

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

LAND USE SUBCOMMITTEE ON PLANNING, DISPOSITIONS &
CONCESSIONS

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March 31, 2009
Start: 02:15 pm
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HELD AT: Committee Room
City Hall

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

COUNCIL MEMBERS:
Daniel R. Garodnick
Maria Baez
Inez E. Dickens
Vincent Ignizio
Melissa Mark-Viverito
Rosie Mendez

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

Carol Clark
Assistant Commissioner
HPD

Gustavo Rosado
Executive Director
El Barrio Operation Fightback

Holly Leicht
Deputy Commissioner for Development
HPD

Will Law
Chief Operating Officer
Artspace Projects

Aziza Hurston
Resident

Elona Ross
Resident

Andy Cohen
Project Manager

Meredith Marshall
President
BRP Development

Lyn Pentecost
Executive Director
Lower East Side Girl's Club

Christina Waring
Architect
Custogeorge Tooman & Allen Architects

Drew Spitler
Vice President of Development
Dermot Company

2 CHAIRPERSON GARODNICK: Good
3 afternoon, everybody. Welcome to the Subcommittee
4 on Planning, Dispositions and Concessions. If
5 you're looking for Landmarks, it's upstairs on the
6 16th Floor and is rather feisty. This will
7 probably be a more tame hearing. We're glad
8 you're here. My name is Dan Garodnick. I have
9 the privilege of Chairing the Subcommittee. I'm
10 joined by Council Member Inez Dickens, Council
11 Member Maria Baez, Council Member Melissa Mark-
12 Viverito and we are going to get right into our
13 hearing. We're going to take things slightly out
14 of order here on the calendar. We're starting
15 with Land Use 1016, which is PS 109 in Manhattan
16 Community Board 11, C090145HAM in the district of
17 Melissa Mark-Viverito. We're joined by some of
18 the representatives of HPD. We're glad they're
19 here. If you could introduce yourselves and get
20 right into Land Use 1016 we'd appreciate it.
21 Welcome.

22 CAROL CLARK: Thank you, Chairman
23 Garodnick. I'm Carol Clark, Assistant
24 Commissioner of HPD. I'm joined here at the table
25 to my right by Gustavo Rosado, the Executive

2 Director of El Barrio Operation Fightback and to
3 my left by the Deputy Commissioner for Development
4 for HPD, Holly Leicht. And to her left Will Law,
5 the Chief Operating Officer of Arts Based
6 Projects. Holly is going to give the testimony
7 today and we're all here to answer questions.

8 Holly?

9 HOLLY LEICHT: Good afternoon. I'm
10 Holly Leicht from HPD. LU 1016 consists of the
11 proposed disposition of one vacant city-owned
12 building located at 213 East 99th Street through
13 HPD's low income rental program. The proposed
14 developer, Artspace El Barrio, LLC will
15 rehabilitate the five-story former school known as
16 PS 109 and convert it into a mixed use residential
17 building. When completed the project will provide
18 74 residential units for low-income artists and
19 their families. It will also have approximately
20 11,600 square feet of community facility space and
21 approximately 11,500 square feet of open space.
22 Council Member Viverito has reviewed the project
23 and indicated her support.

24 CHAIRPERSON GARODNICK: Thank you
25 very much. Let me just follow with a couple of

2 quick questions and then we'll turn it to Council
3 Member Mark-Viverito. The developer you said is
4 Artspace and was selected through what sort of a
5 process here?

6 HOLLY LEICHT: This was a sole
7 source contingent upon them getting significant
8 private foundation money. As you know, from our
9 previous conversations, one of the two times that
10 we will do a sole source disposition is if a
11 developer brings money that is not city subsidy to
12 the table, either federal funds, state funds or in
13 this case private funds. The condition of this
14 project going forward is that the developer has a
15 fairly significant responsibility for bringing in
16 \$1 million in pre-development costs and up to \$3.5
17 million in capital for the project.

18 CHAIRPERSON GARODNICK: I just want
19 to make sure I understand. You know this has been
20 an issue, of course, for us in the past. I didn't
21 expect you to answer the question that way. I
22 thought you were going to say that this was a
23 competitive process. But in light of the fact
24 that it was a sole source issue, I just need to
25 ask you a few more questions here. First of all,

2 are we disposing of this with a purchase price?

3 Are they buying it or are we giving it to them?

4 HOLLY LEICHT: It's going to be for
5 a dollar.

6 CHAIRPERSON GARODNICK: It's for
7 \$1?

8 HOLLY LEICHT: Yes.

9 CHAIRPERSON GARODNICK: And what is
10 the specific commitment that Artspace needed to
11 come up with before the City is proposing to give
12 this away for \$1? You mentioned it was contingent
13 on private funds, \$1 million in pre-development
14 costs and \$1.3 million.

15 HOLLY LEICHT: \$3.5 million.

16 CHAIRPERSON GARODNICK: Sorry, I
17 misheard you. Explain to me what the difference
18 is between the \$1 million and the \$3.5 million.

