

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS, AND CONCESSIONS

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August 18, 2014  
Start: 11:18 a.m.  
Recess: 12:11 p.m.

HELD AT: 250 Broadway- Committee Room  
16<sup>th</sup> Floor

B E F O R E:  
INEZ E. DICKENS  
Chairperson

COUNCIL MEMBERS:  
ANDREW COHEN  
DARLENE MEALY  
MARK TREYGER  
YDANIS A. RODRIGUEZ

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

2 [gavel]

3 CHAIRPERSON DICKENS: Good afternoon. I  
4 am Council Member Inez Dickens. As the chair of the  
5 Subcommittee on Planning, Dispositions, and  
6 Concessions I would like to welcome everyone to  
7 today's hearing. I want to thank and acknowledge  
8 the sergeant of arms Israel Martinez and Heriberto  
9 Collazo and my Land Use Director and Deputy  
10 Director Amy Leviton, and of course my attorney  
11 Anne Macoyhee [sp?]. I want to apologize for the  
12 lateness of getting started and I appreciate your  
13 patience. We have one item on our calendar today.  
14 We will be hearing and voting on it. I want to  
15 acknowledge the council members that have joined  
16 us, Council Member Mealy, Council Member Cohen, and  
17 Council Member Treyger. Land Use item seven oh the  
18 Dean Atlantic project for a 577 tax exemption for  
19 properties in council members' Espinal and Mealy's  
20 district. We will now open the public hearing today  
21 on land use item seven zero. And we, we have to  
22 testify and I'm asking them to come up from HPD  
23 Artie Pearson and Barbara Helm [sp?] Artie Pearson  
24 will not be testifying but she will join Ms. Helm  
25 at the table. Please identify yourself. Dennis

2 Taylor, is Dennis Taylor here... from the Dean  
3 Atlantic HDFC.

4 BABA HELM: Good afternoon I'm Baba  
5 Helm, assistant commissioner for government  
6 relations.

7 CHAIRPERSON DICKENS: [off mic] mic on?

8 BABA HELM: Good afternoon I'm Baba Helm  
9 assistant commissioner for government relations and  
10 regulatory compliance. I'm joined by Artie  
11 Pearson.

12 ARTIE PEARSON: Artie Pearson HPD  
13 Director of Land Use Services.

14 DENNIS TAYLOR: And Dennis Taylor  
15 president of Dean Atlantic HDFC.

16 BABA HELM: Good afternoon Chair Dickens  
17 and members of the subcommittee. Today we are here  
18 on Land Use Item number 70 which consists of a  
19 proposed exemption area for block 1435 lots 26, 42,  
20 and 47, block 1444 lots 129 and 49, and block 1468  
21 lot nine also known as Dean alanic (phonetic)  
22 Atlantic HDFC. The exemption areas... scattered site  
23 that consists of seven privately owned buildings  
24 with a total of 12 residential rehab units. Six of  
25 the buildings are in council district 37 and one is

2 in council district 41. Of those six projects in  
3 the council district 37 three were conveyed by HPD  
4 to the sponsor under the neighborhood homes program  
5 and three were purchased directly from HUD under  
6 the section 203K program. The one property in  
7 council district 41 was also purchased from HUD.  
8 These purchases were in 2006 and were to be sold as  
9 home ownership units once the rehabilitations were  
10 completed and the certificates of occupancies  
11 obtained. At the time the homes were marketed the  
12 sponsor was unable to find eligible buyers because  
13 of the financial climate resulting in the  
14 construction loans for the project defaulting. The  
15 sposa [phonetic] subsequently requested HPD's  
16 assistance to convert the homes into rental units.  
17 And in February 2012 the properties were required  
18 by Dean Atlantic HDFC and a new regulatory  
19 agreement was signed. Additionally funds from HUDs  
20 neighborhood stabilization programs were used to  
21 stabilize and operate the properties as financially  
22 stable, sustainable, affordable rental units.  
23 Today HPD is before the council seeking to  
24 terminate the UDAAP tax exemption on three of the  
25 properties. That's block 143 lots 42 and 47, block

2 1444 lot 29 which were approved by the city council  
3 pursuant to resolution 142 in 2006. And we're here  
4 to request an article 11 tax exemption for all  
5 seven properties in order to maintain the  
6 affordability of these housing units. The rents for  
7 the occupants do not exceed 50 percent of AMI which  
8 is 41,950 dollars for a family of four and the  
9 average rent is 967 dollars. We are happy to report  
10 that through working with the council members and  
11 the districts in which these projects are located  
12 both council members support the projects. Mr.  
13 Taylor.

