SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 1 CITY COUNCIL CITY OF NEW YORK -----Х TRANSCRIPT OF THE MINUTES Of the SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS ----- X March 11, 2025 Start: 12:00 p.m. Recess: 12:38 p.m. HELD AT: 250 BROADWAY - COMMITTEE ROOM, 16TH FLOOR B E F O R E: Kamillah M. Hanks, Chairperson COUNCIL MEMBERS: Justin L. Brannan Amanda Farías Oswald Feliz Christopher Marte Sandy Nurse World Wide Dictation 545 Saw Mill River Road – Suite 2C, Ardsley, NY 10502 Phone: 914-964-8500 \* 800-442-5993 \* Fax: 914-964-8470 www.WorldWideDictation.com

## SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS

## AND DISPOSITIONS

## A P P E A R A N C E S

Andrea Bender, Vice President of External Affairs at the New York City School Construction Authority

Nicole Monteiro, Real Estate Department at the New York City School Construction Authority

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SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 3 1 2 SERGEANT-AT-ARMS: Testing, testing. This 3 is a sound check for the Subcommittee on Landmarks, 4 Public Sitings and Dispositions recorded by Sergeant 5 Ben Levy on March 11, 2025, in the 16th Floor 6 Committee Room. 7 SERGEANT-AT-ARMS: Good morning, good morning. Welcome to the Subcommittee on Landmarks, 8 9 Public Sitings and Dispositions. 10 At this time, please silence all 11 electronics and do not approach the dais. I repeat, 12 please do not approach the dais. 13 If you're testifying, please fill out a 14 slip at the back of the room with the Sergeant-at-15 Arms. 16 At this time, please, like I said, please 17 silence all electronics. 18 Thank you for your cooperation. 19 Chair, you may begin. 20 CHAIRPERSON HANKS: [GAVEL] Good morning, 21 everyone. Welcome to the meeting of the Subcommittee on Landmarks, Public Sitings, and Dispositions. I am 22 23 Kamillah Hanks, and I am the Chair of the 24 Subcommittee. I am joined today by my Council 25 Members, Majority Leader Amanda Farías, Council

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 4 1 Member Feliz is online, Council Member Marte, and 2 3 Council Member Nurse. 4 Before we begin with today's agenda, I will remind everyone that this meeting is being held 5 in a hybrid format, and for members of the public who 6 7 wish to testify remotely, we ask that you first register online, and you may do so now by visiting 8 9 www.council.nyc.gov/landuse to sign up, and then sign into the Zoom and remain signed in until you have 10 testified. 11 12 For anyone with us today who is in person 13 wishing to testify, if you have not already done so, please see one of our Sergeants to fill out a 14 15 speaker's card. We will call your name at the 16 appropriate time. 17 For anyone wishing to submit written 18 testimony on the items being heard today, we ask that 19 you please send it via email to 20 landusetestimony@council.nyc.gov. Include the land use number and/or the project name in the subject 21 line, and video and audio testimony will not be 2.2 23 accepted. I will remind members of the public that 24 this is a government proceeding and decorum shall be 25

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 5 1 observed at all times. As such, members of the public 2 3 shall remain silent unless and until called to 4 testify. The witness table is reserved for people 5 who wish to testify. No video recording or 6 7 photography is allowed from the witness table. Further, members of the public may not present audio 8 9 or video recordings as testimony but may submit transcripts of such recordings to the Sergeant for 10 11 including in the hearing record. 12 So, on today's agenda, we have 547-seat 13 primary school facility, a school siting application 14 by the School Construction Authority for a project in 15 Majority Leader Farías' District in the Bronx. 16 We also have West 128th Street-129th, a project in Council Member Salaam's District in 17 18 Manhattan, as well as several votes. 19 Please note that LU-238 and LU-234 20 through 236 on today's agenda are laid over. So first, we will hold several votes. The 21 first vote is to approve LU-225 through 228 for The 2.2 23 Beacon in an application submitted by the New York City Department of Housing Preservation and 24 Development for an approval of an Urban Development 25

