

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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September 22, 2009

Start: 1:00pm

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HELD AT: Committee Room
City Hall

B E F O R E: DANIEL R. GARODNICK
Chairperson

COUNCIL MEMBERS:
Sara M. Gonzalez
Inez E. Dickens
Vincent Ignizio

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

Carol Clark
Assistant Commissioner
NYC Department of HPD

Ted Weinstein
Director of Bronx Planning
NYC Department of HPD

Jack Hammer
Director of Brooklyn Planning
NYC Department of HPD

Ruthann Visnauskas
Acting Assistant Commissioner, Preservation Finance
NYC Department of HPD

Anne Marie Hendrickson
Associate Commissioner, Management and Disposition
NYC Department of HPD

Adam Weinstein
Phipps Houses

Karen Hu
Project Manager
Phipps Houses

Giordi Mark
Concerned Citizen

Andre Avez
Concerned Citizen

Joseph Pietrofesso
Concerned Citizen

Carmen Gonzalez
Concerned Citizen

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

Elisa Cassas
Commercial Tenant
63 Thompson St.

Pamela Camhe
Concerned Citizen

Hugo Nary
Concerned Citizen

Keith Lubke
Concerned Citizen

2 CHAIRPERSON GARODNICK: Good

3 afternoon, everybody and welcome to the
4 subcommittee on Planning Dispositions and
5 Concessions. This is a subcommittee of the Land
6 Use Committee of the New York City Council.
7 Today's date is September 22nd, 2009. My name is
8 Dan Garodnick and I have the privilege of chairing
9 the subcommittee. I'm joined today by Committee
10 Members Sara Gonzalez, Brooklyn, and Inez Dickens
11 of Manhattan. And we're ready to get started into
12 our agenda, which is short, but I know there are a
13 number of people who are here to testify. If you
14 are interested in testifying and have not done so
15 already, please approach the Sergeant-at-Arms and
16 fill out one of these little slips of paper so we
17 know that you are here and that you want to speak.
18 But we are going to get right into it and open the
19 hearing on Land Use numbers 1192 and 1193, the
20 related items of Social Security Administration
21 related parking in Bronx Community Board 6,
22 C0903422ZMX, and N090343HAX. And we're joined by
23 representatives of HPD today. And we will welcome
24 them and ask them to introduce this item.

25 CAROL CLARK: Thank you Mr.

1
2 Chairman and Members of the Committee. My name is
3 Carol Clark. I'm an Assistant Commissioner for
4 Local Legislative Affairs at HPD, and I am joined
5 by our Director of Bronx Planning, Ted Weinstein,
6 who will present the testimony on this item.

7 TED WEINSTEIN: Good afternoon.

8 This is a site that's on Southern Boulevard and
9 175th Street in Community District 6 in the Bronx.
10 In 1999, after having gone through the UDAAP
11 process, the City sold a parcel of land to an
12 owner/developer who was under contract with the
13 Federal Government to build a building for a
14 social security office to serve that part of the
15 Bronx. We sold the property, which on the map
16 I'll show you quickly. This is the building.
17 This is the parking lot. This is what was sold.
18 So the land was to be used for a building and a
19 parking lot. It went through the process, but as
20 it was going through, unfortunately, it was
21 determined that the commercial overlay of the zone
22 did not reach--was not co-terminus with the
23 property, and therefore did not reach the back
24 part of the property. So that piece on the back
25 that was not zoned commercial and therefore could

1
2 not have the parking lot, was not conveyed at that
3 time. As it was intended to be part of the
4 project we agreed that we would then go through
5 the process again to rezone that piece and then
6 convey that to them as well. Soon thereafter they
7 also requested an additional piece of city-owned
8 property, which is the piece that's to the left on
9 the map there, and then the piece that's on the
10 corner they then--that was a privately owned lot.
11 They purchased that because the social security
12 administration asked them to expand the building,
13 and they bought the private lot to do that. So
14 the additional piece was supposed to serve as
15 additional parking. So basically what we have
16 here is a building, a social security office in
17 the middle of the block, and then there will be
18 parking on either side of it. So the purpose of
19 the actions today are to re-zone so that the
20 commercial overlay covers the entire building and
21 the existing and proposed parking lot, and then
22 the usual UDAAP designation.

23 CHAIRPERSON GARODNICK: Thank you
24 very much. Let me just make sure that I
25 understand. You covered a lot very quickly there.

1
2 When you said that they bought the lot for the
3 purposes of the SSA, they is who?

4 TED WEINSTEIN: The
5 owner/developer.

6 CHAIRPERSON GARODNICK: And who is
7 the owner/developer here?

8 TED WEINSTEIN: It's Brewran
9 Companies, B-R-E-W-R-A-N.

10 CHAIRPERSON GARODNICK: So when the
11 City sold property to a developer, it was to the
12 Brewran company?

13 TED WEINSTEIN: Yes.

14 CHAIRPERSON GARODNICK: Okay. And-

15 -

16 TED WEINSTEIN: [Interposing] They
17 own the property and then they lease it to the
18 federal GSA.

19 CHAIRPERSON GARODNICK: Okay. And
20 it was sold to this developer under the
21 understanding that a portion of it would be used
22 for parking.

23 TED WEINSTEIN: Correct.

24 CHAIRPERSON GARODNICK: And the
25 area that was conveyed was not all zoned in a way

1
2 that would have allowed for parking. Is that
3 right?

4 TED WEINSTEIN: Yes.

5 CHAIRPERSON GARODNICK: Now just
6 show us, just to make sure I understand, what is
7 the area that we're talking about rezoning on this
8 map, so that we can see the area that is not co-
9 terminus, as you describe it.

10 TED WEINSTEIN: Okay. Now the
11 reason, I'll just explain, is that most commercial
12 overlays are 100 feet in from the block front
13 there. But tax lots don't follow such a regular
14 pattern, and that was the problem here.

15 [Pause]

16 TED WEINSTEIN: This area here--

17 FEMALE VOICE: [Interposing] You
18 have to talk into the mic.

19 TED WEINSTEIN: Okay I'll just
20 point.

21 CHAIRPERSON GARODNICK: You can
22 lift it, yeah.

23 TED WEINSTEIN: Okay. This area
24 here in the red is the area that has to be rezoned
25 to complete this parking lot. And then if this

1
2 piece here, which is a separate tax lot, that's
3 lot 120, if that is to be used for additional
4 parking, that has to be rezoned as well. In
5 addition just--

6 CHAIRPERSON GARODNICK:

7 [Interposing] Wait. Let me stop you right there.

8 TED WEINSTEIN: Yes.

9 CHAIRPERSON GARODNICK: Were both
10 areas in red part of the original conveyance?

11 TED WEINSTEIN: This was to be.

12 CHAIRPERSON GARODNICK: And the
13 other one was not?

14 TED WEINSTEIN: Was not.

15 CHAIRPERSON GARODNICK: So this is
16 an additional conveyance from the City to Brewran
17 company of that area on the left hand side of the
18 map, and a rezoning of that area at the same time?

19 TED WEINSTEIN: Yes. The
20 discussion about this piece came up right after
21 that was going on back then. And then the other
22 little clean up, because you might see there are
23 other tax lots mentioned, was really just to make
24 the new zoning line smooth, basically so that City
25 Planning on its maps could represent it correctly.

2 So there was a little piece of the commercial
3 overlay that extended on to these homes back here.
4 That is being taken away.

5 CHAIRPERSON GARODNICK: Okay, thank
6 you. You have consulted, of course, with Council
7 Member Rivera, in whose district that sits?

8 TED WEINSTEIN: Yes.

9 CHAIRPERSON GARODNICK: Thank you.
10 And he's supportive?

11 TED WEINSTEIN: Yes.

12 CHAIRPERSON GARODNICK: Okay.
13 Thank you. Seeing no members of the public
14 wishing to testify on this item, we will close the
15 hearing on the related land use numbers 1192 and
16 1193 and will open the hearing on Land Use 1207,
17 which is at 640 Broadway in Brooklyn Community
18 Board 1, C090379HAK, another HPD application. And
19 please go right ahead.

20 CAROL CLARK: Thank you, Mr.
21 Chairman. Carol Clark again. I'm joined for this
22 one by Jack Hammer, who is the director of
23 Planning for the Brooklyn office of HPD. Jack?

24 JACK HAMMER: Oh, thank you. Good
25 afternoon. This project consists of the proposed

2 disposition of one city-owned vacant building
3 located at 640 Broadway in Brooklyn, for
4 development under the New York State Housing Trust
5 Fund Program and HPD's participation loan program.
6 The sponsor, United Jewish Organization of
7 Williamsburg, will completely reconstruct and
8 convert the former warehouse into residential
9 housing as per existing zoning. When completed,
10 the project will provide nine residential units
11 for low-income occupants and approximately 1,300
12 square feet of commercial space. In addition, the
13 building will provide approximately 900 square
14 feet of rooftop open space with benches and
15 planters for the use of tenants and Council Member
16 Yassky has reviewed the project and indicated his
17 support.

18 CHAIRPERSON GARODNICK: Thank you.
19 You say it's being developed by UJO Williamsburg,
20 is that right?

21 JACK HAMMER: Yes.

22 CHAIRPERSON GARODNICK: Now how
23 were they selected to be the developer of this
24 site?

25 JACK HAMMER: UJO--I'll just talk

1
2 about the history for a moment--actually discussed
3 this project, actually started to develop this
4 concept as far back as 2002 when they approached
5 Community Board 1. So the original planning
6 actually goes back that far. At that point the
7 Community Board indicated its preliminary support
8 for the project and based on that we worked
9 closely with UJO to identify funding sources. In
10 the end we felt that, along with UJO, the New York
11 State Housing Trust Program was an appropriate
12 vehicle to at least provide partial funding for
13 this project. And we were able to provide UJO
14 what we call an authorization letter in order to
15 apply for discretionary funding under the DHCR's
16 competitive funding process. So basically there
17 was a competitive review at the time we would
18 provide the authorization letter to UJO. And
19 ultimately the state funding agency--state
20 Division of Housing and Community Renewal--issued
21 a preliminary funding authorization, which has
22 allowed the project now to move forward, together
23 with other funding sources provided in part by
24 HPD.

25 CHAIRPERSON GARODNICK: I'm not

1
2 sure I completely understand that. Let's go back
3 to 2002, which is where you started. UJO became
4 involved in this project how?

