

2 SERGEANT AT ARMS: PC recording done.

3 SERGEANT AT ARMS: Cloud recording is  
4 under way.

5 SERGEANT AT ARMS: Thank you.

6 SERGEANT AT ARMS: Backup is rolling.

7 SERGEANT AT ARMS: Thank you. Sergeant  
8 Bradley?

9 SERGEANT AT ARMS BRADLEY: Good afternoon  
10 and welcome to today's New York City Council on  
11 Landmarks, Public Siting, and Dispositions. At this  
12 time will all panelists please turn on your videos  
13 for verification purposes. To minimize disruption,  
14 place electronic devices on vibrate or silent mode.  
15 If you wish to submit testimony you may do so at  
16 landusetestimony@council.nyc.gov. Again, that is  
17 landusetestimony@council.nyc.gov. Thank you for your  
18 cooperation. Chair, we may begin.

19 CHAIRPERSON RILEY: [gavel] Good  
20 afternoon. I am Council Member Kevin Riley, chair of  
21 the Subcommittee on Landmarks, Public Sitings, and  
22 Dispositions. I am joined remotely today by Chair  
23 Salamanca, Council Member Treyger. Council Member  
24 Barron, and Council Member Koo. Today we will be  
25 having a hearing, today we will be hearing the

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2 Melrose Open Door Scatter Site Affordable Home  
3 Ownership Project in Chair Salamanca's district, the  
4 Bed-Stuy Central and North NIHOP Project in Council  
5 Member Cornegy's district, and a transfer of a swamp  
6 property in Staten Island to the National Park  
7 Services for environmental mitigation in connection  
8 with Staten Island Coastal Storm Risk Management.

9 Before we proceed, um, I don't see Council Member  
10 Cornegy, Counsel, is he, is he here?

11 COMMITTEE COUNSEL: He is not present  
12 yet.

13 CHAIRPERSON RILEY: OK, so what, we'll,  
14 we'll just, ah, allow him to speak when he comes in.  
15 Ah, I now recognize Counsel to explain today's  
16 hearing procedures.

17 COMMITTEE COUNSEL: Thank you, Chair  
18 Riley. I am Jeffrey Campagna, counsel to the  
19 subcommittee. Members of the public who wish to  
20 testify were asked to register for today's hearing.  
21 If you registered to testify and are not yet signed  
22 into Zoom, please sign in now and remained signed in  
23 until after you have testified. If you wish to  
24 testify and have not registered, please go to  
25 [www.council.nyc.gov](http://www.council.nyc.gov) to sign up now. If you are not

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2 planning to testify on today's items please watch the  
3 hearing on the New York City Council website. All  
4 people testifying before the subcommittee will be on  
5 mute until they are recognized to testify. Please  
6 confirm that your mic is unmuted before you begin  
7 speaking. Public testimony will be limited to two  
8 minutes per witness. If you have written testimony  
9 and would like the subcommittee to consider in  
10 addition to or in lieu of appearing before the  
11 subcommittee or if you require an accessible version  
12 of a presentation given at today's meeting please  
13 email [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov). Please  
14 indicate the LU number or project name in the subject  
15 line of the email. During the hearing council  
16 members who would like ask questions should use the  
17 Zoom raise hand function. The raise hand button  
18 should appear at the bottom of the participant panel.  
19 I will announce council members who have questions in  
20 the order that they raise their hands. Witnesses are  
21 reminded to remain in the meeting until they are  
22 excused by the chair. Lastly, there may be extended  
23 pauses if we encounter technical problems. We ask  
24 that you please be patient as we work through these

25

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2 issues. Chair Riley will now continue with today's  
3 agenda.

4 CHAIRPERSON RILEY: Thank you, Counsel.  
5 I now open today's public hearing on LU number 798,  
6 799, 800, 801, and 802 from Melrose Open Door  
7 Project. These applications are submitted by the  
8 Department of Housing Preservation and Development  
9 will facilitate the construction of 12 new  
10 residential buildings in Bronx Community District 1,  
11 2, and 3 that between them will contain approximately  
12 70 cooperative homeowner units that will be  
13 affordable to households earning incomes between 80%  
14 to 130% of AMI. The project will be developed by  
15 MHANY under the HPD's Open Door Affordable  
16 Homeownership Program. The properties include in the  
17 project are vacant or will be demolished for new  
18 construction sites. To facilitate the project HPD  
19 requests the following approvals - LU 801 in the  
20 application submitted pursuant to Article 16 of the  
21 General Municipal Law and the Section 197-C of the  
22 New York City Charter for designation of an urban  
23 development action area, approval of an urban  
24 development action area project, and disposition of  
25 city-owned property located at 66, 667 Cauldwell

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2 Avenue, 675 Eagle Avenue, 672 St. Ann's Avenue, 840  
3 Tinton Avenue, and 842 Tinton Avenue in Bronx

4 Community District 1. This action would facilitate  
5 the construction of approximately four buildings with  
6 approximately 28 cooperative units. Two of the sites  
7 in Community District 1, 675 Eagle Avenue, 672 St.

8 Ann's Avenue, are located in the Mott Haven urban  
9 renewal area. To facilitate the development of these

10 sites HPD seeks approval of LU 800 and amendment to

11 the Mott Haven urban renewal plan to exempt the

12 developmental sites from the FAR open space ratio and  
13 parking requirements of the urban renewal

14 development. LU 799 is application submitted

15 pursuant to Article 16 of the General Municipal Law

16 requesting a waiver of the area designation

17 requirement of Section 693 of the General Municipal

18 Law, waiver of the requirement of Charter Section

19 197-C and 197-D, approval of the project as an urban

20 development action area project, UDAAP, and the

21 disposition of the city-owned property located at

22 1048 Faile Street in Bronx Council District 2. This

23 action will facilitate the construction of one new

24 building with approximately four affordable

25 cooperative units. LU 802 is an application for

2 designation and urban development action area.

3 Approval of an urban development action area project

4 for such area and approval of the disposition of the

5 city-owned property located at 881 Brook, 901 Eagle

6 Avenue, 959 Home Street, 1298 Hoe Avenue, 1019,

7 excuse me, 1013 Home Street in Bronx Community

8 District 3. This action will facilitate the

9 consultation of approximately five buildings

10 containing approximately 32 cooperative units. LU

11 798 is an application submitted pursuant to Article

12 11 of the Private Housing Finance Law, requesting

13 approval of exemption from real property taxation for

14 all properties in the project areas, specifically

15 Block 2365, Lot 23, Lot 2617, Lot 2070, Lot 2620, Lot

16 46, Lot 2624, Lot 73, Lot 2662, Lot 27, Lot 2667, Lot

17 1 and 2, Lot 2692, Block 2692, Lot 73, Block 2748,

18 Lot 24, Block 2979, Lot 1, Block 2987, Lot 14, and

19 Block 2993, Lot 33, in the Borough of the Bronx,

20 Community District 1, 2, and 3. All the properties

21 are located in Council District represented by Chair

22 Salamanca. And I would just allow, ah, want to allow

23 Chair Salamanca to give some words regarding this

24 project. Chair Salamanca?

25



2 CHAIRPERSON SALAMANCA: Thank you, ah,  
3 thank you, Chair Riley. Um, I, I look forward to  
4 this presentation, but I want to make it clear here,  
5 as I told the applicants, Community Board 3 is not in  
6 favor of this project and until they get, ah, and,  
7 um, they, they get on board and Community Board 3  
8 provides a letter of support I will not be supporting  
9 this project. Thank you.

10 CHAIRPERSON RILEY: Thank you, Chair  
11 Salamanca. Counsel, please call the applicant panel.

12 COMMITTEE COUNSEL: The applicant panel  
13 is Elizabeth Rohlfing for HPD and Ismene Speliotis,  
14 Celeste Hornback, and Matthew Feis for the developer.

15 CHAIRPERSON RILEY: Counsel, please  
16 administer the affirmation.

17 COMMITTEE COUNSEL: Please raise your  
18 right hands and state your names.

19 ELIZABETH ROHLFING: Elizabeth Rohlfing.

20 UNIDENTIFIED: [inaudible]

21 MATTHEW FEIS: Matthew Feis.

22 COMMITTEE COUNSEL: Do you affirm to tell  
23 the truth, the whole truth, and nothing but the truth  
24 before this subcommittee and in answer to all council  
25 member questions?

2 UNIDENTIFIED: I do.

3 UNIDENTIFIED: I do.

4 MATTHEW FEIS: I do.

5 CHAIRPERSON RILEY: Thank you, Counsel.

6 Thank you, applicants. Before you begin please state  
7 your name and affiliation again for the record, and  
8 you may begin.

9 ELIZABETH ROHLING: Good afternoon, my  
10 name is Elizabeth Rohlfing. I am the deputy  
11 commissioner of external affairs at the New York City  
12 Department of Housing Preservation and Development.  
13 The following land use items consist of two ULURP  
14 applications and one accelerated UDAAP application  
15 seeking urban development action area designation,  
16 disposition, and project approval, and an urban  
17 renewal plan amendment for 10 scattered city-owned  
18 lots, referred to here as the project located across  
19 Bronx Community Districts 1, 2, and 3 in Council  
20 District 17, for a project known as Melrose Open  
21 Door. In 2015 HPD issued a request for proposals  
22 that included the project area and selected Mutual  
23 Housing Association of New York, or MHANY, the  
24 sponsor to develop affordable home ownership. The  
25 project is slated for development under HPD's Open

2 Door Program which funds the new construction of  
3 cooperative and condominium buildings affordable to  
4 moderate and middle income households. The sponsor  
5 proposes to construct 12 buildings on 10 city-owned  
6 lots and two lots owned by Neighborhood Restorer, for  
7 a total of 70 cooperative affordable home ownership  
8 units. The program guidelines require that the  
9 sponsors sell the home ownership units to households  
10 who agree to occupy their units. If the homeowner  
11 sells or refinances during the regulatory period the  
12 homeowner may realize up to 2.5% appreciation on the  
13 original purchase price per year of owner occupancy.  
14 Upon resale the homeowner will also be required to  
15 sell to a household earning no more than the  
16 project's income limit. Additionally, HPD is also  
17 seeking an amendment to the Mott Haven North Urban  
18 Renewal Plan to remove the restrictive parking  
19 requirements from two development sites at 675 Eagle  
20 Avenue and 672 St. Ann's that would make this project  
21 infeasible. HPD is also seeking an Article 11 tax  
22 exemption for a period of 40 years, coinciding with  
23 the length of the regulatory agreement to help  
24 maintain affordability of the homeowner units. In  
25 order to facilitate the Melrose Open Door Project HPD

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2 is before the landmark subcommittee seeking approval  
3 to convey the sites to a new owner who will redevelop  
4 the development area into affordable homeowner. And  
5 with that I'd love to turn it over to, um, to MHANY,  
6 to the sponsor, to walk through some of the details  
7 of the project.