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 6 1 Action Area Project and disposition of real property, 2 3 a zoning map amendment, a zoning text amendment, and 4 a City map change for the property in East Harlem in Council Member Ayala's District. 5 The next vote will be to approve Land Use 6 7 237, 1093-1095 Jerome Avenue, submitted by HPD, for 8 an approval of an Urban Development Action Area and 9 an Urban Development Action Area Project and the related disposition of City-owned property to 10 11 facilitate development of an 11-story mixed use building in the Bronx in Council Member Stevens' 12 District. 13 14 The next vote is to approve LU-247 15 through 248, 2201 Davidson Avenue Project, submitted by HPD, for the approval of the Urban Development 16 17 Action Area Project and a real property tax exemption 18 for property located in the Bronx in Council Member 19 Sanchez's District. 20 I'd like to recognize any of the Council 21 Members who are here today who would like to speak on these projects. Any Members of the Subcommittee who 2.2 23 have questions, let me know. I will now call for a vote to approve LU-24 225 through 228 for The Beacon, to approve LU-237 for 25

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 7 1 1093-1095 Jerome Avenue, a UDAAP, to approve Land Use 2 3 247 and 248 for 2201 Davidson Avenue. Counsel, please call the roll. 4 SUBCOMMITTEE COUNSEL: Chair Hanks. 5 CHAIRPERSON HANKS: I vote aye on all. 6 7 SUBCOMMITTEE COUNSEL: Council Member Feliz online. I'll return to you. Council Member 8 9 Marte. COUNCIL MEMBER MARTE: I vote aye. 10 11 SUBCOMMITTEE COUNSEL: Majority Leader Farías. 12 MAJORITY LEADER FARÍAS: I vote aye. 13 SUBCOMMITTEE COUNSEL: Council Member 14 15 Nurse. COUNCIL MEMBER NURSE: I vote aye. 16 17 CHAIRPERSON HANKS: Again, call on Council Member Feliz online. 18 19 SUBCOMMITTEE COUNSEL: Council Member 20 Feliz, can you hear me online? 21 CHAIRPERSON HANKS: Thank you, Counsel. We will leave the vote open for any other Subcommittee 2.2 23 Members who may wish to join us later. 24 SUBCOMMITTEE COUNSEL: But so far by a vote of four in the affirmative, zero in the 25

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 8 1 negative, and zero abstentions, the items are adopted 2 3 and referred to the full Land Use Committee. COUNCIL MEMBER FELIZ: Apologies. I vote 4 5 aye on all. Sorry. SUBCOMMITTEE COUNSEL: Okay. Thank you. By 6 7 a vote of five in the affirmative, the items are 8 adopted and referred to the Land Use Committee, but 9 we will continue to leave it open. CHAIRPERSON HANKS: I will now open a 10 11 public hearing for a pre-considered land use item for 12 a 547-seat primary school facility, an application by 13 the New York City Construction Authority for the site selection for a new approximately 547-seat primary 14 15 school facility in Majority Leader Farías' District in the Bronx. Madam Majority Leader, would you like 16 17 to make a statement? 18 MAJORITY LEADER FARÍAS: Yes. Thank you, Chair. I'm here today to speak in strong support of 19 this proposed new primary school in District 18, a 20 21 project that is not just important but absolutely necessary to meet the needs of our students and 2.2 23 ensure our City complies with State law. This is about more than just adding seats. It's about 24 creating real educational opportunities and giving 25

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our children the modern, high-quality learning 2 3 environment they need to thrive. Overcrowding is a 4 serious issue in School District 11, which serves nearly all of the Northeast Bronx, directly borders 5 my Districts, and includes a portion of District 18. 6 7 Right now, students in this area are in overcrowded 8 classrooms that limit their ability to receive the 9 attention, resources, and support they deserve. The State-mandated class size reductions require the City 10 11 to meet specific class size limits by 2028, so 12 without this new school, we likely will not be in 13 compliance with that. And with the recent Metro-North plans, where I secured many community benefits and 14 15 negotiations, this was a piece of the puzzle we were 16 working on, a new school for the area, and I'm happy 17 to see us get to a place where the community is 18 receiving one.