5 JACK HAMMER: Basically they
6 approached us in terms of the concept of
7 converting this building into residential housing
8 for low-income families. Those initial
9 discussions again started at that time with the
10 Community Board. The Community Board indicated
11 its preliminary support. There was quite a bit of
12 lag time before we got to this point, because it's
13 a difficult undertaking given the building itself
14 is actually subject to a partial demolition a
15 couple of years ago because of unsafe building
16 conditions. So there was actually a partial
17 demolition, overseen by HPD, which resulted in us
18 trying to figure out with UJO how to reconfigure
19 the building using the existing bottom floors,
20 because the building did not have to be completely
21 demolished. We were able to get an understanding
22 with the Department of Buildings to consider this
23 as, in effect, a rehabilitation, even though new
24 floors are being built on top of the existing
25 structure that was partially demolished. So the

2 reason there was such a lag time since 2002 is
3 because it took a while to put these pieces
4 together and to figure out the financing and
5 through that process, again before any commitments
6 were made--these were all preliminary discussions
7 and evaluation on the part of HPD with UJO. And
8 it ended up suggesting jointly with UJO--UJO
9 suggesting to us and us confirming that yes, the
10 State Housing Trust Fund Program, which is a
11 competitive process, was an appropriate vehicle
12 for them to apply for and get financing to help
13 develop this low income project.

14 CHAIRPERSON GARODNICK: But at that
15 point of course they were competing against--

16 JACK HAMMER: [Interposing]
17 Competing against a number of applicants that--

18 CHAIRPERSON GARODNICK:
19 [Interposing] For the same property?

20 JACK HAMMER: No, not for the same
21 property.

22 CHAIRPERSON GARODNICK: Right.
23 Okay.

24 JACK HAMMER: DHCR's process is
25 open, competitive. UJO was the only applicant for

1
2 this particular site in terms of--

3 CHAIRPERSON GARODNICK:

4 [Interposing] Well they didn't apply. They
5 approached you.

6 JACK HAMMER: They approached us
7 and that led to us issuing the authorization
8 letter to allow for them to apply under an open,
9 competitive notice of funding availability issued
10 by DHCR.

11 CHAIRPERSON GARODNICK: Right. But
12 the authorization happened without any competitive
13 process, right?

14 JACK HAMMER: The authorization
15 itself is based on a proposal to us, but the
16 competitive process, we rely on DHCR's competitive
17 review in terms of our policy, that yes, there is
18 a competitive process, even though it's not an HPD
19 RFP that's the competitive nature--in this case
20 it's the state's competitive process, which we
21 rely on.

22 CHAIRPERSON GARODNICK: I
23 understand. But at the point that UJO was
24 applying to the state's competitive process, they
25 were the HPD--

2 JACK HAMMER: [Interposing] No.
3 There was actually no formal designation. Let me
4 make that point clear.

5 CHAIRPERSON GARODNICK: But you
6 were partners at that time.

7 JACK HAMMER: Basically we were
8 exploring--it was really exploring the process
9 with them and trying to figure out, you know,
10 potential funding sources, and that led to the HTF
11 funding authorization.

12 CHAIRPERSON GARODNICK: Council
13 Member Ignizio.

14 COUNCIL MEMBER IGNIZIO: This
15 Committee has an issue with regards to selection
16 prior to a competitive process. And I ask--there
17 was no RFP put out from HPD regarding this
18 building, correct?

19 JACK HAMMER: That's correct.

20 COUNCIL MEMBER IGNIZIO: And the
21 application to the state, I was formerly a state
22 legislator, was present as HPD and UJA did you
23 say?

24 JACK HAMMER: UJO.

25 COUNCIL MEMBER IGNIZIO: UJO

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2 submitting for funding and approval of this
3 project, correct?

4 JACK HAMMER: Actually UJO is the
5 applicant. We provide an authorization letter--

6 COUNCIL MEMBER IGNIZIO:
7 [Interposing] Right.

8 JACK HAMMER: Which DHCR requires
9 as a component of their application review
10 process.

11 COUNCIL MEMBER IGNIZIO: Sure.

12 JACK HAMMER: DHCR would not even
13 consider an application or plea unless we provide
14 an authorization letter, which is not any type of
15 designation on our part. It simply is an
16 indication to the state that there are no other
17 competing uses for this particular property that
18 should prevent the state from reviewing an
19 application.

20 COUNCIL MEMBER IGNIZIO: Right.
21 But you wouldn't know that, because there was no
22 open call in a sense. So it's not like, well
23 nobody else came and they wanted to rehab this
24 building, it was just the person who came to see
25 us. But my argument on behalf of this committee

2 in regards to meetings that I've had with HPD in
3 the past has been, how do you know? If you don't
4 let something open to the public, maybe you only
5 get UJO who wants to come in. But without the, I
6 feel, responsibility of the City of New York
7 saying an open call, does anybody want to be a
8 part of this, I can't support it. Mr. Chairman,
9 I'll be voting no.

10 CHAIRPERSON GARODNICK: Thank you,
11 Council Member Ignizio. And seeing no other
12 members of the public wishing to testify on this
13 item, we'll close the hearing on Land Use 1207,
14 640 Broadway, Brooklyn Community Board 1,
15 C090379HAK. I will advise HPD that I share the
16 concerns of Council Member Ignizio. We will give
17 you an opportunity to present any additional
18 information. But I'm going to lay over this item.
19 We will not be voting on it today because--in case
20 there's something we're missing here we want to
21 give you an opportunity. We're going to be
22 recessing this hearing until Thursday morning. So
23 you can have an opportunity to present anything
24 additional that might address the issues that
25 Council Member Ignizio and I have raised with you.

2 I should note that we have made this point very
3 clear to HPD on a number of occasions, that we are
4 extremely concerned about processes that do not
5 involve openness and a competitive nature. And so
6 we look forward to hearing back from you on
7 Thursday on that item. But we will close the
8 hearing at this moment and we'll revisit.

9 CAROL CLARK: Thank you, Mr.
10 Chairman.

11 CHAIRPERSON GARODNICK: The next
12 item on the agenda is Land Use number 1109, non-
13 ULURP, 2009 5572HAM at 63 Thompson Street, which
14 is in the District of Speaker Christine Quinn.
15 HPD has a presentation. I know there are a number
16 of people here wishing to testify on this item.
17 To those folks I say, welcome to City Hall. We're
18 glad to have you and we'll bring you up in a
19 second. We're just going to hear from the
20 applicant and ask him a few questions, and then
21 we'll invite you up in a panel. So about four of
22 you at a time. So Ms. Clark, go ahead.

23 CAROL CLARK: Yes. I'm Carol
24 Clark, Assistant Commissioner, HPD. And I'm
25 joined today by RuthAnn Visnauskas, who is the

1
2 acting Assistant Commissioner for Preservation
3 Finance to my right; and to my left, the Associate
4 Commissioner for Management and Disposition, Anne
5 Marie Hendrickson, and I thank both of them for
6 joining me today. 63 Thompson Street is a
7 partially occupied building that came in to City
8 ownership through the in rem process. It was
9 title vested in 1976. The building, which is a
10 new law tenement, built in 1906, originally
11 consisted of 33 studio apartments and ground floor
12 commercial space. Since 2006, Phipps Houses, an
13 experienced non-profit affordable housing
14 organization, has been managing the property for
15 HPD. Together, HPD and Phipps have been working
16 on a plan to rehabilitate the building. The
17 building's current condition requires substantial
18 rehabilitation, necessitating temporary relocation
19 of the existing tenants. The proposed project
20 will make the building compliant with the New York
21 City building code, the housing maintenance code,
22 the New York State multiple dwelling law, and
23 HPD's design guidelines. In order to create
24 living spaces that meet these requirements, the
25 number of units must be reduced. The rehabilitate

2 building will provide 21 units of affordable
3 housing; it's currently configured as 15 studio
4 units, five one-bedrooms and one two-bedroom
5 apartment, with two ground-floor commercial units.
6 Since last spring, HPD has been communicating with
7 staff from the Speaker's office and reviewing
8 issues raised by the tenants in the 13 occupied
9 units in the building. We are hopeful that the
10 approval of this UDAAP item will be forthcoming,
11 allowing an appropriate renovation and
12 modernization of 63 Thompson Street. Thank you.
13 We're happy to take any questions.

14 CHAIRPERSON GARODNICK: Thank you
15 very much. And definitely we'll have some
16 questions. I do want to note that it's our
17 understanding that the speaker's office has been
18 meeting very closely with the tenants, who are
19 involved here, and that there are a number of
20 issues that are still in the air from those
21 discussions and their discussions with you as
22 well. The tenants, we understand, are also in the
23 process of getting legal representation and that
24 the speaker's office intends to continue a
25 conversation about this before the vote. But we

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 2 want to clarify a few of the issues today and the
 3 Speaker did want to pass along the fact that she
 4 was not able to attend here, but that her staff is
 5 in fact present--there we go, Kate Sealy-Kirk
 6 (phonetic) is here. And let me just start off the
 7 questions with a couple. You noted that it
 8 started with 33 units and is now going down to 21
 9 units. Is that right?

10 CAROL CLARK: That is correct.

11 CHAIRPERSON GARODNICK: So does
 12 that mean that 12 people will be displaced as a
 13 result of this?

14 CAROL CLARK: No one will be
 15 displaced as a result of this, no.

16 CHAIRPERSON GARODNICK: Are people
 17 living in all 33 units?

18 CAROL CLARK: No. The only
 19 occupied--there are 13 occupied units out of what
 20 was originally 33 units. And since 1976, when the
 21 property came into City ownership, some of the
 22 spaces inside of the building have been
 23 reconfigured by some of the occupants in the
 24 building, in order to make unit sizes which differ
 25 from what was the original configuration of the

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building.

CHAIRPERSON GARODNICK: Okay. So there are 13 units that are today occupied.

CAROL CLARK: That is correct. They vary in size.

CHAIRPERSON GARODNICK: Okay. I understand. Now during the course of the substantial work that is being proposed, presumably the tenants will have to leave during that time. Is that right?

CHAIRPERSON GARODNICK: Yeah, that's right. They would be temporarily relocated. And as I noted, we're working with Phipps houses and Phipps has the availability of relocation apartments in Kipps Bay, which is a fairly nearby to SoHo location that has been made available to the tenants. And we are in discussions--or Phipps is in discussions with the tenants about relocation procedures.

CHAIRPERSON GARODNICK: So, the proposal is to temporarily relocate to the Phipps houses on 27th Street and 2nd Avenue approximately--is that the Phipps Houses we're talking about?

2 CHAIRPERSON GARODNICK: That's
3 correct. That building that's up there that's
4 I.M. Pei designed, yes. That's correct.

5 CHAIRPERSON GARODNICK: Okay. How
6 have, or how were, the tenants informed that they
7 were going to have to be relocated in this
8 situation?