8 ISMENE SPELIOTIS: Great. Thank you, um,  
9 ah, Elizabeth. I, um, I'm Ismene Speliotis. I'm not  
10 sure if the council members and other have the  
11 present? Are we gonna share the screen? OK, great.  
12 Um, you absolutely don't need to look at me. Um, so  
13 first I'd like to thank everybody, um, all the  
14 council people, the chair, um, and Councilman  
15 Salamanca, ah, whose district these, um, these vacant  
16 lots are in for, um, allowing us to present, to  
17 present this project. Um, I am the executive  
18 director of MHANY Management Inc., and we're an  
19 affordable nonprofit housing developer that, um, ah,  
20 mostly, ah, renovate, ah, um, excuse me, mostly, ah,  
21 does rental preservation and new construction  
22 projects extremely affordable. Ah, we are also a,  
23 ah, approved counseling organization and therefore  
24 did apply, ah, in response to the city's RFP back in  
25 2015, ah, in an effort to bring affordable home

2 ownership to Community Boards 1, 2, and 3. Um, as  
3 you'll see, um, when we get into the numbers, um, it  
4 has been, um, it has been hard and home ownership is  
5 hard, ah, ah, to, to get the numbers, ah, to a place  
6 where, ah, the community feels comfortable, as, ah,  
7 as Councilman Salamanca said. I'll go into a lot  
8 more details, ah, about that. But, um, MHANY is  
9 committed to this project and all of our projects in,  
10 um, in the Bronx, um, to affordability, both rental  
11 and home ownership. What I'd like to do, ah, at, for  
12 the beginning is turn it over to our architect,  
13 Matthew Feis and, um, he will actually walk you  
14 through the design, ah, some of the, the amenities,  
15 what our thinking, um, in putting, um, the design  
16 together. I think we've been very thoughtful. And  
17 then we'll go back to some of the other components of  
18 the project. Thank you.

19 MATTHEW FEIS: Thank you, Ms. MHANY.

20 Thank you, Libby. My name is Matthew Feis. I'm a  
21 project architect on behalf Edelman Sultan Knox Wood  
22 Architects. Um, ESKW itself has a long legacy of  
23 working with not-for-profit developers whose main  
24 focus is providing affordable, supportive, and low-  
25 income housing in New York City. Next slide please.

2 So the aerial map you're looking at here basically is  
3 an illustration of showing it cluster of sites that  
4 we are proposing to develop on. Um, we have 12 sites  
5 spread across three community boards, Community  
6 Boards 1, 2, and 3. And the majority of these sites  
7 are interior lots. Of the 12, two are outliers and  
8 are corner sites. Next slide please. So looking at  
9 the existing, ah, Melrose, Bronx district we see that  
10 many of the sites, all but one, are vacant. Um, we  
11 typically see buildings tall, to five to six stories,  
12 um, mostly multifamily homes with some outliers as  
13 well, um, maybe single-family homes scattered across  
14 different sites. Um, but we also look this over  
15 context of the buildings, of the old tenement walk-  
16 ups, brick facades with varied, um, brick color from  
17 gray to tans. And we are always are building  
18 predominantly near residential neighborhoods in  
19 residential districts. Next slide please. So what  
20 you're seeing here are renderings of the topologies  
21 that we're looking at building. Most of the sites,  
22 as I said, are [inaudible] sites and also do come  
23 from the range of 18 feet to 25 feet wide. So these  
24 are very narrow sites. Um, we do have one site  
25 that's even smaller than 18 feet wide, which must be

2 classified as a single-family home. But all the  
3 other sites are multifamily. Um, all the buildings  
4 are constructed of masonry [inaudible] construction  
5 with cold rolled steel joint floors. All the  
6 buildings will be fully fireproofed and sprinklered.  
7 Um, [inaudible] basically we're looking for a focus  
8 on context with brick facades, ah, varying colors  
9 that kind of mimic or speak to the neighboring  
10 context, as well as, um, minor brick detailing at the  
11 cornice and near the windows, ah, to allow some  
12 contextual detailing as well. Next slide please.  
13 Here we see some of the corner sites. Um, this is  
14 specifically site 6. Um, we also are providing a  
15 streetscape where we have precast panels on the first  
16 that's a protection buffer from the, ah, streetscape  
17 and people walking, interacting with the building.  
18 Ah, next slide please. And here we also have another  
19 corner site, which is Home Street, um, and where we  
20 have basically secondary facades around the street,  
21 are basically HardiPlank, which is a composite  
22 concrete material. Next slide please. The amenities  
23 of the building, we're looking at energy-efficient  
24 building systems. Our buildings would be compliant  
25 with ADA and UFAS regulations with design about,

2 excuse me, with design, excuse me, adaptability on  
3 all first floors. Um, everyday conveniences, like  
4 built-in trash enclosures, adequate building storage,  
5 and building bicycle storage will also be provided.

6 Next slide please. So I'm gonna turn over the  
7 ownership structure to MHANY. Um, and know that in  
8 the back of this presentation there is a very long  
9 appendix breaking down each, ah, building and this  
10 design with a little more detail, if we have to end  
11 up going to certain questions for certain sites.

12 Thank you. Ismene, you're muted.

13 ISMENE SPELIOTIS: Thanks, Matt. Um, I  
14 wanted to, thank you, Matt. I wanted to also say  
15 that, ah, we may want to ah, ah, ah, share with you,  
16 ah, each of the sites. Each, um, as you can imagine,  
17 ah, each site has its unique topography. It has, um,  
18 almost single one of them has a neighbor on each  
19 site. As Matt said, they're each, um, extremely, you  
20 know, very narrow, um, ah, ah, for the most part and  
21 they will actively have cellars, and the reason that  
22 they'll have cellars is, um, and making them as small  
23 as possible, but big enough to be able to, to, to, to  
24 really be cellars in an effort to allow the future  
25 homeowners to actually have the utilities down there



2 and make it more, um, you know, just easier to  
3 operate as a, as a, as a building. Ah, and so we're  
4 really happy to, to, to, um, to, to talk through some  
5 of those. We have reached out to all of the adjacent  
6 homeowners and some have responded and we've actually  
7 been in conversations with them about how to, um, how  
8 to, you know, how to, how to be good neighbors during  
9 construction, post construction, and those  
10 conversations are, ah, will be, will be ongoing  
11 until, until hopefully the homes are, are, are  
12 completed. Um, the ownership structure here that  
13 MHANY proposed as part of the RFP was a cooperative  
14 ownership. Number one, the reason we suggested  
15 cooperative ownership was because we would generate  
16 more home ownership units than, um, ah, ah, ah, a fee  
17 simple home with rentals, ah, so you're getting 70  
18 individual shareholders in cooperative apartments.  
19 Um, there has been some discussion around co-op  
20 apartments as ownership and we are prepared, um, as a  
21 HUD counseling organization to, ah, really help, um,  
22 folks understand, um, what cooperative ownership is  
23 and what it means and, and how it works and the  
24 benefits of it. It is really home ownership. You  
25 get to take your deductions and you get to sell your

2 shares as if you were selling your physical property.

3 Um, the second reason we actually chose co-ops is  
4 because we, um, ah, home ownership in the past, um,  
5 has, has, with the city has often been affordable for  
6 the first home buyer, but actually, um, subsequently  
7 home buyers, when the regulatory requirements burn  
8 off, um, the, the homes go to open market prices.

9 And that benefits the individual initial homeowners  
10 but does not provide ongoing opportunities for  
11 affordable home ownership. So we've been working  
12 with the city to, ah, determine a variety of ways to  
13 perpetuate affordable home ownership and placing, um,  
14 the buildings on a community land trust is another  
15 way to do that. And that is the ownership structure  
16 that we are proposing, ah, for this Melrose Open Door  
17 Project. Basically, the buildings will be co-ops.  
18 They will all be actually part of one co-op. So it's  
19 a scatter site co-op allowed by the attorney  
20 general's office. Um, so they'll all be members of  
21 one cooperative, and then all of those buildings and  
22 that cooperative, the land will be on a land trust.  
23 With the land, with the community land trust does,  
24 um, is several things. One is that it actually  
25 provides stewardship. I think you could go to the

2 next slide. Um, provides stewardship to, um, the  
3 residents, the individual residents of the building,  
4 the shareholders, and the co-ops themselves, the co-  
5 op board. Um, and as, as these will all be first-  
6 time home buyers, um, not only with MHANY, ah, if  
7 people purchase through our home buying program be  
8 there to support them every step of the way during  
9 purchase and post purchase, um, the land trust acts  
10 as a steward, ah, of, of the land and is there, ah,  
11 to support the, um, the co-ops and the members of  
12 the, of the, of the land trust. The second, as I  
13 mentioned earlier, is that there are going to be  
14 limitations, not zero, there'll be limitations. So  
15 there will be limited equity at sale. Um, so you  
16 wouldn't, let's say the market went up, you know, a  
17 gazillion percent. The individual shareholders  
18 would not be allow to realize that. They'd be  
19 capped. Um, but what that cap does, it's not, is not  
20 so much, ah, not only does it kind of, you know,  
21 it's, it's a balance between what is that right  
22 number so that, um, homeowners get a return on their  
23 equity. At the same time, leaving that purchase  
24 price for, at, for the next borrower at a, at a  
25 number that is affordable. Um, and our commitment

2 actually is that the affordabilities that we come up  
3 with at the end, with the community boards, with,  
4 with the Councilman, ah, and with the committee here,  
5 um, those will actually be these, um, of area median  
6 incomes for subsequent, um, shares, you know, would  
7 actually be sold. So if the, if the unit becomes,  
8 is, is, is in tier 70% and that unit goes vacant, ah,  
9 you know, the only one to sell in five years, then  
10 the, the next owner, ah, ah, ah, prospective owner,  
11 would have to be at 70% of median. So it perpetuates  
12 affordability, um, basically in, in perpetuity by  
13 being placed on the land trust. And then with the  
14 additional regulations that the, um, that the, that  
15 the, um, that the, um, land trust imposes on, on the  
16 buildings. So that's, um, the structure. It's a  
17 little bit complicated. The commitment we made to  
18 all of the community boards and the Councilman and  
19 the City Planning Commission was that from the time  
20 that the project got approved, hopefully gets  
21 approved, um, we would actually begin intense, um,  
22 education and demystification of the home ownership  
23 process, preparing people to become applicants and  
24 subsequent homeowners. And also, ah, um, really  
25 begin working with other land trusts that are in the

2 Bronx and others to really bring the understanding of  
3 the community land trust, ah, model to, to the  
4 community, ah, because there are a lot of  
5 misperceptions, both on the cooperative home  
6 ownership and home ownership on a land trust. So  
7 we're pretty committed and, and also just preparing  
8 people for, for, for the home ownership which has  
9 been able to actually get a mortgage, ah, from a,  
10 from a, from a, from a lender to be able to, um,  
11 purchases. Um, the next slide please. Thank you.  
12 So, um, these numbers are neither the numbers, um,  
13 Councilman Riley, Chair Riley, I apologize, that you  
14 saw last week, nor are they the numbers that, um,  
15 were presented to the community boards much earlier  
16 this year in February, um, in January and February of  
17 2021. We have been working, ah, um, diligently,  
18 beyond diligently, to figure out a way to bring the  
19 home ownership and the sales prices to a number that  
20 the community, ah, board members, um, the councilman  
21 whose district these, um, homes would be in, and the  
22 entire council that is always concerned, we know and  
23 appreciate, around affordability, ah, and, ah, and we  
24 will be taking, ah, these numbers back to, um, to  
25 Community Board 3. We actually sent them out to the

2 community board, um, earlier this week, ah, and it,  
3 it took a while to do this because, um, building 12,  
4 small buildings in between two existing properties  
5 with cellars, ah, it's not an excuse, it's just a  
6 reality that there, it is not an inexpensive  
7 undertaking to do this. And, ah, there are subsidy  
8 limits in the, um, HPD's Open Door Program. We have  
9 pressured them tremendously. They have been very  
10 responsive to the community board and the council,  
11 ah, persons, um, ah, ah, interest in getting to  
12 deeper affordability and so what you're seeing here  
13 are, ah, numbers that actually between \$60,000 and  
14 \$80,000 less per unit at the top level price. So I  
15 didn't put the comparative slide. The council person  
16 has it. We're happy to share it with you. But  
17 basically, um, basically, ah, we did a few things in  
18 order to get to deeper affordability. One is in the  
19 February presentations we actually had, um, we had  
20 some, we had three four-bedroom apartments. And we  
21 actually decided, and, and we decided to actually,  
22 they had a small, each of those had a mezzanine  
23 floor. So we just took the mezzanine floor off in an  
24 effort actually reduce construction prices. Um, so  
25 that was one, one, one, one, one place that we did.