This project will create 547 much-needed seats for students in grades of K-5, alleviating overcrowding and ensuring students have access to smaller class sizes that improve learning outcomes. As you'll see in the proposal, the proposed T-shaped site is bounded by nine residential properties to the south and west, Zerega to the north, and St. Raymond

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Avenue to the east, with Parker Street to the south 2 3 and Westchester Square. The school will feature 4 approximately 22 classrooms for pre-K through 5th grade, two special education classrooms, eight 5 District 75 classrooms, and key resource spaces 6 including a speech and reading resource room, a music 7 room and art room, a cafeteria and kitchen, a 8 9 library, a gymnasium, and both guidance and medical suites. The site plan also includes an approximately 10 11 14,000 square foot at-grade play area to ensure students have access to safe and outdoor recreation. 12

13 The work we do today will have a lasting impact on future generations of our Bronx students, 14 15 and so we must prioritize education and make sure 16 every child has access to a safe, supportive, and 17 effective learning environment. To me, this is a 18 common-sense investment, one that ensures compliance with State law, alleviating overcrowding, and most 19 20 importantly, giving our kids the best possible start 21 in life so I urge my Colleagues to support this 2.2 project so we can continue building stronger schools, 23 stronger communities, and a stronger future for the Bronx. Thank you. 24

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SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND 11 DISPOSITIONS 1 2 CHAIRPERSON HANKS: Thank you, Madam 3 Majority Leader. 4 Appearing today on this proposal is Andrea Bender and Nicole Monteiro. 5 Those wishing to testify remotely must 6 7 register online by visiting the Council's website at 8 council.nyc.gov/land use. 9 Panelists, ensure that your microphone is 10 on. Counsel, will you please administer the 11 12 affirmation? 13 SUBCOMMITTEE COUNSEL: Panelists, would you please raise your right hand and state your name 14 15 for the record? 16 ANDREA BENDER: Andrea Bender. 17 NICOLE MONTEIRO: Nicole Monteiro. 18 SUBCOMMITTEE COUNSEL: And do you affirm 19 to tell the truth, the whole truth, and nothing but 20 the truth in your testimony before this Subcommittee, and in answer to all Council Member questions? 21 2.2 ANDREA BENDER: Yes. 23 NICOLE MONTEIRO: Yes. CHAIRPERSON HANKS: Thank you, applicant 24 panelists. For the viewing public, if you need an 25

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 12 accessible version of this presentation, please send us an email request to landusetestimony@council.nyc.gov. The applicant team may now begin. ANDREA BENDER: Good morning, Chair Hanks,

7 Majority Leader Farías, and Members of the Committee. 8 My name is Andrea Bender, and I am the Vice President 9 of External Affairs at the New York City School Construction Authority. I am joined by my colleague, 10 11 Nicole Monteiro, in our Real Estate Department. I 12 want to say thank you so much for having us this 13 morning, and thank you for your support, Council 14 Member. We appreciate it very much.

15 We are so pleased to be here to present a 16 proposed new approximately 547-seat primary school at 17 1631-1659 Zerega Avenue in the Westchester Square 18 neighborhood of the Bronx. Pursuant to Section 1731 19 of the New York State Public Authority's law, the New 20 York City School Construction Authority has 21 undertaken the site selection process for a new 2.2 approximately 547-seat primary school facility 23 located at 1631-1659 Zerega Avenue, Block 3991, Lots 87, 78, 75, and 6 in the Borough of the Bronx. The 24 25 site is approximately 35,212 square feet, about

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 13 1 eight-tenths of an acre. The site is located within 2 3 Bronx Community Board 10 and Community Education 4 Council District 11. The purpose of the proposed 5 project is to provide additional long-term capacity to relieve overcrowding in School District 11. The 6 7 SCA's five-year capital plan for Fiscal Years 2025 to 8 2029 allocates capital funding to address existing 9 overcrowding and forecasted changes in student enrollments and to support New York City Public 10 11 Schools' implementation of class size reduction 12 mandates. During the 2023-2024 school year, Community 13 Education Council Number 11's elementary schools collectively operated at 103.86 percent of their 14 15 target capacity. Next slide, please. 16 This is an overview of the project 17 situated on Zerega Avenue within the Westchester 18 Square neighborhood. The red bullseye is our proposed 19 site. Next slide, please. 20 And here is our tax map showing the 21 specific block and lot of the proposed school site. 2.2 Again, that's Block 3991, Lots 87, 78, 75, and 6. 23 Next slide, please. Here we have a little closer aerial view 24 25 of the site. Next slide, please.

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This notice of filing of our site plan 2 3 was published in AM New York and the City Record on 4 October 31, 2024, at which time Community Education Council 11, Bronx Community Board 10, and the City 5 Planning Commission were notified of the proposed 6 7 site plan. The Community Education Council held a 8 public hearing on November 22, 2024, and Bronx 9 Community Board 10 held a public hearing on November 12, 2024. All public comments received on the site 10 11 were considered as part of our site selection 12 process. The SCA affirms the site plan pursuant to Section 1731 of the New York Public Authorities Law. 13 In accordance with Section 1732 of the Public 14 15 Authorities Law, the SCA submitted the proposed site 16 plan to the Mayor and City Council by letter dated 17 March 7, 2025. Next slide, please.