9 CAROL CLARK: Exactly how were they
10 informed that--well UDAAP, I know, is the part
11 that I can speak to Chairman Garodnick, which as
12 you know is a 150 day period, and during that 150
13 day period we've had a number of conversations, as
14 you noted, with the Speaker's Office and Phipps
15 has been meeting and our staff has been meeting
16 with the tenants, so I cannot speak myself to
17 exactly how they were informed, but I can ask
18 Associate Commissioner--

19 CHAIRPERSON GARODNICK:
20 [Interposing] Please.

21 CAROL CLARK: --Hendrickson to
22 Comment.

23 CHAIRPERSON GARODNICK: Sure.

24 ANNE MARIE HENDRICKSON: Good
25 afternoon, everyone. The tenants, when we first

1
2 designated Phipps as the developer for the
3 building we had a series of tenant meetings. At
4 each meeting it was discussed that the level of
5 renovation work that would be needed would require
6 the tenants to temporarily relocate. So they've
7 been told in a series of meetings. There's
8 actually a relocation agreement that we're working
9 on that they would have to sign, understanding all
10 their rights during the temporary relocation
11 process.

12 CHAIRPERSON GARODNICK: I see. So
13 you're working on an agreement between HPD and the
14 tenants which would--am I saying something wrong?
15 Go ahead.

16 ANNE MARIE HENDRICKSON: The
17 relocation agreement would be between Phipps and
18 the tenant themselves.

19 CHAIRPERSON GARODNICK: I see,
20 Phipps.

21 ANNE MARIE HENDRICKSON: Yes.

22 CHAIRPERSON GARODNICK: And the
23 tenants.

24 ANNE MARIE HENDRICKSON: Yes, sir.

25 CHAIRPERSON GARODNICK: To address

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2 the relocation timeframe. Does it set forth
3 timeframe as to how much time they will have to be
4 out of the building?

5 ANNE MARIE HENDRICKSON: It will
6 probably talk about an estimated construction
7 schedule. I mean typically we normally have a
8 building for 18 months during renovations. So it
9 will speak to that, the timeframe of renovation,
10 and the fact that their rent will remain the same,
11 and any sort of relocation differential will be
12 covered through the development budget.

13 CHAIRPERSON GARODNICK: The
14 relocation differential, you're talking about rent
15 differential?

16 ANNE MARIE HENDRICKSON: Yes. Yes,
17 sir.

18 CHAIRPERSON GARODNICK: So, okay.
19 So the relocation budget will include assisting
20 tenants who will temporarily move from 63 Thompson
21 to wherever it is. Now what about their actual
22 rent for when they return. What's the situation
23 there?

24 ANNE MARIE HENDRICKSON: Well the
25 rents are typically restructured to be no more

1
2 than 30% of a family's income. So I'm not sure,
3 and RuthAnn, maybe you could speak to exactly what
4 the estimated rents we're looking to put in place,
5 but no tenant will be charged more than 30% of
6 their income.

7 CHAIRPERSON GARODNICK: Okay. And
8 what are they--what is the current situation in
9 the building in terms of rents?

10 ANNE MARIE HENDRICKSON: I believe
11 that the rents are--they range. I mean people pay
12 different rents. They are typically--they are
13 very low rents, so we did to an interim rent
14 restructuring to bring rents up, but again, no
15 tenant should be able to pay more than 30% of
16 their income, provided they show their income
17 documentation.

18 CHAIRPERSON GARODNICK: So, you all
19 have been in conversations, you all as HPD or
20 Phipps, has been in conversations with the tenants
21 about this project for some time, it sounds like.
22 Was there a gap in time between when you told
23 tenants about the need to relocate and they were
24 told about, I think what you just called, this
25 interim rents increase?

2 ANNE MARIE HENDRICKSON: Yes.

3 There was a gap in time. When Phipps first
4 started managing, I believe it was in 2006, the
5 interim rent increase was only issued very
6 recently. Again, the rents are very low, lower
7 than what we typically see in HPD-owned building,
8 and the idea was to raise those rents to be in
9 line with the operating expenses of the building.

10 CAROL CLARK: The rents right now
11 range from between \$90 to about \$400 a month, so
12 it's fairly, it's certainly on the \$90 a month
13 range--

14 CHAIRPERSON GARODNICK:

15 [Interposing] Okay. So they're low rents, but
16 help us understand though, so when did you give
17 them notice that they were going to have to
18 relocate? When did you give them notice about
19 the, I presume that that will be an increase in
20 rent for some, if not most, if the rents started
21 at \$90 to \$400. When are we talking about, just
22 so we understand the process for the tenants here?
23 We want to make sure that they are treated fairly
24 in this process. When were they given notice of
25 relocation? When did you come up with the, you

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know, the interim rent increase?

ANNE MARIE HENDRICKSON: The interim rent increase, I believe went into effect a few months ago. They were notified through a series of notices that the rent would be raised. Okay? They had an opportunity to comment on that. Okay. And I'm not sure exactly if the rent increase has been implemented to date. I think that we had postponed--holding off implementing it. I believe it's scheduled to go into effect in October. Am I correct about that?

CAROL CLARK: I believe that's correct. I believe the letter that was dated May 15th dealt rent increase, the interim rate increase subject matter.

CHAIRPERSON GARODNICK: So you're raising the rent before they leave.

CAROL CLARK: Yes, that's what's proposed.

CHAIRPERSON GARODNICK: Okay. And how did you decide October as opposed to November, December or any of those times that are out there?

ANNE MARIE HENDRICKSON: Well the interim rent restriction has a process that you

2 have to follow pursuant to CAPA rules in terms of
3 how many days they have to be notified, how many
4 days they have to comment. So from the May time
5 until the October time is really taking in to
6 effect all the CAPA notices and provisions in CAPA
7 to take ample notice to that.

8 CHAIRPERSON GARODNICK: Is this
9 going to be rent stabilized housing when the
10 tenants come back?

11 ANNE MARIE HENDRICKSON: Yes.

12 CHAIRPERSON GARODNICK: So 30% of
13 income and it's rent stabilized?

14 ANNE MARIE HENDRICKSON: Yes, sir.

15 CHAIRPERSON GARODNICK: For a
16 period of time or indefinitely?

17 RUTHANN VISNAUSKAS: It would have
18 a 30-year regulatory agreement per HPD's
19 traditional programs.

20 CHAIRPERSON GARODNICK: How was
21 Phipps chosen in this case? You know this is a
22 popular question for us in this committee. How
23 was Phipps chosen to work on the project?

24 ANNE MARIE HENDRICKSON: Phipps was
25 chosen--Phipps is qualified pursuant to several

1
2 RFQs that were issued at the agency and actually
3 this building was originally scheduled for Asset
4 Sales at one point, and based on the level of
5 rehab and based on the need to, you know, relocate
6 tenant in the vicinity, Phipps was sought out as a
7 citywide experienced not for profit sponsor to
8 participate in this project.

9 CHAIRPERSON GARODNICK: So they--
10 they, in your opinion, were the best to respond to
11 the RFQ process. Is that correct?

12 ANNE MARIE HENDRICKSON: Yes. They
13 are a citywide not for profit, one of the few.

14 CHAIRPERSON GARODNICK: So let me
15 understand. It was initially proposed as part of
16 asset sales, and now it's part of what is
17 considered substantial rehabilitation. Is that
18 right?

19 ANNE MARIE HENDRICKSON: Yes, sir.

20 CHAIRPERSON GARODNICK: Can you
21 explain to us what exactly is the technical
22 difference there between the asset sales program
23 and the substantial rehab program for the purposes
24 of attendance and also for our evaluation?

25 ANNE MARIE HENDRICKSON: Sure.

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2 Asset Sales was a program that was designed for
3 those few buildings that the agency agreed were in
4 areas that did not require City subsidy and did
5 not require a lot of work to be done in those
6 buildings. So looking at this building, and as
7 Carol pointed out, configurations have changed.
8 They're not in compliance with many of the
9 building code--that would kind of dictate that
10 this building needed a gut renovation and was more
11 suitable to be in this type of program.

12 CHAIRPERSON GARODNICK: Okay. So
13 then I understand how you described what will
14 happen with Phipps and rehab. What are the
15 contours of this substantial rehabilitation
16 program? This is not something that we frequently
17 see before this committee. Help us understand
18 what this means.

19 RUTHANN VISNAUSKAS: What
20 substantial rehab means?

21 CHAIRPERSON GARODNICK: Yes. Well,
22 I mean it's part of the substantial rehabilitation
23 program, in quotes, is part of HPD. We have new
24 foundations tenant and term lease. We frequently
25 see a variety of different programs. This one we

1
2 don't ordinarily.

3 RUTHANN VISNAUSKAS: It's going
4 through our PLP program, the participation loan
5 program, which is one of the--we have a series of
6 Preservation Finance programs. So the PLP program
7 focuses on moderate and substantial
8 rehabilitation, meaning there's work that's done
9 inside tenants' apartments. We also have rehab
10 programs that are really just sort of building
11 systems programs. So the PLP program is designed
12 to combine private financing with City subsidy to
13 do moderate and substantial rehabilitation.

14 CHAIRPERSON GARODNICK: So, the
15 loan program is funded by both the city and from
16 private sources. So the loan is given by HPD?

17 RUTHANN VISNAUSKAS: No, there's
18 two sources of funding. Traditionally there's a
19 bank loan and then there's an HPD loan, that's a
20 second loan behind it. That's City Capital, our
21 home funds.

22 CHAIRPERSON GARODNICK: Okay. And
23 that's required in this case because of the amount
24 of work that's required on the building, correct?

25 RUTHANN VISNAUSKAS: Correct.

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2 There's a significant amount of work in city and
3 City subsidy going in the building.

4 CHAIRPERSON GARODNICK: Last
5 question fro me, then I'll see if my colleagues
6 have any questions. The commercial space on the
7 ground floor that Ms. Clark mention, these
8 presumably will be revenue-generating spaces. Is
9 that right?

10 CAROL CLARK: Yes.

11 CHAIRPERSON GARODNICK: Now how are
12 you going to deal with that in connection with the
13 gut rehabilitation of the building? Will those
14 spaces stay put or are they all part of the gut
15 rehab?

16 ANNE MARIE HENDRICKSON: I'm not
17 quite sure if--does the post-renovation layout
18 include the commercials coming back? I'm not
19 quite sure.

20 CHAIRPERSON GARODNICK: It sounds
21 like Phipps knows the answer to the question.
22 They're coming up next.

23 ANNE MARIE HENDRICKSON: Phipps
24 does no the answer.

25 CHAIRPERSON GARODNICK: So we will

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have them answer in a second.

ANNE MARIE HENDRICKSON: Okay.

