

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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April 1, 2014  
Start: 1:00 p.m.  
Recess: 1:24 p.m.

HELD AT: Committee Room  
City Hall

B E F O R E: Inez E. Dickens  
Chairperson

COUNCIL MEMBERS:  
Andrew Cohen  
Darlene Mealy  
Ydanis A. Rodriguez  
Mark Treyger

A P P E A R A N C E S  
Kimberly Darga  
Assistant Commissioner of Preservation Finance New  
Chris Gonzalez  
Associate Commissioner of Preservation Finance

2 [gavel]

3 CHAIRPERSON DICKENS: Good afternoon. I  
4 am council member Inez E. Dickens from the ninth  
5 district in Manhattan. As the chair of the  
6 Subcommittee on Planning, Dispositions and  
7 Concession, I would like to welcome everyone to  
8 today's hearing. I want to acknowledge the members  
9 of this committee that are here. Council member  
10 Cohen and council member Treyger. Thank you. We  
11 have one item before us at the subcommittee on  
12 planning, dispositions and concessions. Calendar  
13 number 20145358 HAK. An application submitted by the  
14 New York City Department of Housing Preservation and  
15 Development to amend a previously approved tax  
16 exemption pursuant to section 577 of the Public  
17 Housing Finance Law for the property located at 365  
18 Jay Street, block 147, lot 2 in the Borough of  
19 Brooklyn. I first want to acknowledge my land use  
20 staff: Gail Benjamin and Amy Leviton. And I want  
21 to acknowledge my Sergeant in Arms Ivette Molina and  
22 Angel Chaconne. And I want to really acknowledge my  
23 Attorney who is deserting me and leaving me and and  
24 going out to open his own law firm to make money that  
25 he felt he didn't make here[laughter]and that's

2 Robert Raglio [laughter]. And today is his last  
3 hearing. Friday will be his last day with us. So  
4 it's bittersweet. I think I'm angry with him, I'm  
5 not quite sure. But you know, I want bother him.  
6 Now there have been several council members who have  
7 raised questions about this building but we have  
8 before us for testimony HPD Kimberley is it Darga,  
9 Assistant Commissioner of Preservation HPD and  
10 Finance. Welcome. And I want to also mention the  
11 Associate Commissioner Chris Gonzalez who has been  
12 with us many times who has been under our raft. Who  
13 has also had to sustain giving us a lot of answers  
14 that were repetitive and he did so and Chris, this is  
15 our last hearing for Chris Gonzalez. He too is  
16 leaving, unfortunately, this will be his last hearing  
17 and he's leaving to be with the Beachwood  
18 Organization. He too is desires of making money and  
19 leaving all of us all by ourselves here. So  
20 congratulations to both of you for deserting me as I  
21 become the chair but, however, I do congratulate you.  
22 And are you ready for testimony. Please begin by  
23 identifying yourselves.

24 CHRIS GONZALEZ: Good afternoon Chair

25 Dickens members of the subcommittee. I am Chris

1  
2 Gonzalez, Associate Commissioner at HPD. I am joined  
3 by Kimberley Dargar, Assistant Commissioner of  
4 Preservation Finance and Drew\*\*\*\* from PAC \*\*\* item  
5 thirty seven consist of proposed amendments through  
6 resolutions approved by the city council on May 11,  
7 2011 for the disposition and tax exemption for  
8 property located at 365 Jay Street. Sponsor of the  
9 project is Pratt Area Community Council and has  
10 undertaken the rehabilitation of this multiple  
11 dwelling containing 18 units of low-income rental  
12 unit of low income rental and 890 square feet of  
13 community space. The renovation includes masonry  
14 work under roof, new plumbing, upgraded electrical  
15 system, elevator upgrade, new windows, new floors,  
16 sheet rocking and painting in the apartments as well  
17 as new appliances. It also includes upgrades to  
18 public are to the public areas and the installation  
19 of a laundry facility for the tenants. The work is  
20 currently 65 percent complete. The previously  
21 approve resolution contained language linking the  
22 exemption with a permanent Certificate of Occupancy  
23 or equalvent documents satisfactory to HPD that  
24 recorded the occupancy and configuration of the  
25 building on the effective date. However, it has

2 been determined that such a document does not exist.  
3 Therefore, HPD is before the council today seeking an  
4 amendment to resolution 825 in order to facilitate  
5 the implementation of the tax exemption. This can be  
6 accomplished by rephrasing the language to read quote  
7 "the exemption shall only apply to the building on  
8 the exemption area that exists on the date of the  
9 approval of the exemption by the counsel. This  
10 language change would be satisfactory to HPD tax  
11 incentive program allowing the exemption to be  
12 implemented allowing the rental units to remain  
13 affordable to the tenants. Council member Levin has  
14 indicated his support for this project.