19 HOLLY LEICHT: The \$1 million is
20 for pre-development, so all of the expenses that
21 they have prior to closing. City capital is not
22 eligible for pre-development. So they were
23 responsible for raising their own funds for all of
24 their pre-development, meaning any architect fees,
25 closing fees that they have before they actually

2 get a loan from the city. So all of that they
3 were responsible for raising themselves. Then
4 they had a significant commitment to raise private
5 foundation money, which to this day their
6 designation is contingent on that money coming
7 into the deal before closing.

8 CHAIRPERSON GARODNICK: What
9 further obligations does the city have in this
10 transaction beyond handing over the property for
11 \$1? It sounds like the city is also making some
12 sort of a loan.

13 HOLLY LEICHT: It's 100% low-income
14 project and we'll be doing up to 60% of AMI. So
15 the city will be putting in a subsidy and in
16 addition, they are also going to the state for
17 competitive process to get state funds as well.

18 CHAIRPERSON GARODNICK: So 60% of
19 AMI is what the income band is for all of the 74
20 units, is that correct?

21 HOLLY LEICHT: It's up to 60%, but
22 there's also a band up to 40%. Twenty percent of
23 the units will be up to 40%. This is a big
24 priority in this community to make sure that this
25 reaches the lowest incomes possible.

2 CHAIRPERSON GARODNICK: So 20% are
3 up to 40 and 80% are up to 60?

4 HOLLY LEICHT: That's right.

5 CHAIRPERSON GARODNICK: Do we know
6 the amount that the city is going to be loaning?

7 HOLLY LEICHT: Yes. There's tax
8 exempt bonds that will be from HDC valued at \$27
9 million and then the subsidy is \$1.85 million from
10 each source. Then they're applying, as I said, to
11 the state for \$3.3 million. That is an addition
12 competitive process.

13 CHAIRPERSON GARODNICK: So their
14 commitment from private sources of \$3.5 million
15 and the \$1 million in pre-development costs yields
16 them potentially over \$30 million in loans from
17 HDC bonds, state competitive grants and other
18 state or public sources.

19 HOLLY LEICHT: No. They have to
20 get the competitive sources from the state as
21 well. But yes. AS you know from other projects,
22 we'll do contingent designation for them to go get
23 competitive sources. Typically if they were
24 applying to the state they might get a similar
25 amount. \$4.5 million is a significant amount for

2 this kind of project. So in this case they're
3 doing the state at \$3.3 million and they're also
4 doing private fundraising from foundations for
5 \$4.5 million. They also have addition money that
6 the Council Member has committed in two tranches
7 at this point, and also the borough president is
8 committing money.

9 CHAIRPERSON GARODNICK: What is on
10 the site now? There's actually a school building?

11 HOLLY LEICHT: A closed school.

12 CHAIRPERSON GARODNICK: So it's
13 closed. How long has it been closed?

14 HOLLY LEICHT: It's been closed a
15 while. Ten years. It was going to be demolished
16 and the community basically protested to save the
17 structure. But DOE did not have a use for it from
18 an educational perspective and asked us if we had
19 any ideas for it.

20 CHAIRPERSON GARODNICK: So
21 presumably Artspace is not going to demolish but
22 rather they're going to preserve and reconstruct
23 to make it appropriate for habitation.

24 HOLLY LEICHT: Yes. This is a
25 model they've done all over the country.

2 CHAIRPERSON GARODNICK: I'm going
3 to turn it to Council Member Mark-Viverito.
4 Welcome.

5 COUNCIL MEMBER MARK-VIVERITO:
6 Thank you, Mr. Chair. Thanks for the line of
7 questioning. This is a very exciting project that
8 I personally in this position have been involved
9 in for the three and half years that I've been
10 there. It was a project that was in the works
11 even before I became elected. As mentioned, it's
12 an old school building, which is a landmark. It's
13 a beautiful building on East 99th Street that the
14 Department of Education pretty much gave up on.
15 There was thoughts and indications that it was
16 going to be demolished. This is a partnership of
17 maintaining and preserving this historic building
18 and putting it to community use. So it is going
19 to be preserved. This landmark status is going to
20 remain, obviously. It will now be converted into
21 live/work space for low-income artists, which I
22 think is very interesting. It's a great project.
23 In the City of New York there really is nothing
24 like it. It's a great partnership in that you
25 have a national organization like Artspace that

2 has built projects like this across the country.

3 One of the reasons that I'm also very supportive

4 is because they are partnered up with a local

5 community-based organization El Barrio's Operation

6 Fightback and they've formed a partnership to

7 ensure that this project really remains true to

8 the community that it surrounds and that it finds

9 itself in. So it's something that is going to be

10 an asset, a gem in the City of New York. It's

11 going to be a model for economic development I

12 think in terms of really supporting our artists.