2 Ah, some places that actually went in the opposite  
3 direction, one of the homeowners that we've already  
4 started negotiating with had real issues with, um,  
5 how we were kind of, um, um, you know, gonna be  
6 aligned with his home since we're gonna be right on  
7 the, on the, on the shared lot line and we actually  
8 ended up in compromising with him, ah, turn four two-  
9 bedroom apartments into four one-bedroom apartments.  
10 So that really had an impact actually in the opposite  
11 direction. So, so again, during these last four  
12 months some of these negotiations helped to reduce  
13 price and then some of them, um, did not, didn't, did  
14 not. Um, but basically the, um, the three bedrooms  
15 back in the beginning when we first presented this  
16 were over \$400,000, and the two bedrooms, I'm just  
17 looking back at my chart, I'm sorry you don't have  
18 this, ah, were, um, over 300, almost \$325,000. So,  
19 ah, what we were able to do is bring these, um, the  
20 sales prices down and even though, um, Libby said  
21 that the, um, the, the, the, ah, um, the program, the  
22 Open Door Program, is available, ah, to, to  
23 homeowners between 80% and 130% of median, MHANY is  
24 going nowhere near that time, OK? And as you can see  
25 here, the sales prices actually do not exceed 80% of

2 median. And that is what we were able to do. The  
3 original numbers have gone up to 100% of median,  
4 which is well, well, beyond the, ah, affordabilities  
5 of the neighborhood. The amount of monthly payment  
6 that the, um, that the homeowners would make were not  
7 comparable to rents that are in the neighborhood, and  
8 so what you're at here in red are, again, no, ah, ah,  
9 the lowest income numbers that you might see if I was  
10 presenting an, a MHANY rental proposed project to  
11 you. But what you're seeing here are, ah, the cost,  
12 that would include the mortgage payment and the  
13 maintenance number that would be paid to the co-op,  
14 ah, ah, ah, all in. So this is an all-in number in  
15 red to the homeowner and what we feel is that these  
16 numbers are in fact comparable, unfortunately, given  
17 the, the income levels and the area median of, of  
18 Community Boards 1, 2, and 3. But in fact that these  
19 numbers are comparable to rents that people in  
20 Community Boards 1, 2, and 3 are currently paying.  
21 And so that's what we were trying to do. We were  
22 trying to get the homeowner numbers to a place where  
23 the homeowners would be eligible for HPD down payment  
24 assistance program, which they will be, ah, and to  
25 rents, and maintenance and, and, and mortgage



2 payments that would be similar, um, you know,  
3 equivalent to what people would pay in rental. And,  
4 ah, and as a reminder that these numbers then a year  
5 later, ah, people, being homeowners, would be able to  
6 take interest deduction, um, that would equal 25% to  
7 30% reduction in the numbers that you're seeing. So  
8 they would pay this monthly, but they would get 30,  
9 25% or 30% of that back as a deduction, interest  
10 deduction, on their, on their taxes, because we live  
11 in a country that, um, provides, um, deductions for  
12 homeowners and not for renters. So this number in  
13 fact after the first year payments would actually be,  
14 you know, would appear lower because of that return,  
15 um, that tax return. So, um, so basically we've, ah,  
16 we've tried really hard to, um, to bring these  
17 numbers down. I just want to be, again, complete  
18 transparency. If you go back and look at the  
19 February numbers in order to get the high numbers  
20 down we did have to bring the lowest numbers up a  
21 little bit. So back in February we had incomes, um,  
22 we had, ah, sales prices that were slightly below 70%  
23 of AMI and in order to get the higher numbers down,  
24 which we actually thought was more important having  
25 heard the community boards and the councilman, ah, we

2 thought that that was the most important was to like  
3 really, so we ended up flattening the purchases  
4 prices so the, you know, so as you see, you know, the  
5 one-bedrooms really go from \$235 to \$275 instead of a  
6 higher, let's say \$200 going over, ah, to \$300. We  
7 just thought the \$300 was untenable, and so we, we,  
8 we flattened the, um, the income levels, um, ah, the,  
9 the sales prices in an effort to, um, to, to, to  
10 make, um, these, ah, palatable and it's just not  
11 palatable. That's not, that's not correct. Really,  
12 to actually make them feasible, achievable for  
13 neighborhood, um, residents and not just, um, um,  
14 happen to be available to people that would be coming  
15 from somewhere else. Um, so I think that that is the  
16 main, um, this is, you know, it's a big deal. Um,  
17 ah, I, there's a couple of slides in the appendix  
18 that do talk about, um, as I mentioned that MHANY is  
19 a nonprofit community organization. We are also a  
20 housing ambassador and do housing workshops in rental  
21 and home ownership. We're a HUD-approved counseling  
22 agency. And so what we bring to a project like this  
23 is not only, is really kind of, um, the design, all  
24 of the predevelopment work, construction management,  
25 um, and then actually marketing and then helping

2 people actually become the homeowners. And then  
3 every homeowner that, um, gets, ah, HUD counseling  
4 through MHANY or another organization, but through  
5 MHANY we actually enroll them immediately into our  
6 post purchase counseling so that we, so imagine in  
7 this project you would have MHANY as your post  
8 purchase counselor, they're checking on you,  
9 supporting you if something were to go awry. Um, and  
10 then you have your co-op and then you have your  
11 community land trust. So the protections that we  
12 have for the homeowners, um, in terms of, of, of, ah,  
13 if this is pushing an envelope in terms of  
14 affordability, ah, ah, are there, ah, you know, to  
15 really support them. Ah, these homeowners and then  
16 subsequent homeowners, ah, at future sales. Well, I  
17 think that I've given you an earful and really I'm  
18 open to, um, to questions.

19 CHAIRPERSON RILEY: Thank you. Um, I  
20 would like to allow Chair Salamanca to ask some  
21 questions before I ask mine. Ah, Chair Salamanca?

22 ISMENE SPELIOTIS: I think he's muted.

23 CHAIR SALAMANCA: Um, thank you. First I  
24 want to, I want to thank you, Ismene, and, and I want  
25 to tell, you know, make it, put it on the record that

2 I have full confidence in Ismene and MHANY  
3 Management. We've worked on many projects in the  
4 past and, um, and she really cares about her projects  
5 and delivering true affordable housing for the  
6 community. Um, um, but, you know, Community Board 3  
7 is the only community board that has issues with this  
8 project. Um, Ismene, can you really talk a little  
9 bit about what the concerns are from Community Board  
10 3?

11 ISMENE SPELIOTIS: Yes, absolutely. So,  
12 um, so, I'm sorry, my staff are making noise, sorry.  
13 Um, thank you, Councilman. Yes, so the community  
14 board had several, Community Board 3 in particular  
15 had several concerns. One of them was that they,  
16 there was, um, really not, ah, understanding, ah,  
17 cooperative ownership as an ownership structure. And  
18 so my commitment, again, to really spending time with  
19 the community board members and the community members  
20 at large to really go through cooperative ownership,  
21 um, as a, as a, as a real, you know, bona fide home  
22 ownership option and actually at MHANY, um, we've  
23 been doing home ownership counseling for a long time.  
24 We actually think of cooperative ownership, um,  
25 almost like a first, the way people maybe in old days

2 bought their first home, you know, because they're  
3 often more affordable than, ah, absolutely a single-  
4 family house or a two-family house, even with rental  
5 income. Um, and condos, even though they, they  
6 appear to have a lower maintenance, ah, their  
7 purchase prices are actually higher. And, and, and  
8 so, um, so one, number one, was just really helping  
9 people in the community understand the cooperative  
10 ownership is a bona fide form of ownership. The  
11 second was, um, the sales prices. And their major  
12 concern was the numbers on the high side. So  
13 bringing these numbers down from, ah, ah, you know,  
14 um, 80, I'm sorry, 90 to 100, ah, percent AMI, um,  
15 ah, average ability to up to 80, you know, not to  
16 exceed 80, and really even though it says 80 on the  
17 chart these, um, sale prices are actually set in the  
18 lows 70s, OK, they're like between, they're really  
19 72% to 75% AMI. We just put it at 80 'cause I just  
20 want to, just, I just wanted to shoot myself in the  
21 foot, no, I'm kidding. I just wanted to kind of just  
22 say that, you know, things move around a little bit,  
23 and so we wanted to give ourselves a little bit of  
24 space, but the numbers that you see there really are  
25 in the, in the low mid 70s and not at the 80%. Um,

2 so their real concern, and that's why really focused  
3 on bringing those numbers down, \$50,000, \$60,000 per  
4 apartment size, um, was so, so critical, both with  
5 HPD's help and, ah, and, and, and, ah, and we're  
6 gonna continue actually looking for additional  
7 sources to bring those numbers even farther, farther  
8 down. Um, the third issue that the community board  
9 actually mentioned, less, less about because I think  
10 that the affordability and, and ownership piece took  
11 over, um, a little bit about the land trust, but I  
12 think they were, they, you know, they stopped at the  
13 co-op and, and we didn't spend a lot of time on the  
14 land trust. But I, I believe that it requires a huge  
15 amount of, um, of, of, of, ah, edification and  
16 education. So we're, we're ready to go, ah, on the  
17 land trust, um, um, ah, ah, model, um, and because I  
18 think people talk about it, but I think that there's  
19 a lot of misunderstanding of how it works and, and,  
20 and its benefits. And then the final thing is just  
21 the fact that these are, um, between, um, existing  
22 homeowner, you know, between existing buildings and  
23 how that will impact, you know, um, mainly during  
24 construction, or, you know, you know, one, of course,  
25 if there's any long-term, ah, impact on the, on the,

2 on the home, which there would not be. I mean,  
3 anything we do, ah, we protect the adjacent homes.  
4 There's very clear rules about this. There would be  
5 signed access agreements with every single adjacent  
6 homeowner. Ah, all protections, ah, would be, ah,  
7 and, and any, of course any damages, but sometimes  
8 there's actually, ah, real, um, real work we have to  
9 do to accommodate an adjacent homeowner. For  
10 example, if our building is higher than their  
11 building then there's actually work we have to do to  
12 protect their property. And so these are all  
13 conversations we've started to have, um, and we  
14 explained that to, um, to the community board. But  
15 we've had more since we presented to them. And they  
16 were concerned that we would be good neighbors during  
17 construction. So I think those were the four main  
18 things, um, Councilman, that they had brought up.  
19 And they might have brought something else up to you  
20 that I'm forgetting.