The next few slides are photos of the site's existing condition. This first slide shows you the south view looking onto Zerega Avenue. Here you will see the two-story house and the back end of a three-story house with a three-story school addition at 1651 Zerega Avenue. Next slide, please. Some more views of the site. Next slide,

25 please.

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND 15 DISPOSITIONS 1 And this is a view of the parking lot and 2 3 garage on the site. Next slide, please. 4 Should SCA receive approval to acquire 5 the property, a new primary school will be constructed, anticipated to open in 2029. The school 6 7 will include 22 classrooms for pre-kindergarten to 8 fifth grade, two special education classrooms, eight 9 District 75 classrooms, a speech resource room, a reading resource room, a music room, an art room, a 10 11 kitchen cafeteria, library, gymnatorium, guidance and 12 medical suites as well as general administrative and 13 support spaces. It is also anticipated to include the creation of an approximately 14,000 square foot add-14 15 grade play yard. 16 We look forward to the Subcommittee's 17 favorable consideration of this proposed site plan 18 and would be pleased to answer any questions from the 19 Committee. Thank you so much. 20 CHAIRPERSON HANKS: Thank you so much. 21 We'd now like to recognize any of my Colleagues if 2.2 they have questions. 23 Seeing none, thank you. This applicant panel is now excused. 24 25 ANDREA BENDER: Thank you so much.

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND 16 DISPOSITIONS 1 2 NICOLE MONTEIRO: Thank you. 3 CHAIRPERSON HANKS: Counsel, are there any 4 members of the public who wish to testify on this 5 item? SUBCOMMITTEE COUNSEL: We don't have any 6 7 signed up. 8 CHAIRPERSON HANKS: If there are any 9 remote public participants who wish to testify and have not already done so, please press the raise hand 10 11 button now and, if there are any you in person, 12 please see the Sergeant-at-Arms to fill out a speaker 13 card. 14 With there being no other members of the 15 public who wish to testify regarding a pre-considered 16 Land Use item for a 540-seat primary school facility, 17 the public hearing is now closed and the item is laid 18 over. 19 I will now open the public hearing for 20 the two related pre-considered Land Use items for 21 West 128th and 129th Street Cluster Project, an 2.2 application by NYC HPD for an approval of an Urban 23 Development Action Area project and an approval of an Article XI tax exemption to facilitate the 24 preservation of four buildings in Council Member 25

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND 17 DISPOSITIONS 1 Salaam's District in Manhattan. Appearing today on 2 3 this proposal is Regina Lovitt from HPD and Donald 4 Notice, Executive Director of West Harlem Group 5 Assistance, Inc. Those wishing to testify remotely, please register online by visiting the Council's 6 7 website at council.nyc.gov/landuse. 8 Panelists, please ensure that your 9 microphone is on. Red means go. 10 Counsel, will you please administer the affirmation? 11 12 SUBCOMMITTEE COUNSEL: Panelists, would 13 you please raise your right hand and state your name for the record? 14 15 REGINA LOVITT: Regina Lovitt. DONALD NOTICE: Donald Notice. 16 17 ARIELLE RAWLINGS: Arielle Rawlings. I'm also with HPD. 18 19 SUBCOMMITTEE COUNSEL: Thank you. Do you 20 affirm to tell the truth, the whole truth, and 21 nothing but the truth in your testimony before this Subcommittee and in answer to all Council Member 2.2 23 questions? REGINA LOVITT: Yes. 24 25 DONALD NOTICE: Yes.