14 CHAIRPERSON DICKENS: Mr. Taylor do you  
15 have anything you would like to add as the  
16 president of the HDFC. Speak into the mic please  
17 and identify yourself first.

18 DENNIS TAYLOR: My name is Dennis J.  
19 Taylor. Again I'm president of the Dean Atlantic  
20 HDFC. Just want to take this moment to thank  
21 Councilwoman Darlene Mealy for her support and  
22 keeping these, her, the property, the one property  
23 that falls in her district as a low income  
24 property. Thank you.

2 CHAIRPERSON DICKENS: I have one  
3 question. Is, now that the conciliation of the  
4 UDAAP and we're going to be voting on a article 11  
5 tax exemption which means that it'll be rentals is  
6 any rehabilitation for the units planned? And if so  
7 where, who's going to financing, under what  
8 program.

9 DENNIS TAYLOR: Councilwoman Dickens  
10 these buildings have already been full-gut-rehabbed  
11 initially when we acquired them in 2006.

12 CHAIRPERSON DICKENS: Oh now that  
13 they're gut rehabbed did the original tenants, did,  
14 were they given the option of first right of  
15 refusal?

16 DENNIS TAYLOR: Absolutely. When we did  
17 the relocation for the tenants they had the right  
18 to temporarily be relocated or permanently be  
19 relocated. And where we relocated them also was  
20 newly, fully gutted apartments commensurate with  
21 their income. And most of them chose, practically  
22 all of them chose to stay where they were right  
23 within the district.

24 CHAIRPERSON DICKENS: Now how many units  
25 are, are involved in this?

2 DENNIS TAYLOR: Well all the... [cross-  
3 talk]

4 CHAIRPERSON DICKENS: In total.

5 DENNIS TAYLOR: ...all the buildings have  
6 a commercial underlay to them and most of the  
7 building only consist of two apartments above them.  
8 So we're looking at two units and a commercial with  
9 most of the buildings.

10 CHAIRPERSON DICKENS: So there's one  
11 commercial.

12 DENNIS TAYLOR: One commercials yes.

13 CHAIRPERSON DICKENS: Are, and, and is  
14 that market rent, is that... market rent?

15 DENNIS TAYLOR: No, because of the  
16 market climate at the time I believe that the, the  
17 commercial, the commercial stores was rented that  
18 less than one dollar per square foot, yeah yeah.

19 CHAIRPERSON DICKENS: Did you say less  
20 than one dollar?

21 DENNIS TAYLOR: One dollar per square  
22 foot.

23 CHAIRPERSON DICKENS: Could you repeat  
24 that one more time.

2 DENNIS TAYLOR: I, it, for, for example  
3 the, the building that falls in Councilwoman  
4 Mealy's district, that commercial space was about,  
5 little over 900 square feet and the rent t, at that  
6 time started a little over 900 dollars. Okay,  
7 alright.

8 CHAIRPERSON DICKENS: Alright and so, so  
9 there, but there's, there's how many commercial  
10 units? Only one?

11 DENNIS TAYLOR: One commercial...

12 CHAIRPERSON DICKENS: Alright...

13 DENNIS TAYLOR: ...yes.

14 CHAIRPERSON DICKENS: ...and did I  
15 understand that the.. it's one per building.

16 DENNIS TAYLOR: One per building.

17 CHAIRPERSON DICKENS: So then there,  
18 there, we're talking about what six buildings.

19 BARBARA HELM: Seven.

20 DENNIS TAYLOR: No we're talking...

21 CHAIRPERSON DICKENS: Seven buildings.

22 DENNIS TAYLOR: ...seven buildings.

23 CHAIRPERSON DICKENS: So then there's  
24 seven commercial. So all seven...

2 DENNIS TAYLOR: Well... [cross-talk] all,  
3 all the buildings don't have a commercial.

4 CHAIRPERSON DICKENS: How many buildings  
5 have a commercial.

6 DENNIS TAYLOR: Let me, let me, let me  
7 just clarify that. Okay, the one building in  
8 Councilwoman's Mealy's district have one  
9 commercial. 2318 Dean Street have a commercial.  
10 2247 Dean Street have a commercial and that's it,  
11 three... [cross-talk]