CHAIRPERSON GARODNICK: Okay.

CAROL CLARK: And we've also provided plans, through Gail Benjamin, of the building, and it's in the rehabilitation plans. She has them in her hands, so.

CHAIRPERSON GARODNICK: Okay.
Council Member Ignizio.

COUNCIL MEMBER IGNIZIO: I just have a quick question. It's broader to the program itself. The City takes a second position on the loan?

CAROL CLARK: Correct.

COUNCIL MEMBER IGNIZIO: So the bank loan is in first position and the city is in second position?

CAROL CLARK: Correct.

COUNCIL MEMBER IGNIZIO: Thank you.

CHAIRPERSON GARODNICK: Council Member Dickens?

COUNCIL MEMBER DICKENS: Thank you, Mr. Chair. The--with the PLP gut rehab, this building will have a tax abatement on the

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residential portion?

CAROL CLARK: That's correct.

COUNCIL MEMBER DICKENS: All right.

Fully?

CAROL CLARK: We can follow up on that. I'm not sure if it's 100% exemption or a substantial exemption.

COUNCIL MEMBER DICKENS: All right.

That was my main question. Now the--are the commercials, the rent structure going to go up to market? What's going to happen? Are those small businesses? Are they fully--how many businesses?

CAROL CLARK: There's two small spaces right now. I believe they're going to be vacated, but Phipps can clarify that, during construction. And then there will be re-tenanted.

COUNCIL MEMBER DICKENS: The same stores will be able to return. What will their rent structures be for the commercials?

CAROL CLARK: That I'm not sure. We'll have to get back to you on that.

COUNCIL MEMBER DICKENS: Will they be able to return at the same rents that they are? And I assume they're very low. Or are you going

2 to bring them up to market, since there's no
3 protection for that?

4 CAROL CLARK: The anticipation is
5 they would come somewhat to market to help cross-
6 subsidize the rental apartments above, since our
7 goal is to--

8 COUNCIL MEMBER DICKENS:

9 [Interposing] So you're going to bring the
10 commercials up to market. Is their lease going to
11 be a net lease? And in addition, does that mean
12 that the commercials will have to pay a pro rata
13 on the taxes that will have to be paid, the real
14 estate taxes?

15 ANNE MARIE HENDRICKSON: Just to
16 clarify, Council Member, the spaces are currently
17 vacant, the commercial spaces are currently
18 vacant.

19 COUNCIL MEMBER DICKENS: So there's
20 no current tenant in the commercial.

21 [Off Mic]

22 COUNCIL MEMBER DICKENS: Are you a
23 commercial tenant? All right.

24 CHAIRPERSON GARODNICK: We'll bring
25 up Phipps next.

2 ANNE MARIE HENDRICKSON: They're
3 managing the building. They would know.

4 COUNCIL MEMBER DICKENS: All right.
5 Thank you.

6 CHAIRPERSON GARODNICK: Okay. Well
7 I think with that we're going to thank you for
8 your testimony. We'll invite Adam Weinstein from
9 Phipps Houses up and we'll let him address some of
10 those issues and then we'll here from the tenants
11 who are here.

12 [Pause]

13 CHAIRPERSON GARODNICK: Mr.
14 Weinstein, would you like to come on up? Welcome.

15 ADAM WEINSTEIN: Thank you for
16 having me.

17 CHAIRPERSON GARODNICK: You might
18 want to hit the button on your microphone there.

19 ADAM WEINSTEIN: Better? Also with
20 me is Karen Hu, who is a Project Manager at Phipps
21 Houses. I want to thank the Council Members for
22 inviting us to speak. First, let me just correct
23 some of the testimony, some minor points. We will
24 offer relocation apartments in our Kipps Bay Court
25 development, if they are available. We have

1 identified other relocation resources and, if
2 possible, closer to the existing building. It is
3 true, none of the relocation expenses will be
4 borne by the residents. All rent differential
5 will be paid. There's a budget of \$2,000 per
6 apartment, so it buys a fairly significant of
7 relocation rent. I have to say Davis Brody was
8 the designer, not I.M. Pei. We have had a
9 substantial number of meetings with the residents
10 and have tried to take their concerns--I'm sure
11 you'll hear more of them--some of which we think
12 we've addressed, some of which, you know, may not
13 be able to be addressed within the size of the
14 building or--you know, the rent setting process we
15 will leave to the City because rent setting and
16 subsidy are, as you know, are pro-cyclical.
17 They'll perform with each other. The rents are
18 being set--rents for the returning tenants were
19 set at 30% of 65% of Area Median Income. As you
20 are probably aware, that is a low-income rent
21 standard. It was set for underwriting purposes.
22 Obviously the final underwriting hasn't been done
23 because the building hasn't been conveyed. That
24 rent is subsidizable by Section 8 if a tenant is
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2 income eligible. We did not want to ask residents
3 what their incomes were. There are 13 occupants
4 of the building. We felt it was their right to
5 return. We wanted to give them that right--set a
6 rent that was substantially below market for this
7 neighborhood. Phipps Houses' ultimate goal was to
8 achieve eight new middle-income affordable
9 apartments on one of the City's most expensive
10 blocks. And the current proposed project does
11 achieve that. It sets the remaining eight
12 apartments below--165% of Area Median Income,
13 which is a middle or a moderate income apartment
14 rent. Those rents do underwrite, do support the
15 debt. There is developer equity also contributed
16 in answer to Council Member Ignizio's question.
17 That's a third source of funds for the
18 rehabilitation. The sub-rehab. It is a
19 substantial rehab largely because the building
20 systems are failing. And we're actually--we are
21 concerned about the building's mechanical and even
22 its structural systems. It is an old building.
23 It has been in hard use for a long time and needs
24 a substantial rehab. The dividing line between
25 sub-rehab and mod-rehab really is the ability to

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 2 keep tenants in occupancy. It will be impossible
 3 to do that, whether commercial or residential
 4 tenant, the building needs to be vacated in order
 5 for the structural system to be shored up, and all
 6 new systems to be--it will be in effect a gut, a
 7 gut rehab. There may be--a gut is definitionally
 8 100% beam replacement. There may be beams that
 9 are salvageable within the building. Is that
 10 true, Karen?

11 KAREN HU: Yes.

12 ADAM WEINSTEIN: The beams, meaning
 13 the floor beams and the ceiling, the roof rafters.
 14 Commercial income is factored in. The current
 15 rent, I believe, is about \$53 per square foot.
 16 The tenant--I think there is the same principal on
 17 both sides. One of the spaces is a month-to-month
 18 lease and the other has expired?

19 KAREN HU: There is no lease.

20 ADAM WEINSTEIN: There is no lease,
 21 there is no commercial lease. I think the City
 22 recognized there was a viable business that wanted
 23 to locate there, rented the space. It's been a
 24 source of means of paying for, you know, reducing
 25 the City's subsidy day in, day out, to operating

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2 the property, because the rents cannot support the
3 operating expenses. We would be happy to offer
4 the tenant who is in one case no lease and the
5 other case a month-to-month lease, the right to
6 return at prevailing market rent. The
7 underwriting depends upon achieving--or the
8 underwriting of the low-income residential rents
9 does depend on achieving that market rent. Those
10 are all the corrections, so I'm happy to take
11 questions.

12 CHAIRPERSON GARODNICK: Thank you
13 all. I'll see if my colleagues have questions in
14 a moment. I just wanted to make sure I
15 understand. You said there are going to be eight,
16 new, affordable apartments.

17 ADAM WEINSTEIN: Correct.

18 CHAIRPERSON GARODNICK: Now, just
19 take us through.

20 ADAM WEINSTEIN: Sure.

21 CHAIRPERSON GARODNICK: You started
22 with 33. You've got--you're going to reduce it to
23 21, which will include 15 studio, five one-
24 bedroom--I'm sorry. You tell me, 15 what?

25 ADAM WEINSTEIN: Can I help you

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with this?

CHAIRPERSON GARODNICK: Yeah,
please.

ADAM WEINSTEIN: Let's start with
33 non-compliant apartments, so 33 apartments that
are not legally occupiable in the City of New
York.

CHAIRPERSON GARODNICK: Understood.
So then you move--

ADAM WEINSTEIN: [Interposing] Or
under State multiple dwelling law.

CHAIRPERSON GARODNICK: So you
changed that to 21.

ADAM WEINSTEIN: So you change that
to 21. There are 13 current occupants of the
building.

CHAIRPERSON GARODNICK: Yes.

ADAM WEINSTEIN: Each of them has
the right to return, 21 minus 13 leaves 8
apartments available.

CHAIRPERSON GARODNICK: I see.

ADAM WEINSTEIN: Rather than charge
full market rent, we are restricting those rents
to 165% of AMI, which allows us to achieve a tax

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2 abatement, I believe under the J51 enhanced J51
3 program.

4 CHAIRPERSON GARODNICK: Just so I
5 understand--

6 ADAM WEINSTEIN: [Interposing] Oh,
7 one other correction. The rent stabilization
8 under J51 is longer than the 30-year abatement;
9 it's a 35-year rent stabilization.

10 CHAIRPERSON GARODNICK: Okay, so
11 it's rent-stabilization for 35 years.

12 ADAM WEINSTEIN: And of course the
13 rent-stabilized lease is statutory.

14 CHAIRPERSON GARODNICK: So the
15 apartments that fall under the income thresholds
16 that you described, is it eight apartments or is
17 it 21 apartments?

18 ADAM WEINSTEIN: There are two
19 income--there are two rent-setting--let's talk
20 about rent-setting rather than incomes.

21 CHAIRPERSON GARODNICK: Okay.

22 ADAM WEINSTEIN: There are eight
23 apartments that have an income threshold, and 21--
24 and sorry, and 13 apartments for returnees that do
25 not have income thresholds but have rents that are

set at 30% of 65% of the Area Median Income.

CHAIRPERSON GARODNICK: Ah.

ADAM WEINSTEIN: Below Area Median
Income. So--

CHAIRPERSON GARODNICK:

[Interposing] Okay. That's slightly different
from what HPD said. Okay.

ADAM WEINSTEIN: Without regard to
tenants' income. If that is a rent burden, that
tenant should qualify, and we have already handled
one inquiry of one occupant of the building,
should qualify for a Section 8 voucher. And we
have staff that would be happy to assist them in
applying for a Section 8 voucher.

CHAIRPERSON GARODNICK: Council
Member Ignizio.

COUNCIL MEMBER IGNIZIO: Yes.
Thank you. Just to be clear, the work that you're
intending on doing cannot be done with residents
living in this home?

ADAM WEINSTEIN: No.

COUNCIL MEMBER IGNIZIO: Okay. So
hence the reason for them to be relocated. You
are offering them to be located--you will pay the

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relocation expenses.

