

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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October 22, 2013  
Start: 1:20 p.m.  
Recess: 1:35 p.m.

HELD AT:                   Committee Room  
                                  City Hall

B E F O R E:               Steven T. Levin  
                                  Chairperson

COUNCIL MEMBERS:  
                                  Charles Barron  
                                  Inez E. Dickens  
                                  Sarah M. Gonzales  
                                  Peter Koo  
                                  Rosie Mendez

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

Chris Gonzales  
Assistant Commissioner at HPD

Gary Sloman  
Director of Operations for Division of Housing  
Supervision at HPD

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS 3

2 CHAIRPERSON LEVIN: Good afternoon.

3 Welcome to the Subcommittee on Planning,  
4 Dispositions and Concessions. I'm Council  
5 Member Steven Levin, Chair of the Subcommittee.  
6 I am joined this afternoon by the full  
7 Subcommittee. From the left we have Peter Koo  
8 of Queens, Council Member Peter Koo of Queens,  
9 Council Member Sarah Gonzales of Brooklyn,  
10 Council Member Inez Dickens of Manhattan,  
11 Council Member Charles Barron of Brooklyn, and  
12 we are joined this afternoon by Council Member  
13 Rosie Mendez of Manhattan. We have four items  
14 on the agenda this afternoon, Land Use number  
15 948, 940, 941, and 942. We will have a hearing  
16 on 948 at our previous subcommittee meeting.  
17 We had the hearing on 940, 941, and 942 Livonia  
18 Commons. So we'll first have the hearing on  
19 Land Use 948, that's 20145126HAM, that's 304-  
20 306 East 8<sup>th</sup> Street in Manhattan, Community  
21 District Three and Council District Two  
22 represented by Council Member Rosie Mendez.  
23 Testifying on this item this afternoon we have  
24 Chris Gonzales, Assistant Commissioner at HPD

1  
2 joined by Gary Sloman at HPD. Commissioner  
3 Gonzales?

4 COMMISSIONER GONZALES: Good afternoon,  
5 Chair, members of the Subcommittee. I'm Christopher  
6 Gonzales, Associate Commissioner of HPD, and I'm  
7 joined by Gary Sloman, Director of Operations for  
8 the Division of Housing Supervision. Land Use item  
9 948 consists of a proposed amendment to a  
10 previously approved disposition of property located  
11 at block 390, lot nine, also known as 304-306 East  
12 8<sup>th</sup> Street, HDFC. On May 28<sup>th</sup>, 1992, the City  
13 Council approved the HDFC as a low income  
14 cooperative. Currently, the HDFC has been  
15 experiencing financial hardship due to the phase  
16 out of DJ51 benefits. HPD is before the Council  
17 today seeking approval of an article 11 tax  
18 exemption. The HDFC will enter into a regulatory  
19 agreement with HPD, establishing certain controls  
20 on the operations of the area. Council Member  
21 Mendez has indicated her support for the project.  
22 I'll take whatever questions you have.

23 CHAIRPERSON LEVIN: Thank you,  
24 Commissioner. Council Member Mendez, do you want  
25 to say anything?

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COMMITTEE ON TRANSPORTATION

COUNCIL MEMBER MENDEZ: Thank you, Mr. Chair. Finally getting around to getting some of these much needed tax relief to a lot of our affordable housing that's in my district, and I'm happy as we'll be the co-operators at 304, 306 East Eighth Street to have this finally get passed by the City Council. Thank you.

CHAIRPERSON LEVIN: Okay. Do any of my other colleagues have any questions on this item? So just quickly, so previously it was an HDFC had a tax exemption under the HDFC program?

COMMISSIONER GONZALES: It has a J51 that expired.

CHAIRPERSON LEVIN: Oh, okay. So the tenants are all long time tenants?

GARY SLOMAN: Yes, yes, it's a--

CHAIRPERSON LEVIN: [interposing]  
Sorry, the co-operators, excuse me.

GARY SLOMAN: It's Co-operators and they're all long time co-operators, and this exemption will allow them to continue to operate in a responsible manner as affordable housing. As the J51 expires, the tax spiked, so this is necessary.

CHAIRPERSON LEVIN: Okay. And the J51 has expired already or it's about to?

GARY SLOMAN: It has expired, yes.

CHAIRPERSON LEVIN: Okay. How much have they had to pay in taxes since the expiration?