21 CHAIR SALAMANCA: So, my, my final  
22 question is, um, because the other community boards  
23 are in favor and only this community board is not in  
24 favor, is there a way to separate the application so  
25 that if Community Board 3, you cannot come to an

2 agreement, that they can, ah, we can move forward  
3 with the other applications?

4 ISMENE SPELIOTIS: I think that that's  
5 probably a question for HPD. Um, I think another  
6 way, Councilman, I, I don't know. I think, I'll just  
7 say one thing about the home prices. I think the  
8 other thing I can do, I mean, you're a councilman for  
9 all of them, all three neighborhoods are, are very  
10 low-income neighborhoods and, and, and, and we want  
11 to provide home ownership to the residents. There  
12 will be a 50% preference to residents in this  
13 community and so we want to have those prices to make  
14 sure that we actually meet that, meet and exceed that  
15 community preference, like you know we do on the  
16 rental units. Um, and we don't want a number that we  
17 can say is 50% but we would never get there. Um, I  
18 think one thing we could look at, and, again, we can  
19 talk about it offline, is, ah, you know, the, the,  
20 each, each building has, to get to these numbers,  
21 they all have these like little ranges. You know,  
22 it's very flat, but they're ranges, and I, I can look  
23 to see, we didn't, um, I didn't focus specifically  
24 on, let's say, the Community Board 3 buildings having  
25 the lowest numbers. But if that's something, given



2 that the community boards approved the project at  
3 much higher numbers, which means the numbers were  
4 coming in for Board 1 and 2, are much lower than the  
5 presentations they saw. If we were to take the  
6 numbers to the absolutely lowest numbers that are in  
7 our performa and apply those to the Community Board 3  
8 houses and bring that down, even a little bit more,  
9 that that might it make even more, um, a more, um,  
10 ah, palate, you know, more, more, more, more, more,  
11 more, um, accessible to, to Chairman Rivera and, and,  
12 and, and the district manager. So that's also  
13 another idea, um. I mean, the problem and I'll just  
14 say, the problem is scatter site, um, construction of  
15 12 sites is expensive and scatter of, ah, six sites  
16 is gonna actually be more expensive. So I worry that  
17 if we were to remove these and split them out that  
18 some costs would go up, soft costs for sure if we  
19 close that separately or moved it somewhere else, um,  
20 and so I think I'd rather really work with you and  
21 the community board to try to get to numbers that  
22 they think, that they think are, are accessible. But  
23 we can to HPD about the other option.

24 ELIZABETH ROHLFING: Yes, Council Member,  
25 I just want to add on to what Ismene was just saying

2 that, um, I believe that, um, it, that may be  
3 possible and we can certainly, um, you know, go back  
4 to the team at HPD to talk about what would be  
5 possible in terms of splitting. But I, you know, I'm  
6 conscious of the fact that it, it is about half of  
7 the sites, and so, in Community Board 3, and I, I  
8 think the team would be concerned about the financial  
9 feasibility of the whole project and so we would, you  
10 know, obviously hate to lose an opportunity if there  
11 is, you know, still a path to really, to really  
12 working with the community board to, you know, to  
13 sort of demonstrate how much, um, how much work MHANY  
14 and HPD has done to, to bring down that affordability  
15 and make sure that, um, you know, there's more  
16 opportunities, then it would just be a lot of, a lot  
17 of co-ops that we'd be losing and so, you know, we  
18 could certainly explore that, um, but we would have  
19 concerns about the cost, um, and making maybe the  
20 rest, the remaining sites harder to finance at these,  
21 these lower AMI levels, um, so that would be a  
22 concern. But happy to, to explore that.

23 CHAIRPERSON SALAMANCA: OK, well, I, I, I  
24 thank you for that explanation and let's continue to  
25 talk. I know we're not gonna vote on this project

2 today, but there's still more time, um, and let's see  
3 if we can get to the finish line. Thank you.

4 ISMENE SPELIOTIS: Thank you, Council  
5 Member. I really, really appreciate it, and yes,  
6 we'll be in touch.

7 CHAIRPERSON RILEY: Thank you, Chair  
8 Salamanca. I'm going ask a few questions, then I'm  
9 gonna turn it over to my colleague, Council Member  
10 Miller, to ask some questions. Ah, so the first  
11 question is the project sites were acquired by the  
12 city by [inaudible] between 1975 and 1990. How many  
13 of the sites required demolition? How did those  
14 sites come to be vacant, and how long have they been  
15 vacant for?

16 ELIZABETH ROHLFING: Um, I, I don't know  
17 if I have all of the dates of how long they've been  
18 vacant, um, for each of the sites. But I, I'm sure  
19 that we can, um, look into that for each of the sites  
20 and get that back to you in a charter.

21 CHAIRPERSON RILEY: Thank you, Libby.

22 ELIZABETH ROHLFING: Sure.

23 CHAIRPERSON RILEY: Um, my next question,  
24 the project consists of three separate UDAAP actions  
25 and three different community districts. Why has HPD

2 submitted them as one project, and what would happen  
3 to the project if the council were approve some of  
4 the UDAAPs and not all of them?

5 ELIZABETH ROHLFING: I would say that,  
6 um, we obviously could look at that. We, in our  
7 mind, um, this RFP grew out of an effort, um, I think  
8 there was, back in the day the city had, you know, a  
9 large amount of, of city-owned vacant sites that it  
10 could develop, um, for affordable housing and over  
11 the years we, through a lot of effort, have pushed a  
12 lot of the, the housing into, um, affordable, um,  
13 home ownership and rentals, and have developed a lot  
14 of the sites. And so many of the sites that are  
15 remaining are as, Ismene and Matt pointed out,  
16 they're, they're very small sites. They're often  
17 hard to develop and, um, it's often hard for one  
18 developer to have the, the cost of doing just one  
19 small site, um, there's no scale in that, and so it's  
20 becoming very hard to dispose of those sites, and so  
21 this, um, RFP was an effort to really cluster those  
22 sites together and try to, um, to match the, the  
23 sites to developers who could find a way to do a  
24 larger project but across all of these sites. And I  
25 think that when you take some of the sites out you,

2 you bring, you sort of undermine that scale issue,  
3 and so I think it makes it harder, ah, for us to  
4 finance this project, it drives up the cost, makes it  
5 harder for us to achieve the low, the low, the deep  
6 affordability that we want, um, and so, again, it's  
7 not impossible to, to take them apart, but we think  
8 of them as one project and we are financing them as  
9 one project. So, um, apologize that it ends up being  
10 confusing, um, but we bring, um, all this different,  
11 um, actions. But that is why, because we think of  
12 them as one project.

13 CHAIRPERSON RILEY: Thanks, Libby. And  
14 just one more question. Ah, the project is going to  
15 be marketed to households making 80% to 130% of AMI.  
16 What percent of the households in Community Districts  
17 1, 2, and 3 make more than 80% of the AMI? Does HPD  
18 expect [inaudible]?

19 ELIZABETH ROHLFING: I actually, um, I  
20 know I have this on my computer. I'm, I am sorry, I  
21 have a hard time hearing the question. Is there any  
22 way you could repeat it?

23 CHAIRPERSON RILEY: Yes, I'll repeat it.  
24 So the project is going to be marketed to households  
25 making 80% to 130% of the AMI. Ah, what percent of

2 households in Community Districts 1, 2, and 3 make  
3 more than 80% of the AMI, and does HPD expect that  
4 these units will be affordable [inaudible]?

5 ELIZABETH ROHLFING: Um, I believe the  
6 last part of your question would be whether it would  
7 be hard to, to market it and to actually find people  
8 to purchase it at the prices. I mean, I do want to  
9 [inaudible] Ismene also to weigh in here. Um, I  
10 think that we are, the team is working really hard  
11 to, um, to bring that affordability down. I think  
12 we're at, you know, under 80% AMI, um, now. Um, I  
13 don't actually have states in front of me on what,  
14 um, the, the income, um, range is in the, in the  
15 different community boards, so we can certainly, um,  
16 follow up on that. Um, but I think our feeling is  
17 that, um, you know, obviously we want to make sure  
18 that we are pricing the, the co-ops in a way that  
19 they are within reach, and I think that's the, the  
20 work that MHANY has been doing. Um, so we very much  
21 think there is, um, a market for, for these home  
22 ownership opportunities and we a hear a lot from,  
23 from communities that they want, um, they want that  
24 opportunity to have home ownership and not just  
25 rentals. Um, so, so we think there, there is a

2 market and that we'll be able to market them. But,  
3 Ismene, I don't know if you want to add anything  
4 there?