ADAM WEINSTEIN: Yes.

COUNCIL MEMBER IGNIZIO: They then
can move back.

ADAM WEINSTEIN: Yes.

COUNCIL MEMBER IGNIZIO: And the
rent structures will be consistent with what they
are eligible for--with programs that they're
eligible for; meaning potentially Section 8, and
you will help them with that, potentially a
sliding scale of AMI. Is that what you're saying?

ADAM WEINSTEIN: No. No I'm not
saying that.

COUNCIL MEMBER IGNIZIO: Okay.

ADAM WEINSTEIN: The rents that we
are proposing are based on apartment size and they
are pegged rents. They are not--they are
irrespective of household income.

COUNCIL MEMBER IGNIZIO: Okay.

ADAM WEINSTEIN: So, you know,
again, to be fair to a relocatee, to be granted
the right to return. I'm not sure we want to get
in the business of an occupant, and there is a
range of incomes, I'm sure, in the building.

They've been occupying the building for 27 years--

COUNCIL MEMBER IGNIZIO:

[Interposing] You as a landlord--

ADAM WEINSTEIN: [Interposing] Beg your pardon?

COUNCIL MEMBER IGNIZIO: You as a landlord then, in a sense what you're saying is it's not--who the hell are you, in a sense, to know what I make for money? I'll tell the city, perhaps, I'll go through programs, but not necessarily tell you, the landlord.

ADAM WEINSTEIN: Well I mean--

COUNCIL MEMBER IGNIZIO:

[Interposing] The owner.

ADAM WEINSTEIN: --as a not for profit landlord, my objective was to achieve as many affordable apartments without disturbing or getting in to the business of too many of the existing occupants. That's my objective to this as a not for profit landlord. But as a practical consideration, I think it was not appealing and not very practical to ask residents, first to relocate--

COUNCIL MEMBER IGNIZIO:

[Interposing] right.

ADAM WEINSTEIN: Then to come back, only if your income qualifies.

COUNCIL MEMBER IGNIZIO: Right.

ADAM WEINSTEIN: But rather, set a rent that is substantially below market, a rent that is paid by all of the low-income housing that you see, by occupants of low-income housing when this committee hears about low-income housing dispos, it is consisting with the same income criteria that those households in your district, in Council Member Dickens's district, would pay for rent--upon initial occupancy, and then be guaranteed a rent-stabilized lease for the statutory term of their occupancy.

COUNCIL MEMBER IGNIZIO: Okay. I look forward to hearing the tenants. Thank you very much.

CHAIRPERSON GARODNICK: Council Member Dickens.

COUNCIL MEMBER DICKENS: Thank you. So, 13 units will be at 30% of their income, based upon 65% AMI?

ADAM WEINSTEIN: No. 13 units will

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2 be offered to the existing 13 occupants of the
3 building.

4 COUNCIL MEMBER DICKENS: At what
5 rent?

6 ADAM WEINSTEIN: At a rent set at--
7 a pegged rent, a solid number--you know, the
8 number differs based on zero, one or two-bedroom
9 apartment--and that number was set at 30% of 65%
10 of the household income, household size. So we
11 looked at that number, said that's the one we'll
12 propose, because it is the low-income rent
13 standardized across the City.

14 COUNCIL MEMBER DICKENS: Now the
15 balance of the units, which is eight--

16 ADAM WEINSTEIN: [Interposing]
17 Correct.

18 COUNCIL MEMBER DICKENS: Will be at
19 165, is that what I understood?

20 ADAM WEINSTEIN: Yes. Those
21 residents, since those units will be offered to
22 the affordable marketplace, though a city-
23 subsidized program, we will income qualify
24 tenants, and those residents will fit an income
25 band below 165 of AMI, so it will be a mixed-

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2 income building. Well, it is already a mixed
3 income building.

4 COUNCIL MEMBER DICKENS: I want to
5 go back for a minute to the commercials. Now
6 there are two commercials in there, one with a
7 lease, one without. Is that my understanding?

8 ADAM WEINSTEIN: There is one with
9 a month-to-month and one without. It's
10 technically a sublease, a month-to-month sublease.

11 COUNCIL MEMBER DICKENS: Oh, it's a
12 sublet.

13 ADAM WEINSTEIN: Yes.

14 COUNCIL MEMBER DICKENS: Oh, all
15 right. But you're willing for that sublet to come
16 back in?

17 ADAM WEINSTEIN: The subtenants
18 occupy good businesses; they've been successful.
19 The underwriting of the project depends upon
20 achieving commercial--a market, a commercial rent.
21 So there will be a rent increase for sure.

22 COUNCIL MEMBER DICKENS: Now the
23 sublet will become the prime though.

24 ADAM WEINSTEIN: Beg your pardon?

25 COUNCIL MEMBER DICKENS: The sublet

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tenant will become the prime?

ADAM WEINSTEIN: Yes.

COUNCIL MEMBER DICKENS: All right.

ADAM WEINSTEIN: No reason why we shouldn't offer a prime lease. For term, rather than month-to-month.

COUNCIL MEMBER DICKENS: What are the current--what are they currently paying per square foot?

ADAM WEINSTEIN: Approximately \$53 per square foot.

COUNCIL MEMBER DICKENS: And how much are you proposing to go up to?

ADAM WEINSTEIN: The underwriting is underwritten at \$60.

COUNCIL MEMBER DICKENS: How much?

ADAM WEINSTEIN: \$60.

COUNCIL MEMBER DICKENS: \$60 per square foot. And now what if--

ADAM WEINSTEIN: [Interposing]
Which, by the way, we believe to be below market in SoHo.

COUNCIL MEMBER DICKENS: Now what if one of the tenants, or both of them, cannot pay

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2 \$60? And how long is the commercial lease going
3 to be? And are you doing increments annually or
4 biannually? What are you doing?

5 ADAM WEINSTEIN: With all due
6 respect, I believe that is a commercial lease
7 negotiation that we'll enter into with the
8 occupant. I don't want to--the last thing I want
9 to do is not tell you something true. We believe
10 that the commercial occupant is a means by which
11 residential apartments are cross-subsidized. And
12 therefore if the commercial tenant cannot pay the
13 rent, we must offer it to the marketplace.

14 COUNCIL MEMBER DICKENS: So that
15 means that the current tenant would be out.

16 ADAM WEINSTEIN: However, we would
17 offer a term lease.

18 COUNCIL MEMBER DICKENS: Net-net.

19 ADAM WEINSTEIN: A triple net
20 lease, as, you know, standard commercial terms;
21 five, ten, fifteen years; ten with a five option.
22 I know the tenants behind me, so the negotiations
23 have--Council Member Dickens would be happy to be
24 the broker, I believe. She's doing an excellent
25 job.

2 COUNCIL MEMBER DICKENS: I'm
3 getting ready to come down on you now.

4 ADAM WEINSTEIN: I'm having fun.

5 COUNCIL MEMBER DICKENS: All right.
6 Well thank you.

7 ADAM WEINSTEIN: Thank you.

8 CHAIRPERSON GARODNICK: Thank you,
9 Council Member Dickens. And with that, I think
10 we're going to hear from the tenants now. So
11 thank you to you both.

12 ADAM WEINSTEIN: Thank you very
13 much.

14 CHAIRPERSON GARODNICK: And what
15 we're going to do, for those of you who are
16 testifying, we're going to bring you up in two
17 panels of four. You'll have two minutes each to
18 speak. We've got a clock over there; please be
19 mindful. And I'm going to invite Giordi Mark
20 [phonetic], Andre Areen [phonetic]--I'm sorry if
21 I'm butchering your name. Just come up to the
22 chairs right here. Joseph Piatraco [phonetic],
23 come on up. Oh boy. Your handwriting is a little
24 difficult. Oh, Carmen Gonzalez. That isn't so
25 hard. Ms. Gonzalez, come on up and join us.

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2 Again, welcome to City Hall. We're glad you're
3 here. And do you want to just start? We'll go
4 this side to--whoever wants to start is fine. Go
5 ahead. Hit the button on that microphone.

6 GIORDI MARK: Okay, fine.

7 CHAIRPERSON GARODNICK: Perfect.

8 GIORDI MARK: My name is Giordi
9 Mark, and I'm the spokesperson of the tenants'
10 group in our building. A couple of things--I had
11 a prepared statement here that I can't proceed
12 without saying first that a couple of the things
13 that have been said we don't know to be true or we
14 question. One of the major things is that as far
15 as we know there was absolutely no competitive
16 process for our building being offered to Phipps
17 Houses Services as a net lease with the option to
18 purchase it for one dollar, very different from
19 the offer that was made to the tenants in 2000,
20 where the building was being offered for \$277,000
21 with a lot of controls and protections for the
22 existing tenants, including the requirement of
23 tenant approval of the buyers, a requirement to
24 maintain tenant rates at their current rates for
25 two years, and after two years the ability to

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2 raise the rents to the lowest possible rent
3 stabilization, which at that time was, I believe,
4 around \$215 was the figure that we were discussing
5 with the City. This is offering--this plan has
6 given the building to Phipps. It has assigned to
7 them, it appears reluctantly from the way they
8 behave at the meetings, they have come to meetings
9 with an arrogant fashion. They have been not
10 forthcoming about facts in terms of how rents are
11 set. We were told that there was a survey done in
12 our neighborhood and that's how the \$800 a month
13 rent was arrived at, which they never mentioned,
14 \$800. What they're calling affordable rents are
15 at least starting at \$1,900 for apartments in our
16 building; we don't consider that to be an
17 affordable rent, and we think that this program is
18 presenting itself as one thing, but it's really a
19 wolf in sheep's clothing. The tenants' interests
20 are not being taken care of in this process. We
21 have not been included in the plan. We have been
22 told that we will not even have something as basic
23 as a laundry room in our building. And I reworked
24 the floor plan that we got and showed that it was
25 possible to include an ADA compliant laundry room

1
2 in our building. We have not been included in any
3 of the design elements. We have not been included
4 in any of the financial angles and we want
5 involvement and we feel we have a right to be
6 involved. We've lived there, some of us, as long
7 as 55 years. Thank you.

8 CHAIRPERSON GARODNICK: Thank you
9 very much. Ms. Gonzalez, do you want go next?

10 CARMEN GONZALEZ: I'm sorry for my
11 English. Okay?

12 CHAIRPERSON GARODNICK: It's okay.

13 CARMEN GONZALEZ: I can't live in
14 one studio. I have a daughter. I live in the
15 building for 39 year. And the Phipps Houses
16 propose a studio for everybody. I can't live in
17 it, because I live with my daughter.