13 Having it be a place where artists can create

14 their work, their craft and live in the community

15 as well. The partnerships that we see happening

16 and forming between the building and the

17 surrounding community are ones that I'm very

18 excited about. There has been a lot of support

19 that I personally have given to this project, not

20 only monetarily but also in terms of trying to

21 facilitate meetings. There's been a lot of work

22 on Artspace's end and El Barrio Operation

23 Fightback to get the private sources of funding.

24 It's a real deep commitment that the community

25 board also has to this project. So we're just

2 very excited that now four years later we're at
3 this point where we're going to vote on this. I
4 am very strongly supportive that we're going to be
5 able to move this project forward and break ground
6 as soon as possible. I really do want to thank
7 HPD and DHCR and all the entities that have really
8 helped to make this happen. We also were able to
9 get Mayor Bloomberg First Deputy Mayor Harris to
10 actually do a site visit to one of Artspace's
11 locations in Minnesota, which is where they're
12 based out of, to really get a sense of what they
13 do and to have them understand what a benefit this
14 project will be to New York City. I believe that
15 we have the strong support of them as well. So
16 having said all that, we're just, again, excited
17 that we're at this point. I really want to thank
18 Gus and Artspace and everyone that's been involved
19 in this project. I would ask my colleagues to
20 support this project.

21 CHAIRPERSON GARODNICK: Thank you.

22 We have questions from Council Member Ignizio.

23 COUNCIL MEMBER IGNIZIO: I just
24 have what I think is a simple question. Why the
25 sole source? I'm personally just not comfortable

2 with sole sources. I'm curious to know why.

3 HOLLY LEICHT: HPD sole sources
4 under two conditions. One is if a developer owns
5 an adjacent lot that we can get an assemblage and
6 get more housing than we otherwise would get. And
7 the second is if a developer is willing to bring a
8 non-city subsidy source in a significant amount to
9 a project so that we can have other sources other
10 than the city subsidizing. In this case the
11 developer committed to raising \$4.5 million in
12 private funds from foundations nationwide as well
13 as going to the state to get \$3.3 million in
14 competitive sources from the state. So their
15 designation, again, is contingent on that money
16 coming into the deal.

17 COUNCIL MEMBER IGNIZIO: Is that a
18 common practice? I know you said it's been used
19 before. Is that a common practice? How often has
20 HPD utilized that provision in the past?

21 HOLLY LEICHT: For competitive?

22 COUNCIL MEMBER IGNIZIO: For a non-
23 competitive, for a sole source.

24 HOLLY LEICHT: You mean like for
25 foundation money to come in?

2 COUNCIL MEMBER IGNIZIO: For this
3 exact situation. Sole sourcing with accoutrement
4 of addition foundation money thereafter.

5 HOLLY LEICHT: It is definitely
6 rare that foundation money has been the source.
7 It's very difficult to come by foundation money,
8 as any not-for-profit knows. So more typically
9 the source of funding will be state money or
10 federal money. But this was the first group that
11 I know of that's come to us and said that they
12 would go raise significant money from the private
13 sector. In general our sole source is definitely
14 no the typical way that we would do things. We do
15 much more by competitive. This building was
16 considered a real white elephant. It is very
17 expensive to maintain. As I said, it was going to
18 be demolished and is a real icon in the community
19 and the community wanted to save it. So in this
20 case having a group that had an idea and a
21 commitment to the preservation was also an
22 essential element. I think it's easier to justify
23 in a case where you're really saving a significant
24 building. This is an expensive process to
25 preserve a historic building of this nature. They

2 committed to doing that.

3 COUNCIL MEMBER IGNIZIO: I am not
4 conveying my position either way, I'm just asking
5 what leads us, any time the city is engaging in a
6 sole source I think it's important to get to the
7 root cause and why and what the benefit is to the
8 city. So I appreciate the candid answers. Thank
9 you.

10 HOLLY LEICHT: It's a fairly
11 extensive review process when a developer comes to
12 us with a proposal. They have to bring us a
13 design, a budget and they have to get community
14 support all before they even walk in the door to
15 ask for a sole source allocation. Then they go
16 through an extensive review process of a group
17 within HPD that reviews it and makes sure that
18 we're really getting benefit for the sole source.

19 COUNCIL MEMBER IGNIZIO: Thank you.

20 CHAIRPERSON GARODNICK: Just to add
21 one point on that. This is a philosophical issue
22 here. I am going to encourage a yes vote on this
23 project out of deference to Council Member Mark-
24 Viverito who has been working very hard on this
25 and to HPD of course. We struggle enough with the

2 factor of assemblages and somebody who has the
3 benefit of living next to the vacant lot that's
4 owned by the city. But when the standard is an
5 entity that just has the ability to bring in more
6 dollars, then it just begs the next question as to
7 how do we know that somebody would not have been
8 able to bring in even more dollars. That's what a
9 competitive process would ordinarily do is to
10 answer those questions and ensure that the city
11 and property is getting the best possible outcome.
12 What I would encourage is we're going to need to
13 not take this approach beyond today without
14 further consultation with this Committee and
15 Council because you know that there are Committee
16 Members here who have real concerns. This is the
17 first one of these I think that we have seen.
18 We've seen the assemblages and we've addressed
19 them separately. But we're going to need to have
20 further conversations on this because there's a
21 lot of concern on this committee about anything
22 which is a sole source. We understand the
23 standards that HPD is setting. I know that you
24 have worked very closely with the local Council
25 Member but we just have to put you guys on notice

2 that we have real concerns about this and that
3 before another one of these comes before this
4 Committee that we're going to need to have
5 extensive conversations about it. There are
6 people wishing to testify on the Artspace Project.
7 I think this is Sean McClarin [phonetic].