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND 18 DISPOSITIONS 1 2 ARIELLE RAWLINGS: Yes. CHAIRPERSON HANKS: Thank you. Applicant 3 4 panelists, please begin. For the viewing public, if you need an 5 accessible version of this presentation, please send 6 7 an email request to landusetestimony@council.nyc.gov. 8 This applicant panel team may begin. 9 REGINA LOVITT: Hi, all. My name is Regina Lovitt, and I'm a Project Manager for HPD's 10 11 Affordable Neighborhood Cooperative Program, or ANCP. First, I would like to thank the Subcommittee on 12 13 Landmarks, Public Sitings and Dispositions for your 14 time today. 15 This afternoon, I'll be speaking on the West 128th-129th Street Cluster, which is a proposal 16 17 to rehabilitate four buildings in Harlem under HPD's 18 Affordable Neighborhood Cooperative Program. Next 19 slide, please. 20 The purpose of this project is to gut-21 renovate the Tenant Interim Lease, or TIL, buildings and to enable existing residents, of which there are 2.2 23 38 in this cluster, to become homeowners. The structure of this project will be a collaboration 24 25 between the sponsor, West Harlem Group Assistance,

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Incorporated, of whom we have Donald Notice with us 2 3 today, partnering with HPD. The sponsor will manage 4 the building during construction and throughout the conversion process. During construction, the non-5 profit, Restoring Communities HDFC, will own the 6 7 building to prevent any potential conflicts of 8 interest with the sponsor. Upon conversion, the 9 building will be owned and managed by the residents of the buildings, all of which include the existing 10 11 residents and new purchasers of the currently vacant 12 units. The requirements for the buildings to convert 13 to cooperative are to have 80 percent of existing residents attend at least eight co-op success 14 15 trainings, which will be provided during the 16 construction period. Eighty percent of the existing 17 residents must also remain current on their rent 18 payments, and lastly, 80 percent of the existing 19 tenants must choose to purchase their units at co-op 20 conversion. Next slide, please.

To speak on the affordability of the units, existing residents will pay 250 dollars if they are earning up to 80 percent of the area median income. Residents that earn more than 80 percent of the area median income will pay 2,500 dollars to

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purchase their converted unit. Existing residents 2 3 will not obtain personal mortgages for the purchase 4 of their units, and we anticipate that the vast majority, if not all of the existing residents of the 5 projects, will qualify for the lower 250-dollars 6 sales price. For new purchasers of the currently 7 8 vacant units, of which there are 58, purchase prices 9 will be set affordable to 80 percent of area median income. Those prices are set so that purchasers' 10 11 personal mortgages plus monthly maintenance and utilities will not exceed roughly one-third of their 12 13 income to remain affordable per federal definitions of housing cost burden. The area median income for a 14 15 family of three in 2024 is shown below on the slides. 16 Next slide, please.

17 The TIL rents that the residents are 18 currently paying do not produce enough income to 19 maintain the buildings. The monthly cost through ANCP 20 will change through a rent restructuring process at 21 the point of conversion to ensure that all the buildings remain financially and physically healthy 2.2 23 after they convert to co-op. The expenses required to maintain a building include insurance, heat and hot 24 water, electric and public areas, maintenance staff 25

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2 salaries, water and sewer, account and legal 3 expenses, extermination, and minor repairs, just to 4 name a few. The shareholders will collectively decide how much they would like to increase maintenance by 5 annually based on future building expenses and income 6 7 needs, but there is a required 2 percent increase 8 every year per the AMCP term sheet. For the co-op to 9 have enough money to cover the prior mentioned expenses, initial monthly maintenance after the 10 11 buildings convert to cooperative have been set to 110 12 percent of projected expenses. In other words, the 13 initial residential income will cover anticipated expenses plus a 10 percent cushion. Any households 14 15 for whom the monthly maintenance payment is 16 unaffordable will receive a Section 8 voucher that 17 ensures they do not pay more than 30 percent of their 18 total income on housing costs. The voucher will 19 subsidize the difference between the share that the 20 resident can afford and the total monthly maintenance 21 amount. The voucher can expand in the future to cover 2.2 an increased gap if, for example, maintenance 23 increases become necessary for the building but the household income does not. Please note that the total 24 25 monthly expense estimate below is a current estimate

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2 of what monthly maintenance may look like at 3 conversion, but due to the fact that the building 4 costs may change over the period of construction and conversion, the exact cost will be set closer to 5 actual conversion date to ensure that the initial 6 7 maintenance is set with the most updated information 8 in mind. All in all, due to the availability of 9 Section 8 vouchers and the way that the income restrictions are structured, no one will pay more 10 11 than 30 percent of their income towards housing 12 costs. Next slide, please.