5 ISMENE SPELIOTIS: Yes, I will. Thank  
6 you, um, Chair Riley. Um, thank you. I wanted to  
7 say that, um, we will not be marketing the, um,  
8 cooperatives to people at 130% of AMI, OK? I think  
9 what's really, really important here, and we do this  
10 on the rental side, too. I think I gave this example  
11 to you, Chairman, last week. You know, ah, so when  
12 we, when we set, when you put out a marketing add,  
13 you know, you have all these bands, right, so you've  
14 got the, you know, you might have units at 40%, 50%,  
15 60%, and, you know, so what, what we did and we  
16 thought [inaudible] 20 years ago basically the, the  
17 reason there are bands of income and eligibility,  
18 like why there's a 70% band and an 80% band, is that  
19 if you're looking that people should pay no more  
20 than, let's say, 30% of their income in rent or for  
21 home ownership, if you're saying that, ah, that, that  
22 people, ah, you know, the banks like people to pay  
23 like 33% to 35%, right, they're all in housing costs.  
24 Well, you could imagine that if I worked so hard to  
25 get these numbers where they are today, right, you

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2 know, at, ah, 70% to 80% AMI homeowner, right, and  
3 then suddenly I make it available to person, 130%,  
4 who makes almost twice as much, right? 130% is  
5 almost double 70%, right? So if you made 130% AMI  
6 and I made 70% AMI, OK, again, it's a lottery, so  
7 maybe I'll get a better number, but the chances that  
8 your credit is better, that you're, you know, you  
9 know, that you are gonna be like, oh, not so anxious  
10 about it, you know, no matter how many supports I  
11 provide to the 70% AMI person, you know, it opens the  
12 pool up. And what this means with these prices where  
13 they are that that 130% AMI person will not be paying  
14 35% of their income towards the housing cost. They  
15 will be paying much closer to 20% of their, of their,  
16 of their income towards housing costs. That would be  
17 unequal, unfair. So what happens is, ah, we, we  
18 actually, the way we set it up with HPD, and, again,  
19 we can talk about this as, as the project moves  
20 forward, is that the income eligible applicants will  
21 not exceed 90% of AMI. OK? So the houses will be  
22 eligible basically because they range in price from  
23 like 72% AMI, the sales prices is to like 75% or 76%,  
24 basically people making a little bit under 70% are  
25 eligible for these homes and people, no more than



2 90%, OK, so we capped it. So even though the program  
3 itself, and you'll see other homeowners, um, other  
4 developers will come before you, I don't what  
5 neighborhoods in they're in, they will come before  
6 you and they will have their sale prices at 110% and  
7 120% and 130%. MHANY took those off the table.  
8 They've never, you can, and HPD can attest to it.  
9 We, we, I mean, the fact that I had to show up at  
10 103% was killing me, you know, and so the fact that  
11 we have dropped those numbers down to, ah, to  
12 eligibility between 70% and 80%, the last thing we  
13 want to do is allow a person making 130% of AMI to  
14 take advantage of that lower number. We actually  
15 want, ah, ah, um, the, the, the home owner income to  
16 match, ah, the, the, the payment, right, the, the  
17 eligibility payment, just like do in rentals, OK? We  
18 have a person, if I have a 40% AMI band and the rent  
19 is \$700 and I have a person making \$60,000, so  
20 they're at an 80% AMI, double 40, they'll look at the  
21 ad and they'll be like, oh, look, I want that \$700  
22 rent. And like, well, you're not getting it, OK, you  
23 don't get the \$700 rent. You get the \$1400 rent  
24 because you're making 80% of AMI. The person who  
25 gets the \$700 rent is making half your income and

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AND DISPOSITIONS

2 each of you should pay 30% of your income. And so  
3 that's HPD's rule around, ah, fair, and how the  
4 distributions happen. We're applying that same  
5 concept here. And so I am happy to look into the  
6 data and I am hopeful, OK, and again, I don't want to  
7 pretend, we looked at the rents in the neighborhood  
8 comparable to these, ah, monthly costs, OK? What we  
9 can do is we can look to see what are the, what, how  
10 many of the people in Community Boards 1, 2, and 3  
11 are in the 60%, 70%, 80%, and 90% AMI range. We  
12 don't have to go to 110%, 120%, 130% 'cause we're not  
13 marketing to them. So we're only, but we can get  
14 that data for you. But we're not going over 90%  
15 'cause we're not selling to people over 90%.

16 CHAIRPERSON RILEY: OK. If you can get  
17 that data to me it would be very helpful.

18 ISMENE SPELIOTIS: Am I making sense?

19 CHAIRPERSON RILEY: Yeah.

20 ISMENE SPELIOTIS: OK.

21 CHAIRPERSON RILEY: We've, we've just  
22 been joined by Council Member Miller and, and Council  
23 Member Cornegy. I see Council Member Miller has his  
24 hand up. Um, so I'm gonna allow him to ask his  
25 question, um, now. Council Member Miller?

2 COUNCIL MEMBER MILLER: Thank you, Chair  
3 Riley. Ah, appreciate you, brother. Um, and, ah,  
4 Chair Salamanca, if you're still on, um, I love the  
5 program, and, and Ismene is OK. She's, she's OK.

6 ISMENE SPELIOTIS: Thank you.

7 COUNCIL MEMBER MILLER: Um, thank you,  
8 and, and, and we've, we've done a, a tremendous  
9 amount of work as well in, in southeast Queens as  
10 well, and I think, um, what they do best is the  
11 community engagement piece, um, that other folks  
12 still do and, and make sure that these programs  
13 really contour to fit, fit AMIs and, and other needs  
14 and values of the community, so that is good. So,  
15 um, do we have, what is maintenance on the, ah, on  
16 these units look like now? Do we know?

17 ISMENE SPELIOTIS: Yes, Councilman. Um,  
18 what we're looking at, ah, we have a range, um, and  
19 we're looking and, and again, these are ranges and  
20 they are actually reflective of people putting down  
21 5% towards the sale price.

22 COUNCIL MEMBER MILLER: Right.

23 ISMENE SPELIOTIS: Um, and, and as, and  
24 as you know with the home ownership programs that  
25 we've done with you in your district, people can put

2 down as little as 3%, which would make the mortgage a  
3 little bit higher, and they could also, um, put down  
4 more than 5%. They could put 10% down, particularly  
5 because, um, ah, in co-ops the closing costs for co-  
6 ops are much lower than they are for fee-simple  
7 houses and for condos, OK, which are considered  
8 single-family homes.

9 COUNCIL MEMBER MILLER: Right.

10 ISMENE SPELIOTIS: And so what happens,  
11 the closing costs are only, kind of they could be  
12 like \$2000 to \$4000, including your legal fees,  
13 everything, all in. And so what happens is if you're  
14 eligible for the HPD's down payment assistance  
15 program you can actually take the down payment  
16 assistance program money and apply it to reduce your  
17 purchase price, OK?

18 COUNCIL MEMBER MILLER: Right.

19 ISMENE SPELIOTIS: And so, and so,  
20 without your money, you might only have, you know, 5%  
21 of your own money, but you could take the, the, the  
22 federal money that comes in through, through the city  
23 for down payment and lower your number even more. So  
24 these are, I, I would, I would say these are like the  
25

2 highest maintenance numbers that people would have to  
3 pay, OK? So, again, just wanted to explain to you...

4 COUNCIL MEMBER MILLER: OK.

5 ISMENE SPELIOTIS: Um, ah, but we're  
6 looking at, at maintenance, ah, \$1400 to \$1600, you  
7 know, it's like \$1400 to \$1575 for a studio, ah,  
8 \$1800 to \$1900 for a one-bedroom, ah, \$2100 to \$2300  
9 for a two-bedroom, and \$2500 to \$2700, I'm rounding  
10 the numbers, for a three-bedroom. Ah, and so, ah,  
11 they are absolutely not the rents that I was saying,  
12 the 40% AMI, \$700 rent, \$800 rent. But what I was  
13 saying, I think before you got on, these numbers also  
14 include, they're everything. They are the  
15 mortgage...

16 COUNCIL MEMBER MILLER: Right.

17 ISMENE SPELIOTIS: Right, exactly, and  
18 you'll be able to take, ah, all of your interest  
19 payments and deduct them in your next year's taxes,  
20 so we're looking that that number reduced by 30% is  
21 really what you'll be paying, because in our United  
22 States of America today, ah, homeowners get the  
23 deduction and renters don't, and so 30% of that  
24 number actually comes back to you in an interest  
25 deduction.

2 COUNCIL MEMBER MILLER: Um-hmm. And, so  
3 that is good. So, um, I, I was looking at the, the  
4 AMIs and, um, and, and this cost, ah, and, and so,  
5 obviously different places, you know, we, we had a  
6 plethora of AMIs when we worked together and, and,  
7 and so that they made sure that everybody in the  
8 community had access to, to, to housing, those at, at  
9 both ends of the spectrum. Um, but it appears that  
10 on average we're looking at 33% to 35% of, of  
11 earnings, um, at, at these numbers here. And, and I  
12 know you said that you were working to get it down.  
13 Is that to be a little more consistent with the 30,  
14 kind of the 30% model that, that we're looking at,  
15 um, in terms of, ah, um, ah, household income?

16 ISMENE SPELIOTIS: So we're being very  
17 conservative here, and HPD required us, um, to be  
18 very conservative. So basically, and you can check  
19 with anyone, you can check with, um, Neighborhood  
20 Housing Services in Jamaica. You can check with, you  
21 know, with, ah, with, um, any, um, HUD counseling  
22 organization, and with any bank, and we actually had  
23 sent these term sheets to the bank, um, to HPD, but  
24 they really, really wanted us to be conservative. So  
25 basically when we help people become homeowners,

2 even, and they did not, um, they did not fail during  
3 either housing crisis, ah, if they had been  
4 counseled, you can actually go even higher, OK? So  
5 the bank actually often underwrites to 38% of, you  
6 know, 30%, OK, back-end ratio, you know, in terms of  
7 what your payments can be.

8 COUNCIL MEMBER MILLER: Right.

9 ISMENE SPELIOTIS: And sometimes goes  
10 even over 40%, OK? Because they know that you're  
11 gonna get that deduction. HPD was extremely, um, you  
12 know, ah, um, you know, they were conservative. They  
13 did not want us to put those kinds of numbers out  
14 there. But I can tell you that, ah, that people will  
15 be eligible. So if somebody comes in and they are,  
16 um, and they, and they, we have a bank product that  
17 allows them to, ah, that allows us to underwrite at  
18 38%, ah, back-end ratio, then these AMIs come down,  
19 OK? The people with lower incomes are eligible for  
20 these homes. And we will be working with our banks  
21 and with HPD to get that link made so that then we  
22 can actually, if we, so basically if we were to go  
23 out to market with this, with this screenshot, um,  
24 people who were under, um, ah, you know, under  
25 \$51,000, for example, for a studio might not apply,

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2 or we might get, send them a letter that says too  
3 low, right? You're, you're, you're under income.  
4 But I'm saying that if, if we were writing to a 38%  
5 back-end ratio that number might actually be \$45,000,  
6 OK? So now that band of eligibility in terms of home  
7 buyers is from \$45,000 to, to, \$55,000 or \$60,000,  
8 right? And, and not just this \$51,000 to \$53,000.

9 COUNCIL MEMBER MILLER: Right.

10 ISMENE SPELIOTIS: And so that's what  
11 we're gonna be working on. We just didn't present,  
12 which actually makes our numbers look worse than what  
13 we think will actually happen, which makes it hard to  
14 explain to community boards and community residents  
15 who are really, really worried that their people are  
16 gonna be left out.

17 COUNCIL MEMBER MILLER: OK.

18 ISMENE SPELIOTIS: But, um, we, we just  
19 didn't want to over-promise, either, because I don't  
20 want to come back and, and you tell me, Ismene, you  
21 said that people at \$45,000 could buy and now you're  
22 telling me they can't. I'd rather tell you is a  
23 \$50,000 and suddenly a \$45,000 income person buys,  
24 you know, and so that's kind of, that's kind of where  
25 we are balancing the presentation.



2 COUNCIL MEMBER MILLER: OK. Thank you.  
3 Thank, thank you, Ismene. I appreciate you. We, we,  
4 ah, you guys are also on with the presentation that  
5 the caucus did last week, ah, so I want to thank you  
6 for that. Thank you, Chair Riley, ah, for giving me  
7 a moment and look forward to continuing this  
8 conversation and being a part of this project and  
9 others.