8 SEAN MCCLARIN: I have no further
9 comment.

10 CHAIRPERSON GARODNICK: Nothing to
11 add? Thank you Mr. McClarin, you helped expedite
12 the day. With that we will close the hearing on
13 Land Use 1016. We are going to open the hearing
14 on Land Use 940, a non-ULURP 20095199HAM at 1801-
15 05 7th Avenue in Manhattan. This is part of the
16 TIL program. It's in the district of Council
17 Member Dickens. We'll ask Ms. Clark to introduce
18 this item when she's ready.

19 CAROL CLARK: I'm happy to. If
20 Victor Hernandez and Terry Arroyo would come up
21 here that would be great. LU 940 consists of the
22 proposed disposition of one occupied city-owned
23 building located at 1801-05 7th Avenue through
24 HPD's Tenant Interim Lease Program. TIL assists
25 organized tenant associations in city-owned

2 buildings to purchase and manage low-income
3 cooperatives. This project consists of 25
4 cooperative units, which will be sold to the
5 current tenants, each one for a price of \$250 per
6 unit. Council Member Dickens has reviewed the
7 situation and I think has some comments to make on
8 it.

9 CHAIRPERSON GARODNICK: Thank you
10 for that. It's my understanding that she does in
11 fact. Council Member Dickens?

12 COUNCIL MEMBER DICKENS: Thank you,
13 Mr. Chair and thank you, HPD. I want to also
14 thank and recognize the residents of 1801 for
15 coming down to testify in support of this. Ms.
16 Field, Mr. Rollins, Ms. Davis, Ms. Wright, Ms.
17 Jones, Aziza Hurston [phonetic], Hyacinth Gilsing
18 [phonetic], Elona Ross [phonetic] and Sarah Momas
19 [phonetic]. 1801-05 Adam Clayton Powell is a 25-
20 unit building that is on the cusp of being
21 completed through HPD's TIL Program. Currently,
22 according to shareholder association president Ms.
23 Aziza Hurston, who is here to testify on behalf of
24 the building, 14 of those 25 units will be
25 occupied by former residents when all are allowed

to return. The building is in the last stages of rehabilitation and the tenants have not had their official walk-through of the building yet. HPD expects that this will happen within the next month. Fortunately a few members of my staff, as well as Ms. Hurston and some representatives of HPD went to the building on March 17th for a short walk-through so that the Council and this Committee would not be passing on this project blindly. Upon completion this will be a gorgeous building throughout. Sitting at the corner of 110th Street and Adam Clayton Powell Boulevard in an area known as Harlem Gateway. Some of these apartments have views overlooking the northern end of Central Park. Most of these apartments are large with two bedrooms and with some totaling four bedrooms. Most have multiple bathrooms and large open living spaces that let in wonderful natural light and air. These spaces have been newly designed which we will get to when the residents speak themselves. However, some of the designs, particularly on Line D have been problematic. The residents and my office upon the walk-through have found that we felt that the

2 space that HPD have left in the bathroom for a
3 full tub was insufficient. HPD has committed to
4 sending out design, architecture, construction and
5 engineering to re-measure to ensure that a full
6 tub will indeed be able to fit into that space.
7 There were also some instances where the doors
8 that previously swung one way now swing another.
9 That might create some flow issues within the
10 apartments. I want to repeat that overall I've
11 had some issues with the TIL Program and the way
12 that I felt that is has been run. I have always
13 stated this from the very beginning. But having
14 said that, I also support the fact that this will
15 become home ownership that allows for
16 affordability in occupying it, which will prevent
17 this location of indigenous families due to high
18 excessive rents. At \$250 per unit for purchase
19 price, these apartments, their size, their
20 location, their amenities are an amazing, amazing
21 economic investment that these future homeowners
22 will be putting into their community and for
23 themselves. I'm happy that they made it through
24 this entire convoluted process that HPD and the
25 City of New York has. I'm proud to work with them

2 on behalf of their new homes. Thank you.

3 CHAIRPERSON GARODNICK: Thank you,
4 Council Member Dickens. We have a couple of
5 members of the public who I believe wish to
6 testify on Land Use 940. Please accept my sincere
7 apologies if I do damage to your name. Ms. Aziza
8 Hurston and Ms. Gilkean. She's not here? Okay.

9 COUNCIL MEMBER DICKENS: Can all of
10 you stand up for just a moment so that the
11 Committee can see all of you?

12 CHAIRPERSON GARODNICK: Folks who
13 are here in support of this application but not
14 testifying, welcome. Thank you for being here
15 today. Welcome to City Hall. Please go right
16 ahead and introduce yourself.