GARY SLOMAN: Well, the difference in taxes will go from around 90,000 to 8,000, and I don't know what the taxes were as--when the J51 was in place. I don't have that information in front of me.

CHAIRPERSON LEVIN: Okay, we're very happy to pass this and maintain affordable housing stock in a very important neighborhood in the City. So I want to congratulate Council Member Mendez, and Council Member Dickens has a question.

COUNCIL MEMBER DICKENS: [off mic] J51?

GARY SLOMAN: That's correct.

COUNCIL MEMBER DICKENS: And that expired?

GARY SLOMAN: That's correct.

COUNCIL MEMBER DICKENS: [off mic] And this is the best exemption in full or part?

GARY SLOMAN: It's a partial tax exemption. It's done through the means of limiting

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COMMITTEE ON TRANSPORTATION

the AV, the Assisted Valuation, so that the--and it goes up on a regular schedule, so that they will continue to pay taxes and will go up moderately every year. So there is some tax liability.

COUNCIL MEMBER DICKENS: So eventually the J51 will become tax exempt?

GARY SLOMAN: Initially, yes.

COUNCIL MEMBER DICKENS: And so now, they have had the [off mic] so they don't qualify for a total exemption, and is that way they can only get partial exemption, because that means that [off mic]

GARY SLOMAN: Well, we've done the underwriting and this seems to be a--this is a responsible way to allow the City to get some revenue and to allow them to maintain their affordability. We've done this on a number of similar buildings where we have situations where either the J51 expires and/or it is a marked increase in real estate values as in the Lower East Side. There's a number of similarly situated buildings that we've been working with.

2 COUNCIL MEMBER DICKENS: This keeps the  
3 accessory panel, what about the rate [off mic]  
4 also?

5 GARY SLOMAN: No, the rate is whatever  
6 the rate is.

7 COUNCIL MEMBER DICKENS: So the rate  
8 can vary and change?

9 GARY SLOMAN: That's correct.

10 COUNCIL MEMBER DICKENS: Which would  
11 cause the taxes to go up?

12 GARY SLOMAN: To some degree, yes.

13 COUNCIL MEMBER DICKENS: So, that's  
14 going to be [off mic]

15 GARY SLOMAN: Well, in our estimation  
16 and the housing company agrees that this is--that  
17 they can handle that whatever taxes might result  
18 from this.

19 COUNCIL MEMBER DICKENS: So, is that  
20 [off mic]

21 GARY SLOMAN: Well, by maintaining the-  
22 -by controlling the AV, we have a tight control on  
23 the taxes regardless of the rate.

24 COMMISSIONER GONZALES: Right, and if I  
25 could add that, you know, as part of this plan,



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2 they will also be entering into a new regulatory  
3 agreement with HPD, so that will also ensure that  
4 the--that--

5 COUNCIL MEMBER DICKENS: [interposing]  
6 They control the rent stabe [phonetic]

7 COMMISSIONER GONZALES: It's a  
8 regulatory agreement that keeps the rent, excuse  
9 me, the maintenance affordable.

10 COUNCIL MEMBER DICKENS: Alright, thank  
11 you.

12 CHAIRPERSON LEVIN: Thank you, Council  
13 Member Dickens. Any other questions on this item?  
14 Okay, seeing none, we will close the hearing on  
15 Land Use number 948. Congratulations to Council  
16 Member Mendez, and we will move onto Land Use 940,  
17 941, and 942. Oh, sorry. We had the hearing, but  
18 Council Member Barron, do you have anything that  
19 you want to say about these items?

20 COUNCIL MEMBER BARRON: First, I'd like  
21 to say that East New York, you know, we bring in a  
22 lot of affordable housing in East New York, and my  
23 humility commands me to say in all the humbleness  
24 that I could conjure up, is that I just so happen  
25 to be the number one Council Member in building



1 and have rent subsidies and even some income  
2 subsidies or ways that homeless people can gain  
3 income so we can get them into affordable permanent  
4 housing as opposed to emergency housing. So we're  
5 very very proud of this project. In addition to  
6 that, we'll have a four story boy's club being  
7 built. It'll be for boys and girls, and that's the  
8 name of the agency, but it'll be for girls as well.  
9 So between the four story boy's club and 274 units  
10 of 100 percent affordability, not 80 percent or 20  
11 percent, you know, 80/20 formulas. Not 80/20, not  
12 60/40, but we're talking 100 percent affordability  
13 for the community, that's a great project, and I  
14 would just say that I'm very, very proud to--I'm  
15 sure if we sat with HPD and look at the numbers,  
16 when you add on my gateway two project, which is  
17 2,370 units of housing which is 80 percent  
18 affordable, only 20 percent is 80 percent of the  
19 AMI. The rest is lower. I'm sure I would have  
20 surpassed anybody in the Council in respective of  
21 their self proclaiming being number one in  
22 affordability. And I think we just have to be  
23 truthful in this Council, because truth is very  
24 very important and give credit where credit is due.  
25