10 ISMENE SPELIOTIS: Thank you, Council  
11 Member.

12 CHAIRPERSON RILEY: Thank you, Council  
13 Member Miller. Ah, Council Member Barron?

14 COUNCIL MEMBER BARRON: Thank you. Thank  
15 you, Mr. Chair. I just want to, excuse me, a brief  
16 comment. I just want to say that we've had a long-  
17 standing relationship with MHANY and Ismene, and as  
18 has been said previously, they have demonstrated that  
19 they have an understanding of being sensitive to the  
20 existing community as they bring projects in, and I  
21 just hope that since, ah, Council Member Salamanca  
22 and I have a friendly competition going here in terms  
23 of bringing in housing into our communities that will  
24 not displace residents that are living there, that  
25 will not contribute to gentrification, that I look

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2 forward to a resolution so that the local council  
3 member will be able to bring this forward with his  
4 support. Thank you.

5 ISMENE SPELIOTIS: Thank you,  
6 Councilwoman.

7 CHAIRPERSON RILEY: Thank you, Council  
8 Member Barron. Ah, there being no more questions for  
9 this panel, ah, the panel is excused. Thank you.

10 ISMENE SPELIOTIS: Chairman Riley, thank  
11 you so much. Thank you all, all of the council  
12 people.

13 CHAIRPERSON RILEY: So before we start  
14 our next hearing, ah, Counsel, are there any public  
15 testimonies for the Melrose Open Door?

16 COMMITTEE COUNSEL: At this time all  
17 witnesses intending to testify on these items should  
18 log in or call into Zoom. We will wait one moment to  
19 see if there are any members of the public. There  
20 are no members of the public signed up to testify on  
21 these items.

22 CHAIRPERSON RILEY: There being no  
23 members of the public who wish to testify on these  
24 items, the public hearing on LUs numbers 798, 799,  
25 800, 801, and 802, related to Melrose Open Door

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2 Project are now closed and items are laid over. We  
3 will now be moving to LU 803 and 804, the Bed-Stuy  
4 NIHOP cluster, and before we begin I would allow my  
5 colleague, Council Member Cornegy, ah, some time to  
6 give some remarks regarding this project. Council  
7 Member Cornegy?

8 COUNCIL MEMBER CORNEGY: Good afternoon.  
9 Can you hear me?

10 CHAIRPERSON RILEY: Yes, we can hear you.

11 COUNCIL MEMBER CORNEGY: So thank you so  
12 much, Council Member Riley, and all the subcommittee  
13 members, Council Member Salamanca, and all the many  
14 agency and council staff and community members who  
15 have worked on this Open Door Bed-Stuy Central and  
16 North II project. I'd like to briefly reiterate my  
17 remarks in support of this application. I'm  
18 supportive of this project, LU 0670 2020, because  
19 ties in a long-standing I have with housing.  
20 Affordable rentals are incredibly important, but too  
21 often providing a pathway to affordable home  
22 ownership is overlooked. Providing home ownership  
23 opportunities and providing households in our shared  
24 communities with a pathway to building wealth from  
25 home ownership is a part of housing policy we need to

2 continue to focus on. We need the opportunities for  
3 intergenerational wealth building home ownership  
4 provides. Home ownership also links with flexibility  
5 in starting a small business and pursuing  
6 entrepreneurship, higher education, and serving as  
7 engaged stakeholders in communities. I'm also  
8 grateful for the work that the developer and their  
9 team has done with respect to community engagement.  
10 Gaining the unanimous support of the community board  
11 and the Landmarks Preservation were important in my  
12 support of this. Also important, the engagement  
13 they've had with my office, meeting with me and my  
14 staff, answering questions, and really actively  
15 helping us all understand their mission and vision  
16 and how that fits into the future of our community.  
17 Thanks again to the subcommittee for considering this  
18 important land use item this afternoon, and I really  
19 look forward to the important project proceeding in  
20 my district. Thank you.

21 CHAIRPERSON RILEY: Thank you, Council  
22 Member Cornegy. And thank you for all your hard  
23 work, ah, in getting this project to your residency  
24 and community. Our next item, two items, related to  
25 the Bed-Stuy Central and north NIHOP cluster project,

2 LU 803 is an application submitted by HPD, requesting  
3 approval of the designation of an urban development  
4 action area and an urban development action area  
5 project for such area and the disposition of city-  
6 owned property. And LU 804 is an application  
7 submitted by HPD requesting approval of an exception,  
8 exemption from real property taxation pursuant to  
9 Article 11 of the Private Housing Finance Law. Both  
10 items are related to four vacated city-owned  
11 properties located at 187 and 187-R Chauncey Street,  
12 772 Myrtle Ave., 890 Myrtle Ave., and 119-125 Vernon  
13 Avenue, Bed-Stuy neighborhood of Brooklyn in Council  
14 Member Cornegy's district. If approved, these  
15 actions will facilitate the construction of  
16 approximately 45 affordable home ownership  
17 cooperative units distributed across four sites. The  
18 sale price for such unit will be affordable for  
19 household with incomes between 80% and 130% of the  
20 area median income. Counsel, please call the  
21 applicant panel.

22 COMMITTEE COUNSEL: The applicant panel  
23 for these items is Libby Rohlfing, ah, deputy  
24 commissioner of HPD, Olga Jobe, or Hobe, Benjamin  
25 Shavolian, and James Ship for the developer.

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2 CHAIRPERSON RILEY: Council, please  
3 administer the affirmation.

4 COMMITTEE COUNSEL: Please raise your  
5 right hands and state your names.

6 ELIZABETH ROHLFING: Elizabeth Rohlfing.

7 JAMES SHIP: James Ship.

8 OLGA JOBE: Olga Jobe.

9 COMMITTEE COUNSEL: We're having some  
10 difficulty, ah, Chair. Please raise your right  
11 hands. Do you affirm to tell the truth, the whole  
12 truth, and nothing but the truth before this  
13 subcommittee and in answer to all council member  
14 questions?

15 JAMES SHIP: Yes.

16 UNIDENTIFIED: I do.

17 CHAIRPERSON RILEY: Thank you. Before  
18 you begin please state your name and affiliation for  
19 the record and then you may begin.

20 ELIZABETH ROHLFING: Thank you. My name  
21 is Elizabeth Rohlfing. I am the deputy commissioner  
22 for external affairs at the New York City Department  
23 of Housing Preservation and Development. This  
24 preconsidered item consists of a ULURP application  
25 for a project known as Bed-Stuy Central and North

2 Phase II that seeks urban development action area  
3 designation, project, and disposition approval for  
4 eight city-owned vacant scattered lots located in  
5 Brooklyn Council District 36 and referred to here as  
6 the project area. In 2015 HPD issued a request for  
7 proposals that included the project area and selected  
8 Shelter Rock Builders LLC, the sponsor, to develop  
9 affordable home ownership. Under HPD's Open Door  
10 Program the city-owned parcels will be conveyed to  
11 Restored Homes Housing Development Corporation, who  
12 will partner with the sponsor to construct four new  
13 construction buildings containing approximately 45  
14 affordable cooperative home ownership units for the  
15 proposed development. The proposed development will  
16 also include approximately 3850 square feet of  
17 commercial space across two of the four sites, as  
18 required by zoning, and will be built to meet  
19 Enterprise Green housing standards. Once completed,  
20 the cooperative will sell the units to households who  
21 agree to owner occupy their homes for the length of  
22 the regulatory period. As part of the Open Door  
23 Program the purchaser will be required to abide by  
24 resell restrictions. If the homeowner sells or  
25 refinances during the regulatory period the homeowner

2 may realize up to 2% appreciation on their original  
3 purchase price per year of owner occupancy.

4 Additionally, the homeowner will also be required to  
5 sell to a household earning no more than the  
6 project's income limit. In addition to approval of  
7 the ULURP application, HPD seeks approval of an  
8 Article 11 tax benefit for the preconsidered items  
9 related to the Bed-Stuy Central and North Phase II  
10 project in order to help maintain affordability for  
11 these home ownership units. The term of the tax  
12 exemption will be 40 years that will be coterminous  
13 with the regulatory agreement. Today HPD is before  
14 the subcommittee seeking approval at Bed-Stuy Central  
15 and North Phase II in order to facilitate  
16 construction of this affordable home ownership  
17 project. Thank you, and I'd love to turn it over to  
18 the development team.

19 OLGA JOBE: Ah, can you hear me? Ah, OK.  
20 I will share my screen and hopefully, oh, ah, Libby,  
21 will you share the screen?

22 ELIZABETH ROHLFING: I think they will  
23 put it on for you.

24 OLGA JOBE: Ah, great, thank you. OK.  
25 Um, good afternoon. My name is Olga Jobe. Um, I am



2 with Aries Consulting, excuse me, and I am a  
3 consulting working with, um, Ben Shavolian and  
4 Shelter Rock Builders, the developer and sponsor of  
5 Bed-Stuy Central and North Phase II. Ah, next slide  
6 please. Ah, as Libby mentioned, ah, these are four  
7 sites located in Bedford Stuyvesant, Brooklyn. Um,  
8 772 Myrtle, 890 Myrtle, 119-125 Vernon, and 187  
9 Chauncey Street. Next slide please. The first  
10 building, um, is 187 Chauncey Street. Um, this is a  
11 four-story walk-up, um, that is comprised of seven  
12 units, which are six one-bedrooms and one two-bedroom  
13 unit, which is on the ground floor. Um, the building  
14 has been designed, um, to be weaved into the fabric  
15 of the architectural context of, of Brooklyn  
16 brownstone. Um, it is set back to provide some  
17 buffer for the unit owner on the ground floor. The  
18 building will feature a landscaped rear yard and will  
19 also have, um, storage available, um, both bike  
20 storage and unit owner storage for the residents.  
21 Next slide please. 772 Myrtle and 890 Myrtle are  
22 what I like to refer to as sister buildings. Um, the  
23 design is exactly the same. The buildings are mixed-  
24 use buildings with a retail unit on the ground floor  
25 and, ah, five stories above. They're comprised of 10

2 units, nine one-bedrooms and one two-bedroom.

3 There's a shared laundry in the cellar, ah, rooftop  
4 available for, a rooftop terrace, um, available that

5 would provide outdoor space, outdoor space, for all

6 of the unit owners, um, as well as accessory storage

7 as noted in Chauncey. Um, the developer is seeking

8 to find a retail tenant that will both benefit the

9 community as well the unit owners. Ah, next slide

10 please. As I mentioned, 890 is the sister building

11 to 772 Myrtle. Um, same design, as well as same unit

12 makeup of nine one-bedrooms and one two-bedroom with

13 a rooftop available, ah, for all of the unit owners

14 to enjoy landscaped accessible outdoor space. Next

15 slide please. The biggest building in the cluster is

16 119-125 Vernon Avenue, which features 18 units, four

17 of which are one-bedrooms, 14 of which are two-

18 bedrooms. Similar to Chauncey, this building is set

19 back from the street, which provides a buffer and

20 some quiet for the unit owners on the ground floor.

21 This building also features, ah, outdoor space in the

22 back, ah, landscaped rear yard that provides separate

23 spaces for those that would like quiet enjoyment and

24 a separate sort of recreational children's play area.