15 CHAIRPERSON DICKENS: Thank You. Would  
16 would your companion please identify themselves.

17 KIMBERLY DARGA: Good afternoon council  
18 members I'm Kimberly DARGA Assistant Commissioner  
19 for Preservation Finance HPD.

20 DREW: Good afternoon I'm Drew \*\*\* the  
21 Chief Real Estate Officer for Pratt Area Community  
22 Council. Thank you very much for the opportunity.

23 CHAIRPERSON DICKENS: Alright, Thank  
24 you. Now I have a question, the building that I  
25

1  
2 understand is about sixty five percent  
3 rehabilitated is that correct?

4 CHRIS GONZALEZ: Correct.

5 CHAIRPERSON DICKENS : Alright, but  
6 is it still in bad shape?

7 KIMBERLY DARGA: It's in much better  
8 shape every single day.

9 CHAIRPERSON DICKENS: Alright, you say  
10 much better shape, but what does that exactly mean?

11 KIMBERLY DARGA: All of it. So there  
12 is eighteen resident units. All of the interior  
13 rehabilitation to those units has been completed.  
14 So it really the remaining building \*\*\*\* and it's  
15 my understanding from CPC and Pratt Area Community  
16 Council that the rehab is expected to be completed  
17 ahead of schedule this fall.

18 CHAIRPERSON DICKENS: Alright, and the  
19 rehabilitation took place with the residents  
20 remaining in their apartments?

21 KIMBERLEY DARGA: Yes. The tenants had  
22 strong concerns about relocating outside of the  
23 building and so Pratt Area Community Council worked  
24 closely with them as well as some attorney's that  
25 the tenants secured in order to come up with a plan

2 that would keep the tenants in place during the  
3 rehab.

4 CHAIRPERSON DICKENS: Alright and and  
5 this was a city owned building?

6 KIMBERLY DARGA: It was a city owned  
7 building.

8 CHAIRPERSON DICKENS: And there are  
9 violations currently on that building?

10 KIMBERLY DARGA: There were some  
11 violations that pre prior to HPD taking it into  
12 management which we did in around two thousand five  
13 were of record. Any violations that are there now  
14 would have been from before that point in time.  
15 And then they will be expected to be cured before  
16 the permanent loan conversion. Which is expected.

17 CHAIRPERSON DICKENS: But right now  
18 there still on the building is that correct, the  
19 violations?

20 KIMBERLY DARGA: There are still  
21 violations of record.

22 CHAIRPERSON DICKENS: Are they class A  
23 or B what what class are the violations and how  
24 many in each class please?

2 KIMBERLY DARGA: There are four class A  
3 violations, 32 class B violations and 9 class C  
4 violations.

5 CHAIRPERSON DICKENS: Now 32, you said  
6 32?

7 KIMBERLY DARGA: Thirty two class B  
8 violations.

9 CHAIRPERSON DICKENS: That's an awful  
10 lot. And and the the the violations remained in  
11 effect while HPD had control of the property is  
12 that correct?

13 KIMBERLY DARGA: Yes.

14 CHAIRPERSON DICKENS: And since the  
15 city doesn't monitor itself when it takes over a  
16 building, that means the violations could just stay  
17 on a building until it's taken over by an owner and  
18 then that owner inherits the violations that  
19 remained on the building while the city had  
20 control.

21 KIMBERLY DARGA: We convey the property  
22 in an as is condition.

23 CHAIRPERSON DICKENS: Very interesting.  
24 Would be nice if owners could do the same thing.  
25 However, now when do you anticipate the completion



1  
2 of the building that's one? And all of the units  
3 are not occupied is that correct?

4 KIMBERLY DARGA: 12 of the 18 units are  
5 occupied and the rehab is expected to be completed  
6 this fall.

7 CHAIRPERSON DICKENS: By this fall?

8 KIMBERLY DARGA: By who?

9 CHAIRPERSON DICKENS: When is the  
10 completion

11 CHRIS GONZALEZ: By this fall

12 KIMBERLY DARGA: Oh this fall, yes.

13 CHAIRPERSON DICKENS: And at that time  
14 an application for the C of O will be done or has  
15 that been put in yet?