12 CHAIRPERSON DICKENS: So three of the  
13 seven have... [cross-talk]

14 DENNIS TAYLOR: ...three...

15 CHAIRPERSON DICKENS: ...commercials.

16 DENNIS TAYLOR: ...of the seven have  
17 commercial.

18 CHAIRPERSON DICKENS: Are, or are three  
19 of those commercials are they retail and are they  
20 rented in market or below market.

21 DENNIS TAYLOR: Well but...

22 CHAIRPERSON DICKENS: You told me about  
23 one so the remaining two.

24 DENNIS TAYLOR: All of them at the time  
25 was, or rented... below market.

2 CHAIRPERSON DICKENS: At the time... they  
3 have the same tenancy?

4 DENNIS TAYLOR: Yes they do.

5 CHAIRPERSON DICKENS: And they... [cross-  
6 talk]

7 DENNIS TAYLOR: Yes, yes they do, I'm  
8 sorry.

9 CHAIRPERSON DICKENS: Alright. And the,  
10 is it my understanding that all of the residential  
11 units are rented at 50 percent AMI?

12 DENNIS TAYLOR: I think it was less than  
13 50 percent... AMI.

14 CHAIRPERSON DICKENS: No more than 50  
15 percent AMI?

16 DENNIS TAYLOR: Right, right.

17 CHAIRPERSON DICKENS: Alright. And what  
18 size units are there?

19 DENNIS TAYLOR: Well they range for  
20 anywhere from two to three bedrooms approximately  
21 [cross-talk]

22 CHAIRPERSON DICKENS: Two or three  
23 bedrooms.

24 DENNIS TAYLOR: Right.

2 CHAIRPERSON DICKENS: So that  
3 accommodates families?

4 DENNIS TAYLOR: Excuse me.

5 CHAIRPERSON DICKENS: So that it  
6 accommodates... that, that...

7 DENNIS TAYLOR: Absolutely.

8 CHAIRPERSON DICKENS: ...development  
9 accommodates families?

10 DENNIS TAYLOR: Right.

11 CHAIRPERSON DICKENS: Alright thank you  
12 so much for your testimony. I'm going to first ask...  
13 [cross-talk]

14 BARBARA HELM: Chair Dickens I just want  
15 to clarify that there are five commercial...

16 DENNIS TAYLOR: Got five?

17 BARBARA HELM: ...spaces.

18 CHAIRPERSON DICKENS: Oh.

19 BARBARA HELM: Within this, between the  
20 seven units. I'm, he didn't...

21 CHAIRPERSON DICKENS: Mr. Taylor?

22 BARBARA HELM: No he didn't, he didn't  
23 finish looking through all of the...

24 DENNIS TAYLOR: Okay...

2 BARBARA HELM: ...the sheets. I just want  
3 to clarify... [cross-talk]

4 CHAIRPERSON DICKENS: Alright so...

5 DENNIS TAYLOR: Okay, I'm sorry one,  
6 two... [cross-talk]

7 CHAIRPERSON DICKENS: All, so then five  
8 of the seven... [cross-talk]

9 DENNIS TAYLOR: Five, yeah that's...  
10 [cross-talk]

11 CHAIRPERSON DICKENS: ...have commercials.

12 BARBARA HELM: Yes.

13 DENNIS TAYLOR: No one...

14 CHAIRPERSON DICKENS: And all of them...

15 DENNIS TAYLOR: One of the, one, one  
16 unit has two commercials.

17 BARBARA HELM: Yeah so that's...

18 DENNIS TAYLOR: That's 2247...

19 CHAIRPERSON DICKENS: Well that's  
20 alright.

21 DENNIS TAYLOR: ...I'm sorry.

22 CHAIRPERSON DICKENS: It's five.

23 BARBARA HELM: Mm-hmm.

24 DENNIS TAYLOR: Yeah, correct.

2 CHAIRPERSON DICKENS: So in any case  
3 then I'm going to ask HPD all of them rented below  
4 market?

5 BARBARA HELM: They, they are all rented  
6 below market...

7 DENNIS TAYLOR: right.

8 BARBARA HELM: ...for that area.

9 CHAIRPERSON DICKENS: What is the top  
10 rent and how many square feet is that?

11 BARBARA HELM: We don't have the, the,  
12 the square footage for the, the top rent and..

13 CHAIRPERSON DICKENS: What's the top  
14 rent.

15 BARBARA HELM: ...and it's 26 hundred  
16 dollars a month.