25 It also has a third outdoor space, which will be on

2 the roof deck, which again will be accessible to all  
3 the unit owners. Um, there's shared laundry in the  
4 basement and it would also feature bike storage, a  
5 rec room, rec room/fitness room, as well as unit  
6 owner storage. Next slide please. The targeted AMI  
7 mix, um, we have separated into two tranches. Um,  
8 90% to 110% of AMI and 111% to 130% of AMI. What you  
9 see before you are the AMIs based on 2020 AMIs. Um,  
10 this will likely be adjusted prior to the project  
11 closing to the 2021 AMI. The sales prices noted  
12 above are from, um, Realtor and Zillow, which, um,  
13 I'm sorry, the sale prices noted on the slide are a  
14 discount to market, um, so if you're familiar with  
15 the sale prices in Bedford Stuyvesant you know that a  
16 one-bedroom would be sold anywhere from \$600,000 to  
17 \$700,000 and a two-bedroom would be north of  
18 \$750,000. So these prices really represent a  
19 significant discount to market for the unit owners  
20 and should capture a majority of those living in the  
21 community, as well as those living, um, in the, as  
22 well as those citywide earning between 80% to 130% of  
23 AMI. Next slide please. Um, so I, I jumped ahead  
24 too, too soon, but these are the, um, market sale  
25 prices as I noted above. But keep in mind that these

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2 are for co-ops, um, and when you compare that to  
3 condominiums these prices are significantly higher.

4 Next slide please. Ah, the marketing will be  
5 conducted through New York City Housing Connect, um,  
6 and the project will adhere to HPD marketing  
7 guidelines. Restored Homes will manage the marketing  
8 process as well as administration of the lottery.

9 And the developer will work with Brooklyn  
10 Neighborhood Services to provide homeowner education  
11 as it pertains to financial planning. Restored Homes  
12 will also provide training for the homeowners with  
13 regard to how to maintain the building as well as  
14 their individual units. Next slide please. This  
15 developer has, ah, Shelter Rock Builders has  
16 developed in central Brooklyn for more than 20 years,  
17 um, most recently in East New York, and is committed  
18 to hiring locally, both in Bed-Stuy and the  
19 surrounding Brooklyn neighborhoods, and will  
20 participate as is required in the M/WBE buildup  
21 program and hire, um, local subcontractors and  
22 laborers through Hire NYC. Next slide. So to  
23 summarize, Bed-Stuy Central and North is 100%  
24 affordable home ownership, cooperative home ownership  
25 development, developed under HPD's Open Door. The

2 project will ensure long-term affordability through a  
3 40-year real estate tax abatement, which is  
4 coterminous with the 40-year regulatory period. It's  
5 comprised of eight vacant city lots that will be  
6 combined into four separate sites to create 45  
7 affordable cooperative home ownership units. And the  
8 targeted AMI range is between 90% to 130% of AMI.  
9 It's a mix of one- and two-bedroom units with  
10 amenities that include ample storage, landscaped rear  
11 yards, washers/dryers, fitness rooms, and bike  
12 storage. The building will be designed pursuant to  
13 HPD sign guidelines as well as Enterprise Green  
14 Communities. Next slide please. Well, that  
15 concludes our presentation and, um, the development  
16 team is open, is available for questions.

17 CHAIRPERSON RILEY: Thank you. Um, I'm  
18 going to open it up to my colleague, Council Member  
19 Cornegy. Council Member Cornegy, do you have any  
20 questions for this panel?

21 COUNCIL MEMBER CORNEGY: Can you hear me?

22 CHAIRPERSON RILEY: Yes, we can hear you,  
23 Council Member.

24 COUNCIL MEMBER CORNEGY: Yeah, so thank  
25 you again, ah, Chair Riley. Ah, my question is

2 around the commercial spaces that are available. Um,  
3 certainly we're having, ah, this crisis coming out of  
4 the pandemic for small businesses. I know you said  
5 that you wanted to ensure that, um, there were  
6 opportunities, ah, for, for amenities to be  
7 consistent with the building and the surrounding  
8 areas. I ask that you will work with, ah, the  
9 Brooklyn Chamber of Commerce and the local BID to  
10 ensure that some businesses that have been displaced  
11 from the pandemic have the first opportunity to  
12 occupy that space.

13 OLGA JOBE: Um, so I, if, if, Ben, if I  
14 may speak on your behalf, I think, um, thank you for  
15 that suggestion, Council Member Cornegy. And we'll  
16 certainly reach out to the BID, um, as well as your  
17 office once we're looking at, um, tenants for that  
18 space.

19 COUNCIL MEMBER CORNEGY: Yeah, we've,  
20 we've created a fairly decent trifecta of, of, ah,  
21 the Brooklyn Chamber, ah, the Bed-Stuy Gateway BID,  
22 ah, and, and, and my office to try, try and provide,  
23 ah, ah, for displaced businesses that have a proven  
24 track record, legacy businesses in particular that  
25 have a proven track record of service delivery, ah,

2 to our communities, those that some of which are  
3 immigrant or minority owned to be able to, to stay.  
4 I'll have an offline conversation with you about, ah,  
5 about that commercial space either being broken so it  
6 allows for it to be below market, but I'm not gonna  
7 do that on here. I'll have, I'll have a larger  
8 conversation contextually with you on, um, able to  
9 provide affordability for, for some of our small  
10 businesses that are clearly essential to the vibrancy  
11 of the Bedford Stuyvesant fabric, so thank you. I  
12 have, um, Chair Riley.

13 CHAIRPERSON RILEY: Thank you, Council  
14 Member Cornegy. Ah, so I just have a few questions.  
15 Um, so my first question is can you describe your  
16 plans for ensuring M/WBE and local-based contractors  
17 participation with this development?

18 BEN SHAVOLIAN: Ah, good afternoon,  
19 Council Member.

20 CHAIRPERSON RILEY: [inaudible].

21 BEN SHAVOLIAN: We have, ah, completed  
22 other projects of HPD of similar construction and we  
23 have used M/WBEs in past, and we do have a list of  
24 contractors that we are working with on an ongoing  
25 basis. So I'm not sure of any assurances you need,

2 but it is our aim to work with as many as M/WBEs as  
3 possible with this budget. We just started a project  
4 in East New York where we have about 15 different  
5 contractors and suppliers that have been working on  
6 the project.

7 CHAIRPERSON RILEY: What sustainability  
8 and resiliency measures are incorporated into  
9 building design and construction?

10 BEN SHAVOLIAN: So for all four buildings  
11 we have, ah, water control, water flow, so that it's  
12 not so expensive to use the water, as well as the  
13 utilities that we're providing will save about 60% to  
14 70% of the cost of the heat and air conditioning and  
15 electric on these units. These units will be 60% to  
16 70% less than all other homes on the market for  
17 utilities.

18 CHAIRPERSON RILEY: How do the projected  
19 sale prices of these units compare to the market rate  
20 condos or co-ops in the area?

21 BEN SHAVOLIAN: I think in Olga's  
22 presentation she showed that the units are about 20%  
23 to 40% lower than, than just in condo units in Bed-  
24 Stuy right now, where a similar apartment that sells  
25



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2 for \$700,000 or \$600,000 ours is worth about  
3 \$350,000.

4 CHAIRPERSON RILEY: My last question is  
5 according to HPD submission and RFP for these city-  
6 owned vacant sites was originally issued way back in  
7 2005. Why has it taken so long to finally advance  
8 this project to this stage?

9 BEN SHAVOLIAN: This was part of an RFP  
10 from 2015, 2015, and the award was given to us in  
11 2017.

12 CHAIRPERSON RILEY: Yeah, excuse me,  
13 2015, sorry.

14 BEN SHAVOLIAN: 2015, was awarded in 2017  
15 and now we're, ah, wrapping up to start construction  
16 as soon as available.

17 CHAIRPERSON RILEY: Um, Council Member  
18 Cornegy, did you have another question?

19 COUNCIL MEMBER CORNEGY: Yes, I do have,  
20 well, I want to say to, ah, I didn't realize Ben was  
21 still here. I want to say, ah, to him, ah, thank you  
22 for the shared commitment to bring affordable home  
23 ownership to the Bedford Stuyvesant area. We know  
24 that we are the epicenter of gentrification and the  
25 ability to, um, create wealth through home ownership

2 and to be able to transfer wealth has been a primary  
3 concern for, for myself and, and my office, and  
4 finding responsible developers to get that done, ah,  
5 has been incredibly difficult. So, Ben, I want to  
6 thank you for your partnership in this and I look  
7 forward to putting a shovel in the ground sooner than  
8 later.

9 BEN SHAVOLIAN: Thank you.

10 CHAIRPERSON RILEY: Thank you, Council  
11 Member. And, ah, I see Council Member Barron's hand  
12 is up. Council Member Barron, would you like to ask  
13 a question? Council Member Barron, you're muted.

14 COUNCIL MEMBER BARRON: OK, is it unmuted  
15 now?

16 CHAIRPERSON RILEY: Yes, yes, we can hear  
17 you.

18 COUNCIL MEMBER BARRON: OK, thank you.  
19 Thank you, Mr. Chair. Um, just a point to raise  
20 here. Ah, as Mr., as the, Mr. Shavolian has said,  
21 they just completed a project in East New York, a  
22 NIHOP, which I think was four private homes, ah, that  
23 were constructed and we are looking forward to the  
24 owners taking possession of those homes. However,  
25 there's a problem that's delaying that process being

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2 completed, and I want to bring that to the table.

3 And it's a problem where there was an extensive water  
4 bill that was somehow incurred during the  
5 construction and it was my understanding as, ah, that  
6 there was a problem as to who was gonna be  
7 responsible, and I was told that it was trying to be  
8 shifted onto the new homeowners, who certainly have  
9 not yet moved in. So I would like to offer Mr.  
10 Shavolian an opportunity to clarify for me and to  
11 give me an update on the current status of that  
12 problem regarding that extensive water bill for the  
13 homes that he just completed constructing.

14 BEN SHAVOLIAN: Good afternoon, Council  
15 Member Barron.

16 COUNCIL MEMBER BARRON: Good afternoon.

17 BEN SHAVOLIAN: A pleasure always to  
18 speak to you.

19 COUNCIL MEMBER BARRON: Thank you.

20 BEN SHAVOLIAN: So these 13 homes are  
21 four three-family homes, nine two-family homes, and  
22 actually we did the groundbreaking together.

23 COUNCIL MEMBER BARRON: Yes.

24 BEN SHAVOLIAN: You and with, ah,  
25 [inaudible] and other dignitaries from HPD.

2 COUNCIL MEMBER BARRON: Yes.

3 BEN SHAVOLIAN: It seems like a long time  
4 ago. It's actually about four years ago. This  
5 project went through the, um, moratorium of gas and  
6 we couldn't do any work for six months. We went  
7 through COVID where we couldn't do work for another  
8 six to nine months.