18 CHAIRPERSON GARODNICK: I
19 understand. So you are, at this moment--

20 CARMEN GONZALEZ: [Interposing]
21 Yes.

22 CHAIRPERSON GARODNICK: You are in
23 an apartment that is a one--

24 CARMEN GONZALEZ: [Interposing]
25 Yes, I live in an apartment.

1
2 CHAIRPERSON GARODNICK: One-
3 bedroom.

4 CARMEN GONZALEZ: One-bedroom, yes.

5 CHAIRPERSON GARODNICK: And all of
6 the apartments--

7 GIORDI MARK: [Interposing] They're
8 all studios. The original apartments were not all
9 studios. They are mostly one-bedroom apartments.

10 CHAIRPERSON GARODNICK: If you
11 don't mind speaking into the microphone, though.

12 GIORDI MARK: The original 33
13 apartments, as you were told by HPD, were not
14 studio apartments; many of them were one-bedroom.
15 They may not be compliant with current codes, but
16 they were one or two-bedroom apartments. There
17 were a couple of studios. Most of the apartments
18 now are one-bedroom or two or three.

19 CHAIRPERSON GARODNICK: Understood.
20 Thank you. Ms. Gonzalez?

21 CARMEN GONZALEZ: I don't know what
22 to say.

23 CHAIRPERSON GARODNICK: I think--
24 let's go through all of them and then we're going
25 to have some questions. Sir, go right ahead.

2 ANDRE AVEZ: I've been there for 29
3 years. Now all I want to talk is about the
4 stressful four years we had.

5 CHAIRPERSON GARODNICK: Yes. You
6 have to say your name before you get started.

7 ANDRE AVEZ: Oh, Andre Avez
8 [phonetic]. And it's just stress. I mean
9 originally four years ago they came with--they
10 were playing around with another program and they
11 said it won't be rent-stabilized. That's the
12 thing. You remember? Whenever we raised it--no.
13 Then there's a silence of a year or a year and a
14 half, then suddenly they come with a new program,
15 where they have this PLP. Now I'm beginning to be
16 very aware of the fact of something being non-
17 profit. Does that allow them to go beyond any
18 laws that protect the rents? Because that's what
19 I brought up at meetings constantly. If Trump had
20 built the building, there are certain laws like,
21 26507 and even this PLP says that you can't raise
22 rents more than 18%. So I don't understand. Does
23 that mean that a non-profit can? I thought laws
24 existed to be observed, not to be, you know,
25 disregarded or as they put it, be put out of

1 context. I mean either there are laws that
 2 protect existing tenants or there are not, as far
 3 as raising the rent. Plus, you know, it's very
 4 stressful to be moved, especially people of my
 5 age--that a couple want to come, but they feel too
 6 bad, because of the stress. You know? Plus this
 7 uncertainty, you never know when it's going to
 8 happen. We're never kept abreast of what they
 9 decide. You know? And when we talked to Cooper
 10 Union or whatever, they always said you always
 11 have to talk to the tenants and give the plans.
 12 And as far as, you know, it's just very stressful.
 13 And I felt, you know, like I said, there are
 14 certain laws that have to be observed. Okay.

16 CHAIRPERSON GARODNICK: Thank you
 17 very much, sir.

18 ANDRE AVEZ: Sure.

19 CHAIRPERSON GARODNICK: Please.

20 JOSEPH PIETROFESSO: Thank you,
 21 Chairperson. My name is Joe Pietrofesso
 22 [phonetic], and I live in apartment 21. I'm also
 23 going to say that my parents live there as well,
 24 across the hall in apartment 16, for 55 years.
 25 I've lived there for 25 years, and my brother also

1
2 has an apartment for about 20 years. And I just
3 wanted to stress that when--several months ago
4 when Phipps gained momentum in this process, it
5 seemed as though it was a dictatorship. We were
6 being told what was going to happen, how it was
7 going to happen, with no participation, with no
8 input in how things were perhaps going to be
9 designed, or how things--we were told we were
10 going to be given studios. And I appeal to you
11 that my parents that have been there--they're in
12 their 70s, ill, elderly--it would be
13 unconscionable to give them a studio apartment.
14 It would just be inhumane. They've lived in a
15 one-bedroom all this time. And to be told that
16 their life is going to be now a wide-open room is
17 just not reasonable. And to have that be the only
18 option, not even to have the option of paying
19 additional monies for a larger space, is just
20 unreasonable. And I hope that appeal comes
21 across. I know Phipps is working to keep them in
22 the neighborhood which is--they've become more
23 negotiable in recent days, and I believe only
24 through the intervention of Speaker Quinn's
25 office--and they've been phenomenal. They've come

1
2 to several of the last meetings--all of the last
3 meetings, and their cooperation has been
4 invaluable. And it was only through their
5 participation that we have gotten to this point
6 where someone is listening, and we are grateful.

7 CHAIRPERSON GARODNICK: Thank you
8 for that. And again, we have spoken to the
9 Speaker and her staff as well, and she was sorry
10 she could not be here today in person, very much
11 wanted to be, and is fully engaged as you know,
12 and is looking to find a solution that is fair and
13 reasonable, and looking to be as strong an
14 advocate for you all as she possibly can. Council
15 Member Ignizio?

16 COUNCIL MEMBER IGNIZIO: Yes.
17 Thank you very much. When were you all notified
18 that you were going to go from a one-bedroom to a
19 studio? If anybody can answer, that's fine. Just
20 say who it is so we know for the transcript.

21 [Pause]

22 GIORDI MARK: The consensus is that
23 it was last summer, and we were told without
24 question everyone of us would return to studios,
25 regardless of existing apartment size, which some

1
2 people have had, as you know, for over 50 years--
3 or family size. And when they were pressed to
4 consider that some of us might need greater space,
5 some of us realized that the price was going to be
6 prohibitive, that we couldn't afford to come back
7 to a larger apartment. So there was--the only
8 thing that we were guaranteed is a studio
9 apartment, and if we couldn't afford it, the
10 building was going to take the subsidy off the
11 back of the City and put it on the federal
12 government and put us all on Section 8; that was
13 the gift. And I think they talked about Section 8
14 more than they talked about anything else in the
15 process so far.

16 COUNCIL MEMBER IGNIZIO: Right.

17 Okay. I mean I think that is a legitimate, in
18 terms of discussion, something I would like to ask
19 the developer about. You know, in terms of
20 design--I pride myself on being pretty objective--
21 in terms of design I personally don't think you,
22 the tenants, have a right to say I'm going to
23 design the building. I don't. No, I just don't
24 think that's your place to say here's what we want
25 designed. And ultimately this is going to be the

1 design, here's what we want to do, in a sense
 2 here's what we're offering to you. I think the
 3 relocation is a fair--was fair. I think the thing
 4 that I'm hearing that doesn't sound fair to me is
 5 the automatic returning to a studio from, I have a
 6 family and this is how big my apartment is and now
 7 you're going to get a studio. I just don't think
 8 that's fair and that's something I would like to
 9 call up the developer again. But in terms of
 10 design or--at the end of the day the benefit is
 11 there is going to be a beautifully improved
 12 building, so that is a benefit to you as well.

14 GIORDI MARK: May I just respond to
 15 that concept of design? We're not saying that we
 16 want to redesign the building. We wanted input as
 17 to our needs. But we felt that a competitive
 18 process, that we thought the City mandated, would
 19 have allowed for a variety of designs that could
 20 have resulted in a superior overall design of the
 21 building.

22 COUNCIL MEMBER IGNIZIO: I hear
 23 you, but it doesn't seem like that's a case,
 24 because they selected one developer and that
 25 developer ultimately can decide on the building

1
2 that he or she wants to build, and then you can
3 ultimately decide whether you in fact want to live
4 there, but I do think it's not fair to say,
5 regardless of size of family, regardless of scope,
6 to be returned to a studio. And that's something
7 I'm asking the Chairman if he can ask the
8 developer.

9 CHAIRPERSON GARODNICK: We most
10 certainly can after this panel is done. Sir, did
11 you want to say something? I'm going to Council
12 Member Dickens.

13 JOSEPH PIETROFESSO: I don't
14 believe it was regardless of family size. I
15 believe we were told that if you can prove you had
16 three or more you can be perhaps returned to a
17 larger configured apartment, like a one-bedroom.

18 COUNCIL MEMBER IGNIZIO: Oh, okay.
19 Thanks. We'll obviously ask the developer and I
20 appreciate your objectivity.

21 CHAIRPERSON GARODNICK: Thank you.
22 Council Member Dickens?

23 COUNCIL MEMBER DICKENS: Thank you
24 for that clarification, because I too had concerns
25 about returning to a studio apartment if you've

1
2 been in a one-bedroom. So I'm glad you clarified
3 that. But having said that, really my question is
4 really to HPD, because in my community we'd be
5 very happy for you to bring 65% AMI, because you
6 all keep bringing us 80 and 120% AMI, so now that
7 I see you're offering it downtown, I'm going to
8 start wanting that 65% AMI uptown, because I like
9 that. That sounds a whole lot more feasible and a
10 whole lot less rent than the 80% and the 120 you
11 all are giving me. So now that I see that you are
12 offering 65% AMI, assisted or otherwise, and in
13 addition my community is getting impacted with
14 less Section 8 vouchers. If they don't want it,
15 my community wants it. So send it on uptown.

16 CHAIRPERSON GARODNICK: Thank you
17 Council Member Dickens, and thanks to all of you
18 for your testimony. We're going to now invite up
19 the next panel. So we appreciate it.

20 CARMEN GONZALEZ: Thank you.

21 CHAIRPERSON GARODNICK: Thank you.
22 We very much appreciate it.

23 GIORDI MARK: Thank you.

24 CHAIRPERSON GARODNICK: Sure. Next
25 up will be Elisa Cassas [phonetic], Keith Lubke

1
2 [phonetic], Pamela Camhe [phonetic], and Hugo Nary
3 [phonetic]. And again, I'm sorry if I have done
4 damage to your names. It's more of a handwriting
5 issue than anything. Welcome.