17 AZIZA HURSTON: Thank you for
18 inviting us here and listening to what we have to
19 say about this project. The average tenant in the
20 building has been there for over 20 years. I
21 personally have been there for 37 years. It is
22 really a pleasure that we can see a light at the
23 end of the tunnel that we may own our building.
24 We have gone through the process of the
25 renovations, a gut renovation. So there

2 definitely has been major changes that may not set
3 with us right away. But we're sure that from
4 where we are staying out in the street and all
5 separated that it'll be worth it to get back into
6 our building. We look forward to it and we're
7 sure that anything that has been done that is not
8 the old building but new, that we can adjust
9 ourselves to it. Thank you.

10 CHAIRPERSON GARODNICK: Thank you
11 very much. We also have Elona Ross here. Ms.
12 Ross? Thank you.

13 ELONA ROSS: Thank you very much
14 for this moment to speak. I would like to second
15 what Ms. Hurston said. Thank you so much for our
16 chance to get back into our home. I too have
17 issues with the way TIL and HPD have done this. I
18 am rather surprised to find that we have been
19 given 110 electricity instead of 220 simply
20 because it was less expensive for the insurance on
21 the part of the builder, according to the HPD
22 person who explained the reason. I find it
23 amazing that we are given pressed wood cabinets
24 when these compounds are known to cause cancer. I
25 find it somewhat amazing that in an area where

2 there's a high population of asthmatics a steam
3 heat system was taken out and forced air was put
4 in instead when forced air is known to be a
5 contributing cause to exacerbations of asthma. I
6 find it amazing that when I brought up the issue
7 of a roof garden, which nowadays is accepted as
8 forward-looking construction, the developer at the
9 point said you can't do that, it's just too
10 expensive. In fact, what's going to be expensive
11 is when prices of gas and oil go back to their
12 previous levels because of the inflation that has
13 a good chance of hitting into our system whether
14 because of true inflationary purposes or because
15 so much development of gas and oil has been cut
16 out of the picture because of the recent drop in
17 prices. One way or the other this is geared to
18 increase the expenses on tenants who supposedly
19 have the least way of handling it. I don't
20 understand why HPD has been so against any kind of
21 forward-looking environmental issues. The burden
22 on society, the burden on the world and the burden
23 on the tenants is simply increased by this
24 attitude.

25 CHAIRPERSON GARODNICK: Thank you

2 for your testimony and thank you for your
3 presence. Seeing that you are the last member of
4 the public wishing to testify on this item, we
5 will close the hearing on Land Use 940, non-ULURP
6 20095199HAM. I am going to move to the front of
7 the agenda here. We've already had our hearing on
8 Land Use 1009 to 1013, the related items of
9 Gateway Estates. We've had our hearing on Land
10 Use 109 and we're going to move now to Land Use
11 1026. By the way, when I said we had our hearing
12 on Land Use 109, I meant PS 109, Land Use 1016.
13 We're now onto Land Use 1026, the Garvey. This is
14 Brooklyn Community Board 3, C090141HAK in the
15 district of Council Member Vann. Ms. Clark,
16 welcome, again.

17 CAROL CLARK: Thank you, Chairman
18 Garodnick. As you know, I'm Carol Clark,
19 Assistant Commissioner, HPD. To my right is Andy
20 Cohen [phonetic] the project manager on this item.
21 To my left is Meredith Marshall, the VP of BRP
22 Development. LU 1026, also known as the Garvey,
23 consists of the proposed disposition of three
24 vacant city-owned lots located at 1598, 1600 and
25 1602 Fulton Street for development under HPD's

2 Cornerstone Program. The proposed developer, UDC
3 Partners, LLC, will construct one ten-story
4 building on a site comprised of the three city-
5 owned lots and three adjacent privately owned
6 vacant lots, which comprise an assemblage. When
7 completed, the project will provide 77 units of
8 affordable rental housing, plus one
9 superintendent's unit. In addition, the project
10 will provide approximately 2,200 square feet of
11 commercial space, 3,300 square feet of open space
12 and 20 parking spaces. Council Member Vann has
13 reviewed the project and indicated his support.

14 CHAIRPERSON GARODNICK: Thank you.

15 This is the Cornerstone Program.

16 CAROL CLARK: That's right, the
17 Cornerstone Program.

18 CHAIRPERSON GARODNICK: So just
19 remind me how UDC Development was selected in this
20 process.

21 CAROL CLARK: Back in August of
22 2006 through the Cornerstone Program, an RFP was
23 issued and there was a competitive process with a
24 number of entities being reviewed that submitted
25 materials. Criteria based on their feasibility

2 and their track record in doing affordable housing
3 projects were applied and selections were made the
4 following spring.

5 CHAIRPERSON GARODNICK: So UDC is
6 going to be developing a ten-story building.

7 CAROL CLARK: That's correct.

8 CHAIRPERSON GARODNICK: It will use
9 the three vacant city lots plus three addition
10 vacant lots, is that right?

11 CAROL CLARK: That's right.

12 CHAIRPERSON GARODNICK: And the
13 three addition vacant lots are owned by UDC?

14 CAROL CLARK: By their company, a
15 private entity.

16 CHAIRPERSON GARODNICK: So they're
17 going to combine all of the lots together, build a
18 ten-story building and the ten-story building will
19 house 78 units affordable to whom?