9 COUNCIL MEMBER BARRON: Yes.

10 BEN SHAVOLIAN: And most recently we had  
11 a bill, as you referred to, \$120,000 of water charges  
12 that was never, ah, water that was never used. And  
13 we did reach back to DEP and asked them to review the  
14 \$120,000. They denied it three times. Finally  
15 through efforts with your office and Ms. Joyce  
16 Simmons and the, um, mayoral office, they did reduce  
17 the bill from \$120,000 to \$40,000. And the \$40,000  
18 is going to be paid by us, the developer, even though  
19 we didn't use the water, even though there was no  
20 water access, even though there was nobody living in  
21 the building, even though DEP could not provide any  
22 proof that we ever used the water. We're gonna pay  
23 that \$40,000 from our pocket. And that is our  
24 intention. We never intended to have anybody else to  
25 pay for the water. We wanted to make sure that the

2 homeowners do not, and let me repeat, do not have to  
3 deal with this at any time, not before and not after  
4 they close. They will have a new [inaudible] and  
5 it's going to be a very exceptional experience for  
6 them.

7 COUNCIL MEMBER BARRON: Thank you. And  
8 I'm glad you clarified that because things were  
9 swirling around, so I wanted to give you an  
10 opportunity to clarify that. And to ask what can be  
11 done moving forward so that this situation doesn't  
12 occur again. Is there some legislation that needs to  
13 be put in place? Are there some, ah, other ordering  
14 of the steps in the process. I'm sorry, ordering of  
15 steps in the process, ah, that would eliminate that?  
16 How can, is this a common occurrence? I don't know  
17 if there's a city agency on the line that can talk  
18 about that. But is it a common occurrence? It is,  
19 ah, something that is a fluke? Why did it happen and  
20 how can we prevent this from happening again so that  
21 you or any other developer doesn't have this problem  
22 of being charged for water you didn't use.

23 BEN SHAVOLIAN: I think it is a  
24 recurring, um, occurrence with DEP. It has happened  
25 in other districts. The homeowners are being charged

2 for water they didn't use and I think DEP should be  
3 looked into and questioned why this is happening.  
4 They should be held responsible for any billing they  
5 send out.

6 COUNCIL MEMBER BARRON: OK. Ah, that's  
7 about it for our, for my [inaudible] my concerns and,  
8 ah, questions. Thank you very much, and we look  
9 forward to the, ah, new owners getting the keys to  
10 their apartment and enjoying their beautiful new  
11 homes. Thank you.

12 BEN SHAVOLIAN: We'll have the ribbon  
13 cutting soon.

14 COUNCIL MEMBER BARRON: Thank you, great.

15 CHAIRPERSON RILEY: There being no more  
16 questions for this panel, this panel is excused.  
17 Thank you so much.

18 OLGA JOBE: Thank you, Chair Riley and  
19 council members.

20 UNIDENTIFIED: Thank you.

21 BEN SHAVOLIAN: Thank you very much.

22 CHAIRPERSON RILEY: Counsel, are there  
23 any members of the public who wish to testify on this  
24 item, for these items, excuse me? Jeff, you're,  
25 you're muted.

2 COMMITTEE COUNSEL: There are no members  
3 of the public registered to testify on these items.

4 CHAIRPERSON RILEY: Thank you. If there  
5 are, if there are no members of the public who wish  
6 to testify on these items the public hearing on LU  
7 803 and 804 related to the Bed-Stuy NIHOP are now  
8 closed and the items are laid over. The last item on  
9 today's agenda is LU 805 in the 72-H transfer of  
10 Block 3950 and Lot 50. This is an application  
11 submitted by the Department of Citywide  
12 Administrative Services on behalf of the Mayor's  
13 Office of Resiliency pursuant to Section 72-H of the  
14 General Municipal Law for the transfer of a city-  
15 owned property known as Block 3930, Lot 50, in the  
16 Borough of Staten Island to the United States of  
17 America, acting by and through the National Parks  
18 Service. This proposed transfer would require that  
19 the entire property be used as an enhanced swamp and  
20 public access path in further hands of their  
21 environmental mitigations required by the South Shore  
22 Staten Island Coastal Storm Risk Management Project,  
23 being undertaken by the federal government. This  
24 project is in Council Member Matteo's district.  
25 Counsel, please call the applicant panel.

2 COMMITTEE COUNSEL: The applicant panel  
3 for this item is Carrie Grassi on behalf of the  
4 Mayor's Office of Resiliency.

5 CHAIRPERSON RILEY: Counsel, please  
6 administer the affirmation.

7 COMMITTEE COUNSEL: Please raise your  
8 right hand and state your name.

9 CARRIE GRASSI: Carrie Grassi.

10 COMMITTEE COUNSEL: Do you affirm to tell  
11 the truth, the whole truth, and nothing but the truth  
12 before this subcommittee and in answer to all council  
13 member questions?

14 CARRIE GRASSI: Yes, I do.

15 CHAIRPERSON RILEY: Thank you, and before  
16 I begin it is Block 3950, Lot 50. Thank you. Ah,  
17 Carrie, you may begin.

18 CARRIE GRASSI: Great, good afternoon.  
19 Ah, I'm Carrie Grassi, director for waterfront  
20 [inaudible] of the Mayor's Office of [inaudible] can  
21 you hear me?

22 CHAIRPERSON RILEY: Yes, yes, yes, we can  
23 hear you. Ah, before you begin, can you just state  
24 your name and your affiliation and then you can  
25 begin? Sorry about that.



2 CARRIE GRASSI: Sure, no problem. Ah,  
3 I'm Carrie Grassi, deputy director for waterfront  
4 resiliency of the Mayor's Office of Climate  
5 Resiliency. I'd like to thank Chair Riley for the  
6 opportunity to testify today. The Mayor's Office of  
7 Climate Resiliency is responsible for ensuring that  
8 New York City is prepared to withstand and emerge  
9 strong from the impacts of climate change. With 520  
10 miles of shoreline, adapting to more frequent and  
11 severe coastal storms is a critical part of our work.  
12 We are currently advancing multiple neighborhood-  
13 scale coastal resiliency projects across the city,  
14 including the South Shore of Staten Island Coastal  
15 Storm Risk Management Project. As you may know, this  
16 project is being designed and constructed by the US  
17 Army Corps of Engineers. It will span 5-1/2 miles  
18 from Fort Wadsworth to Oakwood Beach and will consist  
19 of a continuous stretch of buried sea wall, flood  
20 wall, and earthen levee. The sea wall portion of the  
21 project will be constructed on parkland managed by  
22 the New York City Department of Parks and Recreation  
23 and on Miller Field, which is owned and managed by  
24 the federal National Park Service. Environmental  
25 review for the project concluded that construction of

2 a flood control structure on the Miller Field  
3 property created an impact on national parkland that  
4 needed to be mitigated. Together with other project  
5 partners the city will fund the mitigation project  
6 and will enhance the existing swamp white oak forest  
7 located on the northeast corner of Miller Field and  
8 build public access paths. To enhance the forest and  
9 the action that is the subject of this hearing, the  
10 city will transfer the newly apportioned Staten  
11 Island Block 3930, lot 50, which is 6.83 acres of  
12 city-owned vacant land at New Dorp High School to the  
13 National Park Service. Under General Municipal Law  
14 72-H, the mayor has the ability to transfer property  
15 to the federal government. This type of action has a  
16 recent precedent in the 2016 transfer of Christopher  
17 Park in Manhattan from the New York City Department  
18 of Parks and Recreation to the National Park Service.  
19 Although General Municipal Law 72-H does not require  
20 a public hearing, for the purposes of transparency  
21 and following the precedent of Christopher Park, a  
22 voluntary public hearing was held by the Mayor's  
23 Office of Contract Services on April 14, 2021. The  
24 mayoral authorization document was then issued on  
25 April 27, 2021, and was subsequently transmitted to

2 council. It is our goal to support the US Army Corps  
3 of Engineers in advancing this project as quickly as  
4 possible and this property transfer is needed for the  
5 project to move forward. Unless council has  
6 concerns, we plan to proceed with the transfer in  
7 order to avoid delays to the project's construction  
8 timeline. Thank you, and I look forward to answering  
9 any questions you may have.

10 CHAIRPERSON RILEY: Thank you, Carrie.

11 Ah, just one question. Does the city believe this  
12 proposed site selection will be the only action  
13 needed to mitigate the potential adverse impact to  
14 Miller Field outlined in the environmental review  
15 documents?

16 CARRIE GRASSI: Ah, yes. So it was  
17 determined that for the Miller Field impact, um, so  
18 there's both, ah, improvements to the existing, ah,  
19 forest with, ah, ah, pathways and then um, this  
20 transfer of land, because, ah, mitigation on National  
21 Park Service land has to happen on National Park  
22 Service land. So this is the entirety of that, of  
23 that mitigation.

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25

2 CHAIRPERSON RILEY: Thank you. Ah,  
3 Counsel, are there any questions from any council  
4 members?

5 COMMITTEE COUNSEL: There are no  
6 questions from any council members.

7 CHAIRPERSON RILEY: Thank you. There  
8 being no more questions for this...

9 COMMITTEE COUNSEL: Oh, there is a, there  
10 is a question from Council Member Barron.

11 CHAIRPERSON RILEY: Council Member  
12 Barron, go ahead.

13 COUNCIL MEMBER BARRON: Thank you so  
14 much. I appreciate the opportunity. Just wanted to  
15 ask generally, where there any, ah, advocates or  
16 persons involved in this that were opposed to that  
17 transfer of the park that you referred to? I  
18 understood...

19 CARRIE GRASSI: No, not all. Um, there's  
20 widespread support for this project and for getting  
21 everything done that we can to move this project  
22 forward. Um, the existing property, again, is  
23 forest. It's not used for educational purposes, so  
24 there is a lot of support actually in transferring it  
25 back to the National Park Service.

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2 COUNCIL MEMBER BARRON: OK, great. Thank  
3 you so much, I appreciate it.

4 CARRIE GRASSI: Thank you.

5 CHAIRPERSON RILEY: Thank you, Council  
6 Member Barron. There being no more questions for  
7 this panel, this panel is now excused. Thank you.

8 CARRIE GRASSI: Thank you.

9 CHAIRPERSON RILEY: Counsel, are there  
10 any members of the public who wish to testify on  
11 these items?

12 COMMITTEE COUNSEL: There are no members  
13 of the public registered to testify on this item.

14 CHAIRPERSON RILEY: There being no  
15 members of the public who wish to testify on this  
16 item, the public housing on LU 805 related to the  
17 transfer of block 3950, ah, Lot 50, in Staten Island  
18 pursuant to Section 72-H of the General Municipal Law  
19 is now closed and the item is laid over. That  
20 concludes today's business. I remind you that if you  
21 have any written testimony on today's item you may  
22 submit it to [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov). Once  
23 again, that is [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov).  
24 Please indicate the LU number or the project name in  
25 the subject heading. I would like to thank the

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AND DISPOSITIONS

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2 applicants, members of the public, my colleagues,  
3 subcommittee counsel, land use staff, and Sergeant at  
4 Arms for participating in today's hearing. This  
5 meeting is hereby adjourned.

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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 30, 2021