16 KIMBERLY DARGA: Yes there will be a  
17 new C of O issued upon completion of the rehab.

18 CHAIRPERSON DICKENS: What is the C of  
19 O currently say?

20 KIMBERLY DARGA: There is no C of O.  
21 Which is part of the reason why we are coming back  
22 today for the amendment. This was building that  
23 was built in the late 1800, 1992. Was the original  
24 Brooklyn Firehouse Headquarters until the 1980's at  
25 which time it was converted into residential units.

2 There was no permanent C of O issued at that point  
3 in time and their no I card of record. And so that  
4 why we couldn't issue the certificate of  
5 eligibility for the article 11.

6 CHAIRPERSON DICKENS: So when the when  
7 the C of O is issued the new C of O is issued the  
8 owners what would they have to do apply to get the  
9 removal of the violations or is that automatically  
10 done?

11 KIMBERLY DARGA: They have to request  
12 an inspection to have us go out and clear the  
13 violations.

14 CHAIRPERSON DICKENS: And when can  
15 they do that, can they do that before the C of O or  
16 after the new C of O?

17 KIMBERLY DARGA: They can, they can do  
18 it now.

19 CHAIRPERSON DICKENS: So they can

20 KIMBERLY DARGA: As soon as the work is  
21 done they could request the

22 CHAIRPERSON DICKENS: But they can  
23 request in stages though, is that right?

24 KIMBERLY DARGA: They could, yes.  
25

1 PLANNING, DISPOSTIONS AND CONCESSIONS 11

2 CHAIRPERSON DICKENS: Now tell me what  
3 what class B means really? What is a class B  
4 violation, just just quickly?

5 CHRIS GONZALEZ: Class if class B I  
6 believe if I believe that the distinction are I  
7 think class B is hazardous and class C is extremely  
8 hazardous.

9 CHAIRPERSON DICKENS: Class C is  
10 extremely hazardous.

11 CHRIS GONZALEZ: Yes. Or immediately  
12 hazardous. But I can get you the exact language.

13 CHAIRPERSON DICKENS: And class B is  
14 just hazardous?

15 CHRIS GONZALEZ: Yes

16 CHAIRPERSON DICKENS: Just not real  
17 hazardous?

18 CHRIS GONZALEZ: Correct

19 CHRIS GONZALEZ: Just a little  
20 hazardous.

21 CHRIS GONZALEZ: Correct

22 CHAIRPERSON DICKENS: That's  
23 interesting. And class A means it's meaningless ?

24 CHRIS GONZALEZ: Not meaningless it's  
25 still a violation it's still a violation in the

2 housing maintenance code but the way we rank them  
3 is by severity.

4 CHAIRPERSON DICKENS: And so but class  
5 A would be none hazardous is that what it would be  
6 classified as?

7 CHRIS GONZALEZ: Correct

8 CHAIRPERSON DICKENS: All right, any of  
9 my colleagues have questions? I'm the only one  
10 asking all these questions? [laughter]

11 Council member please

12 UNIDENTIFIED MALE: Thank you chair Dickens are  
13 there any class C violations on this property.

14 CHRIS GONZALEZ: Yes, they're nine.

15 UNIDENTIFIED MALE: So how many A?

16 CHRISE GONZALEZ: 4 A, 32 B and 9 C.

17 UNIDENTIFIED MALE: Can you describe  
18 the nature of the 9 C violations?

19 [pause}

20 KIMBERLY DARGA: Ok so to be clear,  
21 these violations are from 1998 and 2001. Ok, so  
22 these are not violations from anytime in the last  
23 decade. The C violations are for limited access to  
24 the heating system the cellar door was locked.  
25 This was in 1998. Also in 1998 there was nobody

1  
2 identified to have access to the heating system or  
3 the boiler room. You need to label it. Also in  
4 1998 hot water and in 2001 there was a violation  
5 also related to the heating system and heating to  
6 the 4th floor.

7 UNIDENTIFIED MALE: These are still  
8 active violations?

9 CHRIS GONZALEZ: There open violations  
10 but but basically our process when it comes to  
11 violations is as as as Ms. DARGA was saying either  
12 the owner calls in to certify corrections if they  
13 haven't been corrected and these are obviously old  
14 violations. What a new owner can do or existing  
15 owner can call into HPD and request an inspection  
16 and the inspector will come in and make sure that  
17 the violations do not exist and then certify that  
18 they are corrected and remove them from the from  
19 the log.

