

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND
CONCESSIONS

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December 13, 2017
Start: 1:32 p.m.
Recess: 1:44 p.m.

HELD AT: 250 Broadway- Committee Rm.
16th Fl.

B E F O R E: RAFAEL SALAMANCA, JR.
Chairperson

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

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

Jordan Press, Executive Director
Development & Planning
Department of Housing, Preservation and
Development

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND
CONCESSIONS

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[sound check, pause] [gavel]

CHAIRPERSON SALAMANCA: Alright, good
afternoon everyone. I am Council Member Rafael
Salamanca Chair of the Subcommittee on Planning,
Dispositions and Concessions. Welcome to today's
hearings. Today we're joined by Council Member
Andrew Cohen, and Council Member Mendez. Today,
we'll be holding two public hearings on LUs 832 and
the UHAB Tax Exemption application and LU 833, the
Mother Gaston Boulevard disposition and tax exemption
application. The first hearing will be on LU 832,
the UHAB Tax Exemption application for property
located at 278 East Seventh Street in Council Member
Mendez's district in Manhattan. HPD is seeking a 40-
year tax exemption pursuant to an Article 11 of the
Private Housing Finance Law for a six-story rental
building with 17 units, 15 of which are occupied.
All of the units will be converted to homeownership
units for low-income families targeted to families at
120% of AMI. The sponsor—the sponsor UHAB will also
rehabilitate the units. I am now opening up the
public hearings on LU 832. Council Member Mendez,
would you like to make an opening statement?

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2 COUNCIL MEMBER MENDEZ: Yes, Mr. Chair.

3 Thank you very much. I want to thank HPD for working
4 with my office and with the tenants who were
5 squatters in this building to get them to
6 homeownership. There's been a series of different
7 problems at East 7th Street. We're finally getting
8 ready to move forward and—and get them their Article
9 XI and they can move forward with homeownership.
10 Different problems in LU No. 816 with East 13th and
11 East 10th Street, and those are buildings that had
12 complications like fires and then were in arrears,
13 and so I am very excited that these three buildings,
14 which were put into a homeownership program during my
15 predecessor Margarita Lopez's time in 2001 when I was
16 her Chief of Staff. I'm happy they're finally
17 getting into homeownership, and that all of these
18 residents get to say in the Lower Eastside/East
19 Village. Thank you very much and thank you HPD and
20 thank you, Mr. Chair.

21 CHAIRPERSON SALAMANCA: Thank you,
22 Council Member. So, Mr. Jordan Press.

23 JORDAN PRESS: Good afternoon. Land Use
24 No. 832 consists of an amended project for property
25 located in an exemption area known as 278 East 7th

1 Street in Council District 2. 278 East 7th Street
2 was one of several buildings on the Lower East Side
3 that the city of New York foreclosed upon in the late
4 1970s, and for a long time it was not slated for
5 redevelopment. It eventually became known as one of
6 the Lower East Side Squatter Homesteader buildings as
7 occupants began to take up residency. On June 26,
8 2002, the Council approved the disposition of 278
9 East 7th Street to UHAB HDFC for the sole purpose of
10 creating low-income homeownership after a series of
11 negotiations between the Council, HPD, UHAB and the
12 coordinating committee of Squatter Homesteaders.
13 Conveyance of the property occurred on August 19,
14 2002. The goal of the project was for the existing
15 occupants to continue making repairs and improvements
16 on their own with their own funds under the
17 supervision of UHAB staff and resident leaders.
18 Independent subcontractors licensed to perform
19 various trades such as electrical, plumbing and HVAC
20 were hired when there was no expertise in the
21 building. Funds under the Participation Loan Program
22 were made available in 2008 and HPD obtain Council
23 approval of Article XI tax benefits retroactive to
24 2002. However, these HPD funds were de-encumbered as
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2 a result of delays in completing the project
3 including damage caused by 16 and 17-year-olds.
4 Therefore, it became necessary for UHAB to fund the
5 ongoing rehabilitation. Currently, OMB is set to re-
6 encumber the HPD PLP Funds and will essentially
7 reimburse the sponsor. As previously mentioned, Land
8 Use No. 832 is a multiple dwelling with 17
9 apartments. The building is mostly occupied and the
10 unit mixture includes one studio, nine 1-bedrooms,
11 two-2-bedrooms, five 3-bedrooms. There is no
12 commercial or community space. All the
13 rehabilitation has been completed. The sponsor is
14 now preparing for permanent loan closing and
15 cooperative conversion. Therefore, HPD is before the
16 Planning Subcommittee seeking a new Article XI Tax
17 Exemption for a period of 40 years coinciding with
18 the regulatory agreement in order to maintain
19 continued affordability of the homeownership units.
20 Thank you.