6 ELISA CASSAS: Thank you.

7 CHAIRPERSON GARODNICK: If you'd
8 like to introduce yourself and go right ahead.

9 ELISA CASSAS: My name is Elisa
10 Cassas. I'm the Commercial Tenant for both stores
11 at 63 Thompson Street. I've been there for 17
12 years. I want to make it clear I am not here
13 about my stores, I am here to support the tenants,
14 who I've known for 17 years, who I deal with on a
15 daily basis. 63 Thompson is a wonderful community
16 of people who obviously are very concerned with
17 helping each other. And the building has many
18 people who are on fixed incomes, who are on
19 disability, elderly--they've been living there,
20 some of them, 55 years. And they're very, very
21 concerned about this move. They're terrified,
22 quite frankly. And I'm here to support them. I
23 feel that they should--that Phipps should be more
24 concerned about their needs. I've seen that
25 they've been unresponsive up until now. I've been

1
2 to all of the meetings, where Phipps and HPD has
3 attended and the tenants have attended. And I do
4 question their motive in this case, because the
5 building has been looked at, and there's really no
6 problem with the building. I've heard, oh, the
7 boiler is going, the boiler is going; yesterday
8 the boiler inspection man came and I spoke to him
9 and he said the boiler is working great, passed
10 inspection, no problem; it should be great all
11 winter. So, we keep hearing about these
12 maintenance issues, but I'm not really clear why
13 the building needs a gut renovation. The tenants
14 want to stay. They have no problem with a
15 renovation, but I think at this point if Phipps
16 was more responsive to their needs and had a more
17 well--a plan that took their concerns into
18 account, that all of us would be much more
19 supportive of that.

20 CHAIRPERSON GARODNICK: Thank you
21 very much. Please introduce yourself?

22 MS. PAMELA CAMHE: Hi, my name is
23 Pamela Camhe. I have relationships with this
24 building for 30 years by way of my relationship to
25 Giordi, although I don't live there, but I am very

1
2 aware of the people who are there and I've been to
3 all of the meetings and I have watched people from
4 Phipps roll their eyes, call people
5 confrontational, when asked that their rents be
6 mailed for safety's sake. They were told, by
7 Phipps, they didn't have enough money to mail the
8 rents, that's why they didn't mail them. They
9 treated these people like they were stupid. And
10 no process--as far as the RQ process, I don't know
11 what that is, but it's not a competitive process
12 as far as we know, because Cooper Square, who was
13 available, very willing to take on this building,
14 was never informed that it was up. They deal with
15 the City all the time. I don't understand how
16 come. In Brooklyn it's important, the competitive
17 process, but here it's not. This building is
18 being treated like it's a vacant building. They
19 are vacating it so that they can treat it like
20 it's a vacant building. The J51, you know when
21 Adam Weinstein, who, you know, was very vague
22 about the \$800 rent when you were questioning him,
23 and he knew it, but he preferred to obscure it
24 with this like 30% of this--they know what the
25 rents are, and that's sometimes almost 400 times

1
 2 what the people are paying now. I think that--and
 3 he also knew the amount of the renovation would be
 4 77%, because that's what's required by J51. A
 5 competitive process would have looked at this
 6 building honestly, seen if it could be rehabbed
 7 the way it was with people in place. The systems,
 8 I know the electrical systems, the windows, all of
 9 these things have been replaced in the last ten
 10 years. So this ruse, that it needs this kind of
 11 development, I think is a way of serving their
 12 needs. And I think that that's what this is all
 13 about, how Phipps can make a profit off of this
 14 building with J51, with no regard to the affect it
 15 has on the tenants. And I know these people.
 16 They are so upset. I have watched their health
 17 deteriorate.

18 CHAIRPERSON GARODNICK: Thank you.

19 Go ahead.

20 HUGO NARY: No, no, I'll give you
 21 my time. I have nothing to day.

22 CHAIRPERSON GARODNICK: You can't
 23 do that. I'm sorry.

24 PAMELA CAMHE: They're not allowed
 25 to do that.

1

HUGO NARY: Oh.

2

CHAIRPERSON GARODNICK: Go ahead.

3

HUGO NARY: Hello. My name is Hugo

4

Nary, apartment 13. I'm just kind of confused
5 about what's going on. And the biggest concern I
6 have is the rent increase. It's like I'm paying
7 low rent and boosting it up to \$800 is a lot.
8 Plus, I'm going to school and everything, so it
9 kind of takes out from my income. And I got
10 nothing else to say after that.

11

CHAIRPERSON GARODNICK: Okay.

12

Thank you very much. Sir?

13

KEITH LUBKE: How you doing? My

14

name is Keith Lubke. I have a three-bedroom
15 apartment in the building. I've lived there my
16 whole life with my grandparents, my mom and my
17 sister. I currently reside there by myself, and I
18 have daughters, twin daughters, four and a half
19 years old, that stay there from Thursday to Sunday
20 with me. All right. Now Phipps wants to give me
21 a studio apartment, which would be impossible to
22 raise my children in, and quite honestly unfair.
23 When I grew up--I wasn't at the meeting because I
24 was in school, when someone brought up about me
25

25

1
2 and my twin girls and Douglas Hannah [phonetic]
3 whoever it was that used to represent Phipps; he
4 no longer appears anymore. He said, we know
5 Keith's situation, he's getting a studio, bottom
6 line. Okay. Now I want to keep my bedrooms for
7 me and my girls. I also felt hat it's outrageous
8 that any of us should have to move back to a
9 smaller apartment, regardless of family size.
10 I've lived in this apartment my whole life and
11 have grown accustomed to these living conditions,
12 and the condition that Phipps expects us to come
13 back to are inhospitable. As far as rent
14 increases, we expect the City to not only abide by
15 rent stabilization laws, but also abide by the
16 appropriate channels and laws when selling City-
17 owned buildings, such as competitive bidding.
18 Also, like Cooper Square is a place that we have
19 dealt with. They came to us and they looked at
20 the rents that Phipps is proposing and they said,
21 no, well if we did this, our rents would be a lot
22 lower than what Phipps is proposing. And quite
23 honestly, everyone in the building would much
24 rather deal with anyone else but Phipps; that's
25 how disgusted we all are with them, because they

1
2 treat us like we're dirt and we're garbage. We
3 have meetings in dirty hallways, except when--I'm
4 sorry, the hallways are clean because they come
5 before the meeting, they clean the whole building,
6 otherwise they're filthy. And I filmed them doing
7 it. The day before every meeting they clean the
8 building. So, I mean there's other channels.
9 They could have tenant ownership. You could have
10 another buyer come in and look at the building,
11 where tenants can remain in the building; because
12 we all want to remain in the building, because our
13 neighbors are home. His mother, Joseph
14 Pietrofesso's, is my babysitter now. She was my
15 babysitter when I was growing up. You know? And
16 I live right next to her. I live on the floor
17 with Joseph. So they're just taking us not only
18 out of our building, but our home. This
19 neighborhood is our home.

20 CHAIRPERSON GARODNICK: Got you.

21 Thank you very much. Council Member Dickens.

22 COUNCIL MEMBER DICKENS: Thank you,
23 Mr. Chair. This is a question I really, I guess,
24 should be posing to Phipps, but there's a couple
25 things I want to know. I want to know what's the

1
2 monthly income of the building. I want to know
3 what is the monthly expenses of the building, to
4 see if the income bears out the expenses that has
5 to be paid. That's number one. Number two, I'm
6 concerned about this young man who is going to
7 school. 30% of your income, if that's what you're
8 proposing, would indeed be much better for this
9 young man, because then if his income is low, than
10 30% would keep his monthly rent low. Is that
11 right? Because I'm concerned about him, because
12 he's going to school. Of course, if you've got a
13 \$150,000 income, then 30% would be much higher
14 than if his income is 20%, is that what you're
15 saying? I'm asking this really of Phipps, and I
16 know you're not on testimony.

17 CHAIRPERSON GARODNICK: We can
18 bring them back.

19 COUNCIL MEMBER DICKENS: I just
20 wanted to get that information, the monthly
21 income, the monthly expenses of the building, so
22 that we can intelligently make a decision, and the
23 other thing is about the--I want to be sure about
24 the 30% because I'm really interested in this
25 young man going to school, and seniors, the senior

1
2 population. I'm very concerned about seniors and
3 I'm very concerned about this young man or those
4 that are going--students, possible students, so
5 that they can continue to go to school. Those are
6 my two concerns.

7 CHAIRPERSON GARODNICK: Good. It
8 think we should bring them back. Do you want to
9 comment on this?

10 [Off Mic]

11 CHAIRPERSON GARODNICK: Hit the
12 button on that microphone.

13 PAMELA CAMHE: The majority of
14 people in the building are seniors. I think the
15 median age is something like 70. And these are
16 people that they want to move out and move back
17 in, twice, without a competitive process that even
18 would have shown whether a gut rehab was
19 necessary. We have grown not to trust Phipps and
20 the idea that a gut rehab is necessary is really
21 questionable.

22 COUNCIL MEMBER DICKENS: Thank you.
23 What is your name please?

24 PAMELA CAMHE: Pamela Camhe.

25 COUNCIL MEMBER DICKENS: Ms. Camhe?

2 PAMELA CAMHE: Yes.

3 COUNCIL MEMBER DICKENS: All right.

4 Thank you so much. I keep hearing you
5 repetitively say these people. Does that means
6 that Phipps treated you differently from these
7 people?

8 PAMELA CAMHE: No. I think that
9 Phipps has treated the tenants in the building--

10 COUNCIL MEMBER DICKENS:

11 [Interposing] Then you mean we.

12 PAMELA CAMHE: Well I mean we,
13 because I feel like a part of that community.

14 CHAIRPERSON GARODNICK: She's not a
15 tenant.

16 PAMELA CAMHE: The tenants have a
17 right to a dignified--

18 COUNCIL MEMBER DICKENS:

19 [Interposing] I'm sorry?

20 COUNCIL MEMBER IGNIZIO: She's not
21 a tenant.

22 COUNCIL MEMBER DICKENS: Oh, she's
23 not a tenant.

24 COUNCIL MEMBER IGNIZIO: She has a
25 relationship with a tenant.

2 PAMELA CAMHE: I have a
3 relationship with a tenant in the building. I
4 have a relationship with the building for 30
5 years. I'm within the community. I know all of
6 these people.

7 COUNCIL MEMBER DICKENS: Oh, okay.
8 That wasn't clear. I heard you say relationship.
9 I assumed that that meant a residency. But you're
10 related to a tenant or have a relationship with.

11 PAMELA CAMHE: I do not have a
12 residency, but I have been part--

13 COUNCIL MEMBER DICKENS:
14 [Interposing] Okay, so that clarifies it. You're
15 not a tenant.

16 PAMELA CAMHE: --of the process.
17 No, I am not.

18 CHAIRPERSON GARODNICK: Okay.
19 Thank you very much to all of you. And Mr.
20 Weinstein, come on back and I think we have some
21 follow-ups for you from Council Members Ignizio
22 and Dickens. Welcome back.

