

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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December 6, 2010

Start: 1:15pm

Recess: 1:38pm

HELD AT: Council Chambers
City Hall

B E F O R E:
STEPHEN T. LEVIN
Chairperson

COUNCIL MEMBERS:
Council Member Charles Barron
Council Member Inez E. Dickens
Council Member Sara M. Gonzalez
Council Member Peter A. Koo

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

Carol Clarke
Assistant Commissioner
Department of Housing, Preservation and Development

Joseph Lynch
Partner
Nixon Peabody

2 CHAIRPERSON LEVIN: Good afternoon.

3 Good afternoon. Welcome to the Subcommittee on
4 Planning, Dispositions and Concessions. I'm
5 Council Member Stephen Levin, Chair of the
6 Subcommittee. I'm joined today to my right by
7 Council Members Sara Gonzalez, from Brooklyn;
8 Peter Koo from Queens; and Charles Barron from
9 Brooklyn. So we have three Brooklyn members and
10 one member from Queens. And the rest of the
11 boroughs are not represented today. We have two
12 items on the agenda today. Land Use Nos. 268 and
13 269. Land Use No. 268 is Plaza Borinquen, Plaza
14 Borinquen. That's 20115303 HAX. That's in Bronx
15 Community District No. 1, in Council District No.
16 8, represented by Council Member Melissa Mark
17 Viverito. This is an application submitted by New
18 York City Department of Housing, Preservation and
19 Development, pursuant to the Private Housing
20 Finance Law for approval of a project summary, a
21 real estate property tax exemption and approval of
22 the regulatory agreement for properties, property
23 located at Block 2282, Lots 45 and 75, Block 2283,
24 Lot 40, and in Council District Eight. Here to
25 testify on this particular item is Carol Clark,

2 Assistant Commissioner at HPD, and Joseph Lynch
3 from Nixon Peabody. Ms. Clark.

4 CAROL CLARK: Thank you, Mr.
5 Chairman, and Members of the Committee. Good
6 afternoon. LU 268 consists of eleven privately
7 owned multiple dwellings located along East 137th,
8 138th and 139th Streets and Brown Place, in The
9 Bronx, and known, as you said, as Plaza Borinquen.
10 East 137th apartment owner LP will acquire and
11 rehab the buildings, which will provide 66 low
12 income rental units, and 20 market rate rental
13 units, one unit for a superintendent and another
14 for a management office when completed. HPD is
15 before the Council today seeking approval of the
16 project summary, a real property tax exemption,
17 and approval of the regulatory agreement for the
18 properties. Council Member Viverito has reviewed
19 the project and indicated her support. Thank you.

20 CHAIRPERSON LEVIN: Thank you,
21 could you say again how many affordable units and
22 how many markets?

23 CAROL CLARK: There are 66 low
24 income rental units, which are project based
25 Section VIII units, and 20 market rate rental

2 units.

3 CHAIRPERSON LEVIN: Okay. And,
4 let's see, do any of my colleagues have any
5 questions on this particular item?

6 COUNCIL MEMBER BARRON: No, no, I'm
7 just curious, what would the real, how much would
8 the real property tax exemption come up to?

9 CAROL CLARK: I'll ask Mr. Lynch to
10 respond to that question.

11 JOSEPH LYNCH: I don't have the
12 number in front of me, Council Member, but I
13 believe it would be on an assessed value. I,
14 it's, it would approximately, it would be hard to
15 tell, it would probably be about 50 percent more.
16 It's probably about a 50 percent decrease 'cause
17 we're paying a shelter rent, which is--

18 COUNCIL MEMBER BARRON: So what
19 would that be in real numbers? Hard numbers, just
20 approximately.

21 JOSEPH LYNCH: Let me, let me
22 check. [pause, background noise] Doesn't say in
23 the, in the sample regulatory agreement now, but
24 based on a ten percent shelter rent for
25 approximately 88 units, the shelter rent tax would

2 probably be in the area of about \$150,000 per
3 year, \$175,000 per year. As opposed to about
4 \$300,000 probably on assessed value, possibly
5 more.

6 COUNCIL MEMBER BARRON: Thank you.

7 CHAIRPERSON LEVIN: And these,
8 what's, what's the status currently with, with
9 these units, as they are now? Are they currently
10 the Section VIII--what's going on with the units
11 as we speak?