17 CHAIRPERSON DICKENS: 26 hundred.

18 BARBARA HELM: For the commercial space.

19 DENNIS TAYLOR: Right.

20 CHAIRPERSON DICKENS: Alright, alright.  
21 I'm going to ask before I ask my colleagues if they  
22 have any questions I'm going to ask Council Member  
23 Mealy who has a building in this development in  
24 this land use item... Council Member Mealy.

2 COUNCIL MEMBER MEALY: Thank you Chair  
3 Dickens. One thing I wanted... so will that affect  
4 the commercial rent now for that location in my  
5 district? The commercial space, will the rent go up  
6 on that or...

7 BARBARA HELM: You're asking... [cross-  
8 talk] as far as the tax exemption being in place?

9 COUNCIL MEMBER MEALY: Yes.

10 BARBARA HELM: No the tax exemption does  
11 not affect the commercial...

12 COUNCIL MEMBER MEALY: ...the commercial  
13 space.

14 BARBARA HELM: ...spaces, right.

15 COUNCIL MEMBER MEALY: So right now they  
16 paying less than market rate in the commercial  
17 space?

18 DENNIS TAYLOR: Yes they are.

19 COUNCIL MEMBER MEALY: Do you know how  
20 long their lease is?

21 DENNIS TAYLOR: No, not right off hand.  
22 But I think the minimum amount of years for the  
23 lease was five years but I'm not for sure. I could  
24 check that and get back to your office with that if  
25 you'd like me to.

2 COUNCIL MEMBER MEALY: Okay one thing,  
3 when I looked into I, at first I thought it was  
4 something else but we do need affordable housing  
5 and that would help that family, those two families  
6 in that building so I'm looking forward to voting  
7 yes. Thank you Chair.

8 CHAIRPERSON DICKENS: We've also been  
9 joined today by Council Member Rodriguez and do my  
10 colleagues have any other questions?

11 [background sneeze]

12 CHAIRPERSON DICKENS: God bless you.

13 UNIDENTIFIED FEMALE: [off mic] Thank  
14 you.

15 CHAIRPERSON DICKENS: Mm-hmm. Seeing  
16 none thank you so much for your testimony very  
17 much. Are there any members of the public that wish  
18 to testify? Seeing none I'm closing the public  
19 hearing on Land Use item 70. I want a note for the  
20 record that the application we're voting on today  
21 has the support of both council members Mealy and  
22 Espinal. I will now call on Council to call the  
23 roll on the vote to approve. And I recommend an aye  
24 vote.

25 COUNCIL: Chair Dickens.

2 CHAIRPERSON DICKENS: Aye.

3 COUNCIL: Council Member Mealy.

4 COUNCIL MEMBER MEALY: Aye.

5 COUNCIL: Council Member Rodriguez.

6 COUNCIL MEMBER RODRIGUEZ: Aye.

7 COUNCIL: Council Member Cohen.

8 COUNCIL MEMBER COHEN: Aye.

9 COUNCIL: Council Member Treyger.

10 COUNCIL MEMBER TREYGER: Aye.

11 COUNCIL: By a vote of five in the  
12 affirmative, zero abstentions, and no negatives  
13 Land Use Item number 70 is approved and referred to  
14 the full Land Use Committee.

15 CHAIRPERSON DICKENS: Thank you. And I  
16 want to make notice for all that our next hearing..  
17 colleagues our next hearing will be September the  
18 3<sup>rd</sup>. And we have Land Use tomorrow at 10:00 a.m.,  
19 11:00 a.m. at City Hall Committee Room. This motion  
20 has passed and I would like to thank the members of  
21 the public, my colleagues, council, and land use  
22 staff for attending today's hearing. This hearing  
23 is hereby adjourned.

24 [gavel]

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 August 20, 2014