21 CHAIRPERSON SALAMANCA: Thank you, Mr.
22 Press. Any questions. No? Any questions? Yes,
23 Council Member Cohen.

24 COUNCIL MEMBER COHEN: This will have no
25 negative impact on the Nick Sorleas (sic) right?

2 JORDAN PRESS: I-I believe that the
3 Bureau will continue flow.

4 COUNCIL MEMBER COHEN: Thank you.
5 [background comments]

6 CHAIRPERSON SALAMANCA: Alright. Are
7 there any members of the public who wish to testify?
8 Alright, seeing none, I will now close the public
9 hearings on LUs 832. Today's second hearing is LU
10 833, the Mother Gaston disposition and tax exemption
11 application for property located 249 Mother Gaston
12 Boulevard in Council Member Espinal's district in
13 Brooklyn. The property is comprised of two tax lots,
14 one of which was conveyed in 2006. However, the
15 other tax lot 8 was never conveyed as it was
16 erroneously excluded from prior applications. HPD
17 seeks to rectify this and to convey Lot 8 pursuant to
18 Article 16 of the General Municipal Law to the
19 current owner, and to apply a tax exemption pursuant
20 to Article XI of the Private Housing Finance Law to
21 the entire property, Lots 7 and 8 and it's important
22 for me to say that Council Member Espinal is in favor
23 of this project. I am now opening the public
24 hearings on LU 833. Mr. Press.

JORDAN PRESS: Thank you. Again, this project is rectifying an error. Land Use No. 833 consists of one city-owned property located at 249 to 251 Mother Gaston Boulevard and it's known as Parkman Row HDFC and Brooklyn Council District 37. This property is part of a four-building cluster originally approved for disposition by the City Council on December 11, 1996 under Resolution No. 20162. Subsequent to Council and Mayoral approval, the city conveyed the property to William Chisholm Housing Development Fund Corporation under the Special Initiatives Program. In 2006, William Chisholm Housing Development Corporation underwent bankruptcy and part of the settlement was the transfer of the cluster to Parkman Row Housing Development Corporation—Fund Corporation or Parkman Row. Parkman Row later discovered and HPD confirmed that 249 to 51 Mother Gaston Boulevard actually stood on two lots: Block 3675, Lots 7 and 8. While Lot 7 was part of the original conveyance, Lot 8 was never conveyed. Therefore, HPD is before the Council to rectify this error and seeking approval of UDAAP Area Designation Disposition Approval and Article 11 Tax benefits for Land Use No. 833. Again, as you

2 indicated Council Member Espinal has indicated his
3 support.

4 CHAIRPERSON SALAMANCA: Thank you. Mr.
5 Press. Any questions from members of the committee?
6 No. Are there any members of the public who wish to
7 testify? Alright, seeing-- I'm sorry. Go ahead
8 Council Member Mendez.