20 UNIDENTIFIED MALE: But the point is  
21 there still open? 9 C, 32 B and

22 [INTERPOSE]

23 KIMBERLY DARGA: There's been, there's  
24 been no you have to submit a dismissal request so  
25 while it was in city ownership there was HPD

1  
2 wasn't' going to submit the dismissal request for  
3 the earlier violations. We conveyed it last June  
4 and it's currently the property being rehabbed  
5 prior to conversion they are required to clear all  
6 of the violations. Administratively as well as  
7 anything that would actually be an issue at that  
8 point in time.

9 UNIDENTIFIED MALE: And can you also  
10 describe for us what exactly is affordable here is  
11 there a figure that you have that you can share  
12 with us?

13 KIMBERLY DARGA: So there are 18  
14 residential units. The occupied units there are  
15 12 at the time we conveyed the property and  
16 currently there are twelve occupied. Of the those  
17 the rents, the legal rents was being set at 55  
18 percent of AMI and if one of those tenant were to  
19 leave they would be affordable to someone making up  
20 to 80 percent of AMI. The the rents for the  
21 existing tenants although the legal rent is being  
22 set at 55 percent AMI, will not exceed 30 percent  
23 of their household income. And a portion of those  
24 tenants have rents that are further restricted as a  
25 result of a stipulation the city entered into in

1  
2 nineteen eighty eight. The remaining units are  
3 vacant currently and are being rented as 120  
4 percent of AMI upon completion.

5 UNIDENTIFIED MALE: What is AMI in this  
6 particular area ?

7 KIMBERLY DARGA: This is downtown  
8 Brooklyn and we don't have it here but

9 UNIDENTIFIED MALE: I know it's high

10 KIMBERLY DARGA: Yes. The market is  
11 above what we are setting the rents.

12 UNIDENTIFIED MALE: Yes, that's why I  
13 very curious to know what affordable means, it's  
14 very subjective.

15 KIMBERLY DARGA: Right, so this is  
16 affordable for this neighborhood given income  
17 market mass.

18 UNIDENTIFIED MALE: I just you know  
19 were seeing a pattern of your that their properties  
20 coming looking to receive city benefits that have  
21 some pretty serious violations and clearly I think  
22 we are all supporters of affordable housing but  
23 were also supporters of Safe affordable housing and  
24 housing that can you know sustain families and safe  
25 living in quarters. So I just wanna point out that

1  
2 I I think HPD should consider those serious  
3 violations even before coming to this committee to  
4 make sure these issues are addressed on behalf of  
5 the safety of those families because we want them  
6 to live in affordable whatever that means to them  
7 and affordable to our communities, we want them to  
8 be safe and sound. Particularly heat, particularly  
9 hot water. Those issues are very basic and those  
10 are necessities for families.

11 KIMBERLY DARGA: Absolutely.

12 UNIDENTIFIED MALE: Thank you. Chair.

13 CHAIRPERSON DICKENS: Thank you so much  
14 and the council member is correct but I just wanna  
15 say again for the record that that these violations  
16 accrued will under the office under the control of  
17 the city of New York and since the city does not  
18 monitor itself. That seems to be a problem.  
19 Practically since we have quite a few buildings  
20 around the city that is under the control of the  
21 city of New York. I have one more question about  
22 once the violation because they you not gonna be  
23 able to get a C of O without having requested to  
24 remove the violations are you?



2 KIMBERLY DARGA: Do you, I don't think  
3 DWU requires that the housing code violations be  
4 cleared before getting an C of O but HPD requires  
5 that before we convert our construction loan to  
6 permanent loan that all the violation of records  
7 are cleared.

8 CHAIRPERSON DICKENS: Alright, so what  
9 I'm trying to get at is that I understand about the  
10 conversion from construction to the permit but my  
11 question now is will they be allowed to get secure  
12 a C of O prior to the request to remove these  
13 numerous violations. 4 class A, 32 class B, 9  
14 class C?

15 CHRIS GONZALEZ: Well I think that that  
16 the response to that is the two are not actually  
17 linked but HPD's policy is that all violations  
18 will be certified corrected before the C of O is  
19 issued.

20 CHAIRPERSON DICKENS: So this is  
21 another little side question, so in essence what  
22 you are telling us is that DOB could in effect  
23 could issue a C of O on a building with numerous  
24 violations?