20 CAROL CLARK: For 17 units, the
21 income target is at 40% of AMI and 61 units are
22 60% of AMI.

23 CHAIRPERSON GARODNICK: Thank you.
24 Council Member Ignizio?

25 COUNCIL MEMBER IGNIZIO: The

2 company owns the other properties?

3 MEREDITH MARSHALL: Yes.

4 COUNCIL MEMBER IGNIZIO: How did
5 you know that you were going to get the bid? Did
6 you purchase the properties afterwards?

7 MEREDITH MARSHALL: We purchased
8 the properties after. I'm Meredith Marshall. I'm
9 President. You said vice president I think.
10 Well, I could be vice president, I have another
11 partner. I'm with BRP Development.

12 COUNCIL MEMBER IGNIZIO: You can be
13 president for all I care.

14 MEREDITH MARSHALL: I have a 50/50
15 partner and we switch from company to company. We
16 submitted our RFP back in 2005 for the Cornerstone
17 four selection. We won Cornerstone three in
18 Harlem previously. We had our eye on the adjacent
19 lots that were under developed. So when we were
20 selected, we purchased the lots. We had an option
21 on the lots, but when we were selected as the
22 developer we purchased the three private lots. So
23 it wasn't single sourced.

24 COUNCIL MEMBER IGNIZIO: I
25 understand. I'm just trying to sort it out in my

2 head. So you had options on this property?

3 MEREDITH MARSHALL: We had options
4 on the three vacant lots. For the RFP, it was for
5 15 units, which we think is not the best use of
6 the land. So there were private vacant lots
7 adjacent to HPD lots. We spoke to HPD about it.
8 We tried to single source. It would be more
9 efficient to do that in this case. It didn't
10 work. So we applied for the RFP, had an option on
11 the three lots. We won the RFP and then we
12 acquired the three lots. So now we're building 78
13 units of affordable housing, which is a much
14 better plan.

15 COUNCIL MEMBER IGNIZIO:

16 Understood, sir. I just wanted to clear it in my
17 head and clear it with this committee. Fair
18 enough. Thank you very much. Mr. Chairman, sorry
19 for taking the committee's time. I just thought
20 we needed to make that clear.

21 CHAIRPERSON GARODNICK: Quite all
22 right, and thank you for the clarity. Seeing
23 nobody else wishing to testify on Land Use 1026,
24 the Garvey, C090141HAK, we'll close the hearing on
25 that item and open the hearing on Land Use 1027,

2 known as the Bradford, Brooklyn Community Board 3,
3 C090142HAK. Ms. Clark?

4 CAROL CLARK: Carol Clark,
5 Assistant Commissioner, HPD, joined by Andy Cohen,
6 Project Manager and Meredith Marshall, President
7 of BRP Development. LU 1027, known as the
8 Bradford, consists of the proposed disposition of
9 six city-owned lots located at 1560 and 1568
10 through 1576 Fulton Street. The proposed develop,
11 UDC Partners, LLC, will construct one nine-story
12 building on a site comprised of the six city-owned
13 lots and four adjacent privately held lots which
14 comprise an assemblage. When completed, the
15 project will provide 96 units of affordable rental
16 housing plus one superintendent's unit. In
17 addition, approximately 9,700 square feet of
18 commercial space will be developed and along with
19 about 5,000 square feet of open space and 32
20 spaces of below grade parking in a parking garage.
21 Council Member Vann has reviewed the project and
22 indicated his support.

23 CHAIRPERSON GARODNICK: If you
24 don't mind, go ahead and answer the questions that
25 Council Member Ignizio and I are going to ask you

2 on the subject of what happened when in terms of
3 the acquisition of the lots and the competitive
4 nature of the application here.

5 CAROL CLARK: I would actually
6 defer to Mr. Marshall, who I think can answer it.

7 CHAIRPERSON GARODNICK: Start with
8 the first thing that you answered the last time.

9 CAROL CLARK: The 20 units that are
10 in the estimated income target--

11 CHAIRPERSON GARODNICK:
12 [interposing] No. The first question is was there
13 a competitive process for selecting UDC
14 Development?

15 CAROL CLARK: This is an
16 inclusionary project that is linked to the
17 adjacent Garvey. So the Garvey and the Bradford
18 go together. There was a competitive process, as
19 you know, through Cornerstone for the Garvey. But
20 this is a linked project and they're both in
21 Council Member Vann's district, but they were
22 linked together. It's yet another iteration of
23 what we continue to explore in terms of all the
24 different manifestations of affordable housing in
25 New York City and what we bring to this committee.

2 CHAIRPERSON GARODNICK: So UDC was
3 selected for the Garvey in connection with that
4 competitive process as described before.