9 COUNCIL MEMBER MENDEZ: I'm sorry. On LU
10 No. 816, which is 554 East--

11 CHAIRPERSON SALAMANCA: We're not there
12 yet, Council Member

13 COUNCIL MEMBER MENDEZ: We're not there
14 yet? Oh, okay.

15 CHAIRPERSON SALAMANCA: We're not.

16 COUNCIL MEMBER MENDEZ: Well, later.

17 CHAIRPERSON SALAMANCA: Alright.

18 Alright, seeing that no one wants to testify from the
19 public, I will now close public hearings LU 833. We
20 have two more items on today's calendar, LU 816, the
21 Lower East Side Inclusionary Housing Application. It
22 was the subject of a prior hearing. The properties
23 are located at 377 East 10th Street and 544 Est 13th
24 Street in Council Member Mendez's district in
25 Manhattan, and are comprised of 26 homeownership

1 units. We will be voting to approve the application
2 to replace the existing J-51 Tax Exemption with an
3 Article XI Tax Exemption for 40 years. Retroactive
4 to December 17, 2015, the date of construction
5 closing and the date of the regulatory agreement with
6 HPD. The units are targeted to households of 30% of
7 AMI to 80% of the AMI, and will be affordable—and
8 will be affordable. Council Member Mendez is in
9 support of this application. I just want to
10 recognize that we've been joined by Council Member
11 Mark Treyger. Council Member Mendez.

13 COUNCIL MEMBER MENDEZ: Thank you. I
14 just wanted to go on the record. This pertains to
15 squat buildings 544 East 13th Street and 377 East 10th
16 Street. There were a couple of issues that we've
17 been working on. I think that's been resolved, but
18 there is one issue and I'm not sure if HPD is aware
19 of them working with the developer Juan Barrarona
20 (sp?) is in trying to relocate Annie Wilson from 544
21 East 13th Street to another apartment there that is
22 suitable to her or if we can put her at East 10th
23 Street because the developer chose to move her arch
24 nemesis next door to her, and this has created a lot
25 of issues for her and her mental health, and no one

2 consulted with me because I would have advised
3 against that, and we could have had this resolved a
4 long time ago. So, I'm hoping that we can reach a
5 resolution between Annie Wilson the--the squatter
6 hopefully to be homeowner, and the developer Juan
7 Barrarona. Thank you.

8 CHAIRPERSON SALAMANCA: Thank you,
9 Council Member Mendez. Any--?

10 JORDAN PRESS: We're happy to look into
11 it and work with you on it, and work with the
12 developer.

13 CHAIRPERSON SALAMANCA: Alright. Any
14 other comments from the members of the committee on
15 this project? No. Alright, LU 797 the Archer Green
16 Tax Exemption Application has been withdrawn. We
17 will vote on a motion to file it to remove it from
18 our calendar. We will also be voting to approve LU
19 832 and LU 833, the two applications we just heard
20 today. Are there any remarks from members of the
21 Subcommittee? Alright, seeing none, I will now call
22 for a vote to approve LUs 816, 832, and 833 and to
23 file LU 797. Counsel, please call the roll.

24 LEGAL COUNSEL: Chair Salamanca.

25 CHAIRPERSON SALAMANCA: Aye.

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND
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2 LEGAL COUNSEL: Council Member Cohen.

3 COUNCIL MEMBER COHEN: Aye.

4 LEGAL COUNSEL: Council Member Treyger.

5 COUNCIL MEMBER TREYGER: Aye.

6 LEGAL COUNSEL: By a vote of 3 in the
7 affirmative, 0 negatives and 0 abstentions, the Land
8 use items are approved and referred to the full Land
9 Use Committee.

10 CHAIRPERSON SALAMANCA: Thank you. I
11 would like to thank the Council staff, Land Use staff
12 for preparing today's hearing, and I also want to
13 personally thank my colleagues. I've been chairing
14 this meeting--this committee for about a little less
15 than a year, and it's been awesome working with you
16 guys, and there's going to be the last Subcommittee
17 of the year. So with that, Thank you and this
18 hearing is now adjourned. [gavel]

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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. 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 January 4, 2018