1 So thank you very much, and I ask that my  
2 colleagues support this project that's going to be  
3 so great for my community, and I want to request  
4 that nobody else be able to speak.

5 [laughter]

6 CHAIRPERSON LEVIN: I think it's only  
7 fair that congratulations Council Member Barron,  
8 but I think it's only fair that Council Member  
9 Dickens is able to have a response. Council Member  
10 Dickens--  
11 Dickens--

12 COUNCIL MEMBER DICKENS: [interposing]

13 Thank you so much, Mr. Chair. I appreciate it. And  
14 I will salute my colleague, my esteemed colleague  
15 from Brooklyn that he is number one the borough of  
16 Brooklyn in securing affordable housing. I think  
17 it's amazing the AMI's. I think it's amazing that  
18 16 percent has been set aside for the homeless.  
19 That is a very unique, because I take--I take  
20 credit for having raise the bar in Planning and  
21 Land Use, and in fact, become somewhat of an  
22 educator to teach what it is for imperpetuity, to  
23 have affordable units available to the community. I  
24 think and I do take credit for possibly having done  
25 a little part of raising the bar so that all of us

1  
2 become a little bit competitive, and there's  
3 nothing wrong with a little competition, because  
4 then more of our Council Districts will have  
5 additional affordable units. So, today, I do give  
6 credit even though I feel that I'm being shoved or  
7 pushed over the cliff somewhat by my colleague, I  
8 do stand up and say job well done Council Member  
9 Barron. However, I want you to know that this time  
10 next year it will not be a Charles Barron that will  
11 be sitting here arguing over affordability in  
12 perpetuity, but it'll be an Inez Barron, and I  
13 think that an Inez, such as the Inez from Manhattan  
14 or the Inez from Brooklyn will surpass this in  
15 Brooklyn, but again, only in Brooklyn, because I'm  
16 going to keep it number one, the Inez from  
17 Manhattan for the entire Council. Thank you so  
18 much and congratulations.

19 CHAIRPERSON LEVIN: Thank you very  
20 much, Council Member Dickens. Do any of my  
21 colleagues have anything that they want to add on  
22 this particular item? I will say, Council Member  
23 Barron, that I have a couple of big Land Use  
24 projects coming up in my district, so if you want  
25 to help me out a little bit, I could definitely use

1 the assistance. So you could come over to my  
2 office. [off mic conversation] Thank you. I could  
3 definitely use the help Council Member Dickens.  
4 Thank you. So anyone wants to help out, please.  
5 Seeing no other comments on this item, we will move  
6 to a vote. I'll ask Counsel to the Committee to  
7 call the roll on all items today, Land Use number  
8 948, 940, 941, and 942, and I recommend an aye vote  
9 on all items.  
10

11 COUNSEL: Chair Levin?

12 CHAIRPERSON LEVIN: Aye on all.

13 COUNSEL: Council Member Barron?

14 COUNCIL MEMBER BARRON: Aye on all.

15 COUNSEL: Council Member Gonzales?

16 COUNCIL MEMBER GONZALES: Aye on all.

17 COUNSEL: Council Member Dickens?

18 COUNCIL MEMBER DICKENS: Yes, I give  
19 congratulations again to Council Member Barron, and  
20 I aye on all.

21 COUNSEL: Council Member Koo?

22 COUNCIL MEMBER KOO: Aye on all.

23 COUNSEL: And with a vote of five in  
24 the affirmative, zero in the negative, and zero  
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COMMITTEE ON TRANSPORTATION

abstentions, all items--all land use items are  
hereby adopted.

CHAIRPERSON LEVIN: Congratulations  
Council Member Barron, Council Member Mendez. This  
meeting is adjourned.

[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 there is no relation to any of the parties to this action by blood or marriage, and that there is no interest in the outcome of this matter.



Date 10/28/2013