5 CAROL CLARK: That's correct.

6 CHAIRPERSON GARODNICK: So then
7 explain to us exactly what's happening here.
8 We're talking about the disposition of six city-
9 owned lots combined with another four privately
10 owned lots. These are separate city lots and
11 separate private lots from the first ones we
12 talked about.

13 MEREDITH MARSHALL: Yes. This was
14 a more complicated site. We had six city-owned
15 lots interspersed between four privately owned
16 lots. So to get the highest and best use, we had
17 to buy the private lots. Obviously we didn't want
18 to buy the private lots unless we were designated
19 as the developer for the city-owned lots.
20 Initially these lots were designated for the
21 HomeWorks Program, which would consist of a
22 rehabilitation. These are three-story buildings.
23 So you would have two residential units above a
24 commercial unit. That would mean 18 units.
25 Twelve housing units and six interspersed

2 commercial units. Well, if we purchased the four
3 adjacent properties we can build a much larger
4 structure, having about 96 units, 10,000 square
5 feet of retail space and underground parking.
6 This building will be the first cogeneration
7 heating plant in Bedford Stuyvesant. It will be a
8 Silver Lead project reducing the energy costs
9 about 40% to the residents. So it's a
10 groundbreaking project in Bedford Stuyvesant.
11 It's taking advantage of the inclusionary housing
12 that HPD and City Planning enacted in October of
13 2007.

14 CHAIRPERSON GARODNICK: Thanks. I
15 just don't understand the connection between the
16 Bradford and the Garvey. I understand this is a
17 stand-alone.

18 MEREDITH MARSHALL: Because it's
19 inclusionary housing we can use the affordability
20 at the Garvey to build more housing on both sites,
21 the Garvey and the Bradford. Essentially, if you
22 have 20% of the square footage below 80% of AMI
23 you can build a larger footprint.

24 CHAIRPERSON GARODNICK: So what is
25 the affordability parameters for the Bradford?

2 MEREDITH MARSHALL: It's 20% of
3 units up to 80% of AMI and the balance will be
4 below 130% of AMI. Now, the Bradford could have
5 been a full market rate project. We have not-for-
6 profit partners in the community. We're part of
7 the community. My family lived in Bedford
8 Stuyvesant for 100 years. We decided to make this
9 project an affordable project voluntarily.

10 CHAIRPERSON GARODNICK: Thank you.
11 Seeing no members of the public wishing to testify
12 on this item, Land Use 1027, the hearing is now
13 closed for this project in Brooklyn Community
14 Board 3, C090142HAK. The next item is Land Use
15 1027, the Lower East Side Girl's Club, Manhattan
16 Community Board 3, N090252HAM, in the district of
17 Council Member Rosie Mendez, who is here joining
18 us. We're delighted she's here. Ms. Clark?

19 CAROL CLARK: I can give the
20 introduction and the other people can come up and
21 sit by me at the table. The people who will be
22 joining are the Lower East Side Girl's Club of New
23 York. Lyn Pentecost is the Executive Director and
24 Katherine DeFoyd is also with her. The
25 architecture is Christina Waring, who is carrying

2 the rendering. We have someone from The Dermot
3 Company, Drew Spitler, who is also here with us.
4 So LU 1027, known as the Lower East Side Girl's
5 Club Apartments consists of the proposed
6 disposition of six vacant city-owned lots located
7 at 400-402 East 8th Street, 279 East 7th Street
8 and 97-103 Avenue D for development under HPD's
9 multifamily new construction program. The
10 proposed sponsor, the Lower East Side Girl's Club
11 of New York will construct one 12-story mixed use
12 building which will provide 78 residential units,
13 approximately 4,400 square feet of commercial
14 space, approximately 2,900 square feet of
15 community facility space and another 29,000 square
16 feet approximately of open space. Council Member
17 Mendez has reviewed the project and indicated her
18 support.

19 CHAIRPERSON GARODNICK: Thank you.
20 We most certainly will let her speak for herself
21 on that subject. Council Member Mendez?

22 COUNCIL MEMBER MENDEZ: Thank you,
23 Chair Garodnick. This project has been around
24 actually for a very, very long time, prior to me
25 being in the City Council. For many, many years

2 this was a site that had been looked at, and
3 actually they looked at several different sites in
4 my district, but being very careful about a decade
5 ago to make sure we didn't use a community garden
6 of another lot looked at by another nonprofit.

7 This actually has gone through a couple of
8 different changes. The most recent change is we
9 were hoping to have this 100% affordable housing,
10 but now it's going to be 50% market, 30% middle
11 income and 20% low income. I am very happy with
12 the project. It's going to have a green roof.

13 But more importantly, it's going to provide the
14 girls in my district with a much needed space that
15 they have been waiting for, for over a decade. I
16 am proud of my predecessors and the work they have
17 done and also the work of then Borough President
18 Virginia Fields and the work of current Borough
19 President Scott Stringer and the support of my
20 Congresswoman Nydia Velazquez. I don't think I've
21 left anyone out at this point. This is something
22 we've been looking forward to for over a decade.
23 It's much needed. I just look forward to breaking
24 ground and look forward to the support of this
25 committee. Thank you.