13 This here is an example of what the total 14 monthly payments would be for a household in ANCP 15 with an income of 20,000 dollars per year. The total 16 maintenance for a one-bedroom is roughly 1,200 17 dollars based on the income needed to support the 18 building on a per-unit basis. A shareholder earning 19 15 percent of the area median income will only pay 20 500 dollars, which is 30 percent of their monthly income. The voucher will subsidize the rest of the 21 maintenance, which in this example case is 700 2.2 23 dollars. Next slide, please.

24 Typical project costs that are included
25 in the rehabilitation work are including new building

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systems, which include low-carbon electrical and 2 3 heating systems, and new water and gas lines. Costs 4 also go into legalizing the unit layouts and bringing the buildings up to code, introducing new and 5 improved accessibility features, including accessible 6 7 showers and wheelchair accessibility within the units. Most residents in these buildings have seen 8 and signed off on their new unit layouts. Next slide, 9 10 please.

11 Importantly, investing in these major upgrades now will reduce future maintenance, repair, 12 13 and operating costs while ensuring the building is 14 newly renovated and in good condition before 15 ownership is transferred. Residents are typically relocated during the construction period, which is 16 about 24 to 30 months, which the project budget 17 18 covers the difference between the current amount they 19 pay, which is their TIL rents, and the relocation 20 unit rents and till conversion. The project budget 21 also covers other costs related, like moving, movers, 2.2 boxes, tape, and storage. In these buildings' case 23 specifically, some tenants are relocated early due to concerns about current building safety. This project 24 25 also provides co-op success trainers to the residents

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to help build their knowledge and ability to become successful homeowners. Lastly, the budget provides a substantial reserve fund to set up the buildings for success from the start and help the building pay for any unforeseen emergencies down the road. Next slide, please.

8 The typical financing for co-op projects 9 is the majority is paid through a City capital loan, which will be provided in the amount of approximately 10 11 560,000 dollars per unit. There will be zero-dollar 12 debt payments and zero-dollar interest payments for 13 40 years to match the term of the Article 11 property tax exemption we are seeking. If the co-op chooses to 14 15 stay under a regulatory agreement, then there will be a no loan payment due and zero-dollar debt payments 16 17 for the 40-year regulatory period although HPD 18 anticipates that the buildings will be able to renew 19 the regulatory period and indefinitely defer any 20 payments on the City loan at the end of the 40-year 21 term, generating permanently affordable homeownership 2.2 units for the City. HPD's loan does not impact the 23 maintenance fee amount because, as discussed in an earlier slide, the maintenance fee amount has been 24 25 set to cover the building expenses and the HPD loan

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is not an expense due to its zero-dollar monthly 2 3 payment. The Article XI tax exemption that we're 4 applying for will reduce and eliminate the property tax costs on a building for at least 40 years, if not 5 longer. Because the buildings are currently City-6 7 owned, the subsidized acquisition cost of 1 dollar 8 per building also brings down the total development 9 cost significantly. And lastly, this project is applying to receive funding through New York State 10 11 AHC in the amount of 75,000 dollars per dwelling 12 unit, which will not be repaid. The sales proceeds 13 from both the occupied units plus primarily from the vacant units will help to provide funds to finance 14 15 the project. Next slide, please.

16 The shared equity model helps co-op 17 shareholders build wealth over time, maintaining 18 long-term affordability for the community. This chart 19 illustrates the estimated equity growth for a two-20 bedroom unit post-conversion, assuming a 3 percent 21 annual price increase and 80 percent AMI income restriction. You will see that the initial purchasers 2.2 23 of the units in the future co-ops are incentivized to hold onto their units longer, which builds equity and 24 yields higher profits for themselves upon selling. 25

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2 Residents will have the opportunity to review
3 specific details in the Attorney General accepted
4 offering plan before purchasing shares. Next slide,
5 please.

For a more granular development timeline 6 7 for this project, the sponsor designation process has 8 already occurred. As mentioned previously, West 9 Harlem Group Assistance has been designated. We are currently in the pre-development phase. We have 10 11 continuous engagement with the existing residents of 12 the project. The scope of work has been determined, 13 and the budget and financing are currently in the works and we have 94 percent tenant sign-off on 14 15 layouts and we plan to obtain 100 percent in the 16 coming weeks. We plan to have all tenants relocated by the fall of 2025. We are anticipating that 17 construction will take between 24 and 30 months. 18 19 During that period, the deed of the buildings will be 20 transferred from the City to Restoring Communities, 21 the temporary owner of the buildings, then the construction loan will close, and construction will 2.2 23 begin as soon as the tenants are relocated. Tenants will attend previously mentioned co-op home ownership 24 trainings and then the sponsor will engage an 25