25 CHRIS GONZALEZ: Correct.

2 CHAIRPERSON DICKENS: That's  
3 interesting, that interesting. So how long  
4 actually would it take them to cure all the  
5 violations is it going to be once all the  
6 renovations take place and that is I believe you  
7 said fall of 2014? And that one and then since the  
8 conversion will not occur to permanency until  
9 that's done the violations have been removed at  
10 what point will the application for C of O go in  
11 for a new cause they have no CFO now? And how did  
12 you get that exemption to allow people to live in a  
13 building with no CFO a private owner would be card  
14 feathered and drum out of the city.

15 KIMBERLY DARGA: I cannot speak for  
16 what happened in the nineteen eighties. Yeah. I  
17 can't speak to what happened in the 1980's. In  
18 terms of the violations. Based on what I'm seeing  
19 here and based on the amount of rehab that has  
20 taken place so far they can start submitting the  
21 request for us to remove these violations in the  
22 next couple of months. They wouldn't have to until  
23 the work is 100 percent complete.

24  
25

2 CHAIRPERSON DICKENS: So the  
3 violations is the request could begin depended upon  
4 the work that is done in another few months?

5 KIMBERLY DARGA: Yes.

6 CHAIRPERSON DICKENS: But in any case  
7 all of the violations will be removed by the fall  
8 of 2014 which with at which point the conversion  
9 occur is that correct?

10 KIMBERLY DARGA: The conversion is  
11 expected to occur within 6 months of the completion  
12 of the rehabilitation.

13 CHAIRPERSON DICKENS: And the  
14 completion is to be expected in the fall?

15 KIMBERLY DARGA: Yes. So by the spring.

16 CHAIRPERSON DICKENS: So 6 months from  
17 that is when the conversion from construction to  
18 permentacy will occur.

19 KIMBERLY DARGA: That's correct

20 CHAIRPERSON DICKENS: Under which  
21 program is this being done by the way?

22 KIMBERLY DARGA: This the loan was made  
23 under the Multi Family Preservation loan program.  
24 Which is the program that we have to convey city  
25 owned multifamily buildings to private owners and

1  
2 help finance the rehabilitation as affordable  
3 housing.

4 CHAIRPERSON DICKENS: Are they gonna be  
5 able to use J fifty one tax benefits?

6 KIMBERLY DARGA: For this property?

7 CHAIRPERSON DICKENS: For this  
8 property.

9 KIMBERLY DARGA: This property is not  
10 utilizing J 51 the exemption that were requesting  
11 is a article 11. It is owned by an HDFC .

12 CHAIRPERSON DICKENS: Ok. Thank you so  
13 much, are there any other question council members?  
14 Alright, Drew will you please pronounce your last  
15 name for me?

16 DREW ...: Sure

17 CHAIRPERSON DICKENS : I apologize.

18 DREW ...: No (pronounce name)

19 CHAIRPERSON DICKENS: Drew do you have  
20 anything you want to add? You have anything you  
21 want to add to the testimony that's already been  
22 given. Because you represent, tell us who you  
23 represent Pratt?

24 DREW ...: Pratt area community council  
25 which is the community group that that HPD sell the

1  
2 property to and Pratt Area Community Council is a  
3 non-profit community group in Central Brooklyn that  
4 is a multi service agency so we work with  
5 foreclosures prevention. We work with tenant  
6 organizing and as well as we do housing  
7 development. For this I can assure you that these  
8 issues that are bad back from history were very  
9 very concerned about fixing the buildings so the  
10 violations can be removed. And we apart of the  
11 part of the construction process we hire people to  
12 handle just the violations. And so when we know  
13 work is done, in the process we will submit for a  
14 so it's removed off the books. But I can  
15 definitely assure you the tenants are getting heat  
16 and hot water today. And they have been for a  
17 while.

18 CHAIRPERSON DICKENS: Thank you so  
19 much. Are there any other questions? Alright, we  
20 will not be voting on this today. We will do so,  
21 do we know what date? Alright, we don't know the  
22 date of the next meeting but were laying it over.  
23 The vote will occur at the next meeting, so were  
24 laying this item over. And being that this was the  
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PLANNING, DISPOSTIONS AND CONCESSIONS 22

only item we had on the agenda for today. This hearing is hereby adjourned.

[gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. 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.



Date April 14, 2014