2 CHAIRPERSON GARODNICK: Thank you,
3 Council Member Mendez for your leadership on this.
4 With great congratulations to you and also to the
5 Lower East Side Girl's Club. We see no members of
6 the public wishing to testify on this item, making
7 it a very easy one. We'll close the hearing on
8 Land Use 1028, the Lower East Side Girl's Club in
9 Community Board, N090252HAM. We'll open the
10 hearing on the last item of the day, which is Land
11 Use 938, non-ULURP, 20095197HAQ in the district of
12 new Council Member Ulrich, 111-17 103rd Avenue in
13 Queens. Ms. Clark?

14 CAROL CLARK: Carol Clark,
15 Assistant Commissioner, HPD. I'm joined by Andy
16 Cohen and coming up to the table is Terry Arroyo.
17 As you said, LU 938 consists of the proposed
18 disposition of one vacant city-owned building
19 which is, as you noted, located at 111-17 103rd
20 Avenue in Queens through HPD's Asset Sales
21 Program. The Asset Sales Program, as you know,
22 was designed to sell city-owned residential
23 buildings to existing residential or commercial
24 tenants or to a sponsor selected through a
25 competitive process. In this instance, the

2 proposed sponsors are Camella Padara [phonetic]
3 and Emerson Drepaul [phonetic]. They were
4 selected through a request for offers, or an RFO.
5 They are the highest responsible bidders who have
6 also committed after rehabilitating the property
7 to reside in this single family home. We did
8 brief Council Member Ulrich and he indicated his
9 support.

10 CHAIRPERSON GARODNICK: Thank you
11 very much. So the bidders, the ones who won the
12 process, they are residing in the building.

13 CAROL CLARK: That's correct.

14 CHAIRPERSON GARODNICK: How big a
15 building is it?

16 CAROL CLARK: It's one vacant
17 residential home. They're going to rehabilitate
18 the kitchen, the bath, and the floors. We have a
19 photograph if you'd like to see a photo of the
20 house.

21 CHAIRPERSON GARODNICK: It looks
22 lovely. Thank you. We'll now close the hearing
23 on Land Use 938 non-ULURP 20095197HAQ. That does
24 it for the items on today's calendar. We're
25 coupling them all together for the purposes of a

2 vote. A reminder that we are also voting on Land
3 Use 1009 to 1013, the related items which we had
4 previously heard. All other items that we did not
5 hear are going to be laid over at the request of
6 the individual Council Members in whose district
7 the properties sit. With that, on the coupled
8 calendar today, Chair recommends an aye vote.
9 I'll ask the counsel to call the roll.

10 CAROL SHINE: Carol Shine, Counsel
11 to the Subcommittee. Chair Garodnick?

12 CHAIRPERSON GARODNICK: Aye.

13 CAROL SHINE: Council Member Baez?

14 COUNCIL MEMBER BAEZ: Aye.

15 CAROL SHINE: Council Member
16 Dickens?

17 COUNCIL MEMBER DICKENS: Aye. A
18 strong aye.

19 CAROL SHINE: Council Member
20 Ignizio?

21 COUNCIL MEMBER IGNIZIO: Yes. If I
22 may explain my vote, I just wanted to convey that
23 although I'll be voting yes, I wanted to convey my
24 concern with regard to the PS 109 building. I
25 appreciate the administration is supportive, this

2 Council is supportive and I'm supportive of my
3 fellow Council Member but I do have concerns
4 whereby allocations of money potentially is a
5 reasoning for allowing for a sole source lease. I
6 think this body at the very least, Mr. Chairman, I
7 would like to be notified of these issues by HPD
8 through your auspices as Chairman prior to doing
9 so. I recognize and appreciate the unique nature
10 of this and that's why I'm voting yes. But for
11 any that are coming down the pike, Mr. Chairman, I
12 would like to have a more active role. Thank you
13 very much. I vote aye.

14 CAROL SHINE: By a vote of four in
15 the affirmative, none in the negative and no
16 abstentions, the aforementioned items are approved
17 and referred to the full committee.

18 CHAIRPERSON GARODNICK: Thank you.
19 I just want to make sure that the comments that I
20 expressed to the Deputy Commissioner are heard.
21 It's precisely what Council Member Ignizio is
22 looking for. We're not going to see anymore of
23 these barring any further discussion with this
24 Committee as to how to go forward. So there
25 should be no assumption that we will ever be

2 passing another one after today. I just want to
3 be absolutely clear about that because there's
4 great discomfort by me, other members of this
5 Committee and we're passing them out of respect to
6 the Council Members who have worked very hard.
7 But this is an area which we have great concern.

8 CAROL CLARK: It's duly noted and
9 you have our assurance that we will take this
10 message strongly back to our colleagues at HPD and
11 make sure everyone is clear on it.

12 CHAIRPERSON GARODNICK: Thank you
13 for that. And with that, we are adjourned.

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C E R T I F I C A T E

I, Donna Hintze 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.

Donna Hintze

Signature_____

Date April 23, 2009_____