23 ADAM WEINSTEIN: Pleasure to be
24 back.

25 CHAIRPERSON GARODNICK: Well let me

1
2 just start off. This may be the question you're
3 about to ask, and if so I apologize. The tenants
4 are saying something that was not part of our
5 initial understanding, which is that some of them
6 live in apartments that are of a larger size than
7 what they would be asked to move back in to when
8 they return, families that need to have a certain
9 number of rooms or a certain amount of space to be
10 able to live, and when they come back they will be
11 moving into a studio apartment. Can you address
12 that? How is that fair? Is that correct? And if
13 not, please tell us how.

14 ADAM WEINSTEIN: I did not say that
15 every tenant is to be moved back into a studio
16 apartment at any time, not six months ago to the
17 residents, nor to you today. We have been
18 discussing with the residents--we have guessed at
19 the residents incomes, whether they make a million
20 dollars or are students. We are not asking them
21 their incomes. We are guessing to some, with some
22 logical observation. We have a manager who
23 observes, who is coming in and out of the
24 building. We have guessed at their household
25 comp. In some instances, I think we've guessed, I

1
2 wouldn't say correctly, but we've asked who is
3 living with you. And we have tried and we have
4 engaged with the Speaker's Office in trying to
5 accommodate residents who may have special
6 circumstances. There are--the City's housing
7 programs, as you're probably aware, have occupancy
8 standards for apartments. You know, a couple
9 living together, domestic partners living
10 together, a single parent with children of
11 different genders call for different--those are
12 different household sizes. The formula means by
13 looking at this is a process of asking residents
14 who's living there. So we are very sympathetic
15 and would like to accommodate the special
16 circumstances of, for instance, a parent and an
17 adult child living together. It seems
18 inappropriate for a parent and an adult child in
19 legal residency in the building, in other words
20 the child isn't using the apartment as a place to
21 drop in, but actually lives somewhere else, or a
22 domestic partner may live somewhere else; we are
23 sympathetic to that. In the end of the day the
24 assignment of unit sizes is one that goes to the
25 amount of subsidy. The building is owned by the

1
2 City. It's not owned by Phipps, and I turn to my
3 colleagues and partners in the City government to
4 determine what is the right composition of
5 apartment sizes and subsidy, because a larger
6 apartment will call for more subsidy. But we have
7 no, what's the word, predisposition, bias, towards
8 giving everyone a studio, and have never had that
9 position. I don't want to go into specific
10 circumstances. You know, we've tried--we've
11 engaged the residents enough to know what their
12 household circumstances, for the most part--I'm
13 sure we don't know everything--are. Because
14 they've been self-reported. And you've heard some
15 of the personal circumstances reported here.
16 Probably I don't want to go into them. They're
17 individualized and we want to cater to those
18 individual needs. To the point of occupancy of a
19 larger apartment, smaller apartment, in nearly
20 every case the studio apartment sizes are greater
21 in square footage than the existing railroad or
22 bathroom in the kitchen old--new law tenement
23 unit. So the problem is that it's not legal to
24 have a 400 square foot two-bedroom apartment
25 anymore. It was in 1906. It is not legal. The

1
2 City couldn't renovate the building and produce a
3 405 square foot two-bedroom or two sort of bedroom
4 apartment. That's just one example of many
5 conditions that are not legal.

6 CHAIRPERSON GARODNICK: Okay. We
7 understand that. I guess the question that we're
8 really going for, and we understand that it may
9 not be readily apparent to you as to who lives in
10 an apartment until we sort that out, but the
11 question is this, will you commit to ensuring that
12 if a tenant lives in the building today with a
13 family member that they will not be asked to
14 return to a studio apartment when they come back?

15 ADAM WEINSTEIN: I don't think
16 that's appropriate. Honestly, if I live with a
17 spouse, is it appropriate that we return to a two-
18 bedroom apartment, Chairman?

19 CHAIRPERSON GARODNICK: Okay. The
20 good news here is that I get to do the asking. So
21 my question for you is this--so the answer is no.

22 ADAM WEINSTEIN: It depends on the
23 household composition. We will absolutely commit
24 and have committed to the point of practicing and
25 engagement with the residents to determine the

1
2 special cases that may call for a unit size that
3 is larger than rules, than the box.

4 CHAIRPERSON GARODNICK: So a parent
5 with an adult child--let me just tell folks the
6 rules so that they know that raising hands and
7 things like that--let me just--hold on. For those
8 that are here, we don't raise hands. I can't call
9 on you, unfortunately. For the folks in the back,
10 I just want to let you know. It's not that we
11 don't want to hear from you, but we've brought
12 these folks back up to try to address some of the
13 concerns that you raised. So, an adult--a parent
14 with an adult child living in the apartment, is
15 there any scenario in which they would be put into
16 a studio apartment?

17 ADAM WEINSTEIN: No.

18 CHAIRPERSON GARODNICK: None?
19 Okay. Council Member Dickens?

20 [Pause]

21 CHAIRPERSON GARODNICK: Is there
22 anything else you wanted to add?

23 ADAM WEINSTEIN: I can tell you
24 that I apologize if our guesswork seemed
25 insensitive. What we thought we were doing was

1
 2 trying to provide clarity. At the tenant meetings
 3 I attended there was a desire--please be
 4 definitive with us. The only way to be definitive
 5 is to say, this is what we've proposed. In no
 6 case did we say, this is what's going to be, take
 7 it or leave it. That's not the dialogue that I
 8 heard or participated in. I apologize if other
 9 staff members of Phipps were more cross, but
 10 that's not the dialogue I participated in. It
 11 was, this is what we proposed. And with Speaker
 12 Quinn's staff's assistance, we asked where are we
 13 wrong about this. And there may be a discussion
 14 ensuing from that. But never did we say, it's
 15 this way. We couldn't; it's not our property.
 16 And it's not, in the end, our subordinate loan.

17 CHAIRPERSON GARODNICK: Okay. If
 18 I'm understanding you correctly, because this is
 19 the most salient point that we heard, I think,
 20 from the tenants, which is that there is a concern
 21 of folks who are parents with kids, families out
 22 there, who live in apartments, which are not
 23 studios today.

24 ADAM WEINSTEIN: Right.

25 CHAIRPERSON GARODNICK: You have

1
2 five one-bedroom apartments and one two-bedroom
3 apartment--

4 ADAM WEINSTEIN: [Interposing] Yes.

5 CHAIRPERSON GARODNICK: --in the
6 new scenario.

7 ADAM WEINSTEIN: Yes.

8 CHAIRPERSON GARODNICK: I don't
9 know what the composition is of the 13 units that
10 are there today, and it seems like you may at
11 least have a pretty strong sense of where that is
12 today.

13 ADAM WEINSTEIN: Correct.

14 CHAIRPERSON GARODNICK: And you can
15 tell us today that it is your--in fact it sounded
16 like you committed to it, that people who are with
17 families who are living in the building today will
18 not be asked to move into studio apartments.

19 ADAM WEINSTEIN: We have absolutely
20 committed to engaging with each household, each of
21 the 13 households in this building, to find the
22 right sized apartment.

23 CHAIRPERSON GARODNICK: But that's-

24 -

25 ADAM WEINSTEIN: [Interposing] not

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necessarily a studio.

CHAIRPERSON GARODNICK: Right.

That's slightly different from what I'm asking.

Engaging I understand. But committing is a different thing. I really just want to make sure

we're clear that families that are there living

with multiple people in an apartment now, that

they're not going to be asked to move into a

studio apartment upon their return, because that

obviously, unless you're talking about--I

appreciate there's a difference between a spousal

situation and a, you know, and children situation.

But we just want to understand, if that is your

commitment, which I think is a strong commitment

and an appropriate commitment, if that's what

you're saying. Because I heard you say it before,

but I...

ADAM WEINSTEIN: I am committed to

that.

CHAIRPERSON GARODNICK: Okay.

ADAM WEINSTEIN: You're hearing a

hedging tone.

CHAIRPERSON GARODNICK: I am.

ADAM WEINSTEIN: That makes me not

1
2 want to get into a specific household composition
3 circumstance that I don't think is appropriate to
4 discuss in this setting.

5 COUNCIL MEMBER IGNIZIO: Mr.
6 Chairman I just think that it's more appropriate
7 if we defer any of the internal negotiations to
8 the Speaker's Office as it is her district, and
9 let her work out with her and her constituencies
10 as I would or you would. I'm not trying to, you
11 know, jump in and say let's not do that. I'm just
12 saying that I think it's more appropriate for the
13 Speaker to be discussing this in regards to her
14 district.

15 ADAM WEINSTEIN: I welcome that.

16 CHAIRPERSON GARODNICK: Thank you
17 for that, Council Member Ignizio. Hold one
18 moment. Council Member Gonzalez.

19 COUNCIL MEMBER GONZALEZ: Yeah, I'm
20 Gonzalez, and I just want to say that I clearly
21 understand what you're saying, except that I
22 believe that she did not understand, so therefore
23 I just wanted her to understand it. That's all.
24 Okay.

25 CHAIRPERSON GARODNICK: What the

1
2 Council Member is referring to is the tenant who
3 was here before who had the...

4 COUNCIL MEMBER GONZALEZ:

5 [Spanish].

6 CHAIRPERSON GARODNICK: Okay.

7 Thank you very much. And with that, Council
8 Member Ignizio is correct. There are ongoing
9 conversations here, and the Speaker is fully
10 engaged and we are deferring this until Thursday
11 morning. So we will look forward to having that
12 hopefully resolved before that point. We are
13 going to vote on one item today, which is the
14 related Land Use numbers 1192 and 1193. If you'll
15 recall, the Social Security Administration
16 parking, the driest and perhaps least interesting
17 item on today's agenda. The Chair recommends an
18 Aye vote and will lay over all other items for the
19 purposes of future consideration. I'll ask the
20 Counsel to call the roll.

21 CAROL SHINE: Carol Shine, Counsel
22 to the subcommittee. Chair Garodnick?

23 CHAIRPERSON GARODNICK: I vote Aye.

24 CAROL SHINE: Council Member
25 Gonzalez?

2 COUNCIL MEMBER GONZALEZ: Aye.

3 CAROL SHINE: Council Member
4 Dickens.

5 COUNCIL MEMBER DICKENS: Aye.

6 CAROL SHINE: Council Member
7 Ignizio?

8 COUNCIL MEMBER IGNIZIO: Yes.

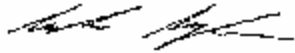
9 CAROL SHINE: By a vote of four in
10 the affirmative, none in the negative and no
11 abstentions, the aforementioned items are approved
12 and referred to the full committee.

13 CHAIRPERSON GARODNICK: Thank you
14 very much. With that we stand in recess until
15 Thursday morning until 9:45 Thursday morning.
16 Thank you.

17

C E R T I F I C A T E

I, Erika Swyler certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature _____

Date October 1, 2009 _____