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2 attorney to create an offering plan, which is what 3 allows us to convert the co-op at the end of 4 construction completion. After construction finishes, we anticipate it will take 9 and 12 months to go 5 through the marketing and conversion process so that 6 7 the tenants will be moved back into the buildings as 8 soon as it's ready. Once construction is completed 9 and the existing residents are moved back to their rehab units, marketing for the vacant units will 10 11 begin. The building will convert to co-op once those 12 units have signed purchasers, at which point the deed 13 will be transferred to the co-op and the construction loan will be paid off at the co-op conversion point 14 15 by permanent financing. Next slide, please.

Here, I'll pass it off to Donald Notice Of West Harlem Group Assistance, Incorporated to speak about their organization and some project specifics on the following slides. Thank you.

20 DONALD NOTICE: Hello. Good afternoon. My 21 name is Donald Notice, Executive Director for West 22 Harlem Group Assistance, and I want to first thank 23 the Subcommittee on Landmarks, Public Sitings and 24 Dispositions for giving us this opportunity to 25 present this project.

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2 West Harlem Group Assistance is a not-3 for-profit community development corporation. We're 4 in our 54th year providing affordable housing and social services to the Harlem community. We have 5 worked on several HPD projects for the last 40 years. 6 7 Some of our notable projects that we worked on was we're working on two PACT deals right now with NYCHA, 8 one 693 units that's 95 percent completed, and we 9 just started another 1,200-unit project in December 10 11 that construction is just starting. We worked with 12 the Section 202 program. We have two senior citizen 13 housing of 166 units providing affordable housing for senior citizens, and we have two homeless shelters, 14 15 one DHS shelter and one HPD shelter, and we have a food pantry that's servicing about 25,000 people a 16 17 month on food disparities in the Harlem community. We 18 also worked on two ANCP projects, providing affordable homeownership opportunities to the Harlem 19 20 community. One was 100 percent completed and sold to 21 existing residents and to first-time homebuyers, and that one was 11 units, and we're working on where we 2.2 23 just finished up construction on a 50-unit project which the construction is finished, and we're getting 24 25 ready to do the marketing on that project and

1	SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 29
2	providing affordable homeownership opportunities. A
3	little bit about the cluster, West 128th, 129th
4	Street. Next slide, please.
5	West Harlem Group Assistance will act as
6	a sponsor. Our construction lender will be Webster
7	Bank. There's 96 units in the project that's going to
8	be a gut renovation, 38 of which are for the existing
9	residents, and 40 percent of the project, and 58
10	units will be first-time homebuyers. The sales prices
11	will be, for the existing families, will be 250
12	dollars, at or below 80 percent of AMI or 2,500
13	dollars. The sales prices for the new residents will
14	be affordable at 80 percent of AMI. Monthly
15	maintenance fees for all residents set to cover 100
16	percent of the project's building expenses, and this
17	project is scheduled to close in the summer of 2025.
18	The projected unit post-rehab is five studios, 22
19	one-bedrooms, 35 two-bedrooms, 33 bedrooms, and four
20	five-bedrooms.
21	And I want to, again, thank the Committee
22	for hearing our project, and we are hoping that we
23	have a positive vote from the Subcommittee. Thank
24	you.
25	

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND 30 DISPOSITIONS 1 CHAIRPERSON HANKS: Thank you so much. Now 2 I'd like to recognize Council Member Brannan is here, 3 4 if you'd like to open the vote. 5 How would you like to vote on all three of these matters? 6 7 COUNCIL MEMBER BRANNAN: Thank you, Chair. I vote ave. 8 9 SUBCOMMITTEE COUNSEL: Thank you. By a vote of six in the affirmative, zero abstentions, and 10 11 zero in the negative, the matters are adopted and referred to the full Land Use Committee. 12 13 CHAIRPERSON HANKS: Thank you, Counsel. So, is there any of my Members who have questions? 14 15 So, I have a few questions. Can you 16 briefly describe and detail how the current buildings 17 in the respective sites fell into disrepair, and what 18 is the process that has been working both with the 19 current tenants, both in relocation and providing an 20 opportunity for them to move back into the buildings, 21 if they so choose? ARIELLE RAWLINGS: So, the buildings, all 2.2 23 four of them are in City ownership and have been for many decades. I would have to confirm the exact date, 24 25 but I'm happy to. On or around the early 2000s, they