12 JOSEPH LYNCH: The building
13 currently has a Section VIII contract for the 66
14 or so units. That's going to continue, and that's
15 going to be actually extended for 20 years based
16 on the new financing with HDC. And the remaining
17 units will be subject to rent stabilization.

18 CHAIRPERSON LEVIN: Do any of my
19 other colleagues have any questions? Okay. I
20 think we're going to move on from this particular
21 item. And we're going to go to Land Use No. 269,
22 which is PRE Simpson Street. That's 20115304 HAX,
23 in Bronx Community District Two, Council District
24 17, which is represented by Maria del Carmen
25 Arroyo. Testifying on this item, Carol Clark from

2 HPD, Assistant Commissioner, and Charles Brass
3 from SEBCO III, III and XI? Okay, and if you
4 could state your name for the, for the record.

5 CAROL CLARK: Carol Clark,
6 Assistant Commissioner, HPD, and I'm joined by
7 Charles Brass of Forsythe Street Advisors, who is
8 the consultant to SEBCO III Associates LP and
9 SEBCO VI Associates LP, the sponsors of the
10 proposed project. LU 269 consists of nine
11 privately owned multiple dwellings located along
12 East 163rd Street, Tiffany Street, Fox Street and
13 Simpson Street in The Bronx. PRC Simpson Street
14 LLC, which is an Article 5 redevelopment company,
15 proposes to acquire and rehabilitate the
16 buildings. When completed, the project will
17 provide 299 low income units. HPD is before the
18 Council today seeking approval of the project
19 summary, conveyance of the properties to a new
20 owner, termination of the current partial tax
21 exemption, and approval of a new tax exemption,
22 along with consent to the voluntary dissolution of
23 the current owner. And finally, approval of
24 regulatory agreement for these properties.
25 Council Member Arroyo has reviewed the project and

2 indicated her support. Thank you.

3 CHAIRPERSON LEVIN: Thank you. If
4 you could just speak briefly to the affordability
5 levels, AMI levels, in the proposed development.

6 CAROL CLARK: This has project
7 based Section VIII, so the folks that are renting
8 in the properties will not pay anything above 30
9 percent of their household income.

10 CHAIRPERSON LEVIN: Okay. Okay, do
11 any of my colleagues have any questions on this
12 particular item?

13 MALE VOICE: Nope.

14 CHAIRPERSON LEVIN: Okay, seeing
15 none, I, the hearing on this item is hereby
16 closed, and I will ask Counsel to the Committee
17 Carol Shine to call the roll. I recommend an aye
18 vote on both items.

19 COUNSEL: Chair Levin.

20 CHAIRPERSON LEVIN: Aye.

21 COUNSEL: Council Member Barron.

22 COUNCIL MEMBER BARRON: Aye on all.

23 COUNSEL: Council Member Gonzalez.

24 COUNCIL MEMBER GONZALEZ: [off mic]

25 Aye on all.

2 COUNSEL: Council Member Koo.

3 COUNCIL MEMBER KOO: [off mic] Aye
4 on all.

5 COUNSEL: By a vote of four in the
6 affirmative, none in the negative and no
7 abstentions, the aforementioned items are approved
8 and referred to the full Committee.

9 [pause, background noise]

10 CHAIRPERSON LEVIN: We're going to
11 leave the roll open for ten minutes. Thank you
12 very much, Assistant Commissioner.

13 [pause, background noise]

14 COUNSEL: Council Member Dickens.

15 COUNCIL MEMBER DICKENS: Aye on
16 all.

17 COUNSEL: By a vote of five in the
18 affirmative, none in the negative and no
19 abstentions, the aforementioned items are approved
20 and referred to the full Committee.

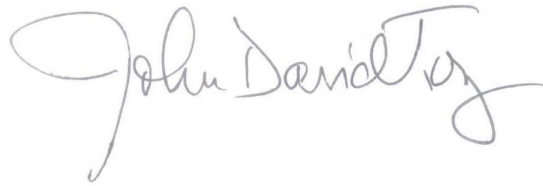
21 CHAIRPERSON LEVIN: The meeting is
22 hereby adjourned.

23 [gavel]

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C E R T I F I C A T E

I, JOHN DAVID TONG 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.

A handwritten signature in cursive script that reads "John David Tong". The signature is written in a dark ink and is positioned above the printed word "Signature".

Signature

Date December 22, 2010