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signed a net lease through the Tenant Interim Lease 2 Program, which is part of HPD's asset management 3 4 team, and have been managed as City-owned rental buildings since then. The rents on all of those units 5 have remained flat since that period and do not 6 7 produce enough income to support the buildings, which 8 Regina spoke to a bit, and so part of the 9 rehabilitation process is restructuring the rents to maintenance amounts once the buildings convert to 10 11 cooperative, that ensure that the buildings are 12 producing enough income to maintain them. HPD also, 13 through the project budget, will provide the 14 buildings with substantial reserve contributions at 15 conversion to cooperative that help the building with any unforeseen expenses that come up in the future. 16

And to speak to relocation, Mr. Notice 17 18 can provide more specific details, but ahead of the 19 buildings beginning construction, all of them need to 20 be 100 percent vacant due to the scope of work, which 21 is quite deep. They're all being gut rehabilitated, and so all the residents will be relocated to 2.2 23 probably a combination of market rate units and potentially some within WAGA's portfolio. 24

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SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND 32 DISPOSITIONS 1 2 DONALD NOTICE: Yes. 3 ARIELLE RAWLINGS: And it's being overseen 4 by an organization that WAGA has partnered with to identify those market rate units if there are not 5 suitable units within the portfolio. 6 7 CHAIRPERSON HANKS: Thank you so much. Just one more question. What is the proposed timeline 8 9 regarding with the completion of this project? ARIELLE RAWLINGS: So, our hope would be 10 11 to dispose of the buildings in the summer and begin 12 construction at that point, but the actual 13 construction period is predicated on the buildings being vacated. So, relocation is now starting. We 14 15 actually, WAGA and representatives from HPD, are meeting with the residents this evening to discuss, 16 17 provide updates on the relocation process. So, over the next two to three months, residents will be 18 19 relocated and the building will close on construction 20 financing. Our team is working with OMB and has to 21 submit the budget to get the HPD loan approved. And 2.2 after all that comes together, hopefully in the 23 summer of this year, the buildings would begin construction. 24

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 33 1 DONALD NOTICE: And we're working with 2 3 SAV, who is a consultant, who's going to do the relocation. 4 CHAIRPERSON HANKS: Yeah, I was going to 5 ask about that because, you know, is there the 6 7 communication of the relocation? It's extremely traumatic for folks so we just want to make sure that 8 9 you are working with Council Member Salaam and we're making sure that residents in this project, you know, 10 11 does it as planned. DONALD NOTICE: Yes. We normally do the 12 13 relocation ourselves, but because of the 38 families getting relocated, we hired a consultant to help us 14 15 along that process. 16 ARIELLE RAWLINGS: And as you may have 17 seen in the unit mix of the future rehab buildings, 18 there are many large units in this project, which is quite exciting, but there are also many large 19 20 intergenerational families that need to be relocated, 21 so SAV Relocation Services is helping support 2.2 identify those larger relocation units, which are 23 hard to find in New York. 24

SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND 34 DISPOSITIONS 1 CHAIRPERSON HANKS: Well, we look forward 2 to looking at seeing that process, making sure it 3 4 runs smoothly. Thank you. This applicant panel is now 5 6 excused. 7 DONALD NOTICE: Thank you. CHAIRPERSON HANKS: Counsel, are there any 8 9 members of the public who wish to testify on this 10 item? 11 SUBCOMMITTEE COUNSEL: No. 12 CHAIRPERSON HANKS: Okay. Thank you. So, 13 if there are any remote public participants who wish to testify and have not already done so, please press 14 15 the raise hand button now and, if you are here with us in person, please see the Sergeant-at-Arms to fill 16 17 out a speaker card. 18 Okay. With there being no other members 19 of the public who wish to testify regarding these two Pre-Considered Land Use items for the West 128th-20 21 129th Street Cluster Project, the public hearing is 2.2 now closed, and the items are laid over. 23 That concludes today's business. I would like to thank the members of the public, my 24 Colleagues, Subcommittee Counsel, Land Use Staff, and 25

1	SUBCOMMITTEE ON LANDMARKS, PUBLIC SITINGS AND DISPOSITIONS 35
2	Sergeant-at-Arms for your participation today. This
3	meeting is hereby adjourned. [GAVEL]
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## CERTIFICATE

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date March 29, 2025