

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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March 12, 2018  
Start: 2:28 p.m.  
Recess: 3:39 p.m.

HELD AT: 250 Broadway - Committee Rm.  
16<sup>th</sup> Fl.

B E F O R E: BEN KALLOS  
Chairperson

COUNCIL MEMBERS: Chain M. Deutsch  
Ruben Diaz, Sr.  
Vanessa L. Gibson  
Andy L. King

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

Artie Pearson, Housing, Preservation & Development

Nelson Chan, Director of Land Use  
Housing, Preservation and Development

Ken Ray, Community Assisted Tenant Controlled  
Housing, CATCH

Douglas James, Operating Office  
Center for Urban Community Services, CUCS

Teresa Cassano, Director  
Supportive Housing Loan Program  
Center for Urban Community Services, CUCS

Leanda Simmons  
Center for Urban Community Services, CUCS



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2 [sound check, pause] [background  
3 comments]

4 SERGEANT-AT-ARMS: Quiet, please.  
5 [background comments] [gavel]

6 CHAIRPERSON KALLOS: Good afternoon. I'm  
7 the Chair of the Subcommittee on Planning and  
8 Dispositions, Council Member Ben Kallos. I just want  
9 to take a moment to say how grateful I am that we've  
10 been fighting for paid family leave, and I was like  
11 actually able to take it over the past five weeks and  
12 enjoy some very special time with my wife and newborn  
13 daughter, and that being said, and though I miss  
14 them, it is good to be back at work, and I want to  
15 welcome all of you to this hearing. I also want to  
16 thank Council Member Ruben Diaz, Sr. for being here  
17 early, and Council Member Vanessa Gibson--and both of  
18 them are from the Bronx--for being here to make a  
19 quorum so that we can vote. Today, we'll be holding  
20 a public hearing on the Spofford Campus Redevelopment  
21 Special Permits and disposition application in Land  
22 Use Chair Salamanca's district in the Bronx. The  
23 relating zoning text and zoning text applications are  
24 the subject of a prior hearing held in my absence on  
25 February 26. We will also be holding hearings on

3 Special Project Loan Program 165 West 80<sup>th</sup> Street  
4 Application and CUCS West 127<sup>th</sup> Street application.  
5 The Spofford Campus Redevelopment Application is  
6 comprised of five related actions. First,  
7 disposition of city-owned property by ground lease,  
8 which means we're just going to lease away city  
9 property. A zoning map amendment to rezone an R6 to  
10 an M1-2/R7-2, MX-17 Special Mixed Use District, which  
11 means we're changing the character of the  
12 neighborhood from a lower density residential  
13 neighborhood to one that is a higher density  
14 residential neighborhood that can also be used for  
15 manufacturing. Third, a zoning text amendment to  
16 establish a Special Mixed Use district, map the  
17 project area is Mandatory Inclusionary Housing Area  
18 utilizing Option 1 and to modify loading berth  
19 requirements special-via Special Permit. Fourth, a  
20 large scale general development Special Permit to  
21 modify the loading berth requirements, and five, a  
22 large scale general development special permit to  
23 modify height and setback regulations. Approvals  
24 would facilitate redevelopment of the former Spofford  
25 Juvenile Detention Center into a 5-building mixed use  
project with approximately 740 units of affordable

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3 housing and light industrial, commercial and  
4 community facility uses in the Hunts Point  
5 neighborhood Community District 2 in the Bronx. I  
6 will now open the public hearing on Land Use Items  
7 33, 34 and 35, the two Special permits and  
8 disposition action relating to the Spofford Campus  
9 Redevelopment. The applicant [background comments].  
10 Are there any members of the public who wish to  
11 testify? Seeing none, I will now close the public  
12 hearing on the Spofford Campus Redevelopment Special  
13 Permits and dispositions actions. This is a great  
14 deal of work that happened through the Land Use Chair  
15 Salamanca. This is something he worked on before he  
16 was elected, and I have a statement I'll read on his  
17 behalf. Good afternoon members of the Planning,  
18 Dispositions and Concessions Committee. It is with  
19 humility and excitement to inform you of my approval  
20 of the Peninsula a/k/a Spofford Campus Redevelopment  
21 in my district. After working on this project at a  
22 grassroots level since 2013 and now as the local  
23 Council Member, I'm proud to announced an agreement  
24 with the administration and development community.  
25 As a whole, the developer and the Administration have  
agreed to: First, the project will be 100%

3 affordable with income bands ranging from 30% of AMI  
4 to 90% of AMI including 10% formerly homeless units  
5 as per HPD/HDC term sheets. The developer will  
6 commit to a 60-year regulatory period for the balance  
7 of the residential units that are not permanently  
8 affordable per MIH. This is an increase of 20 years  
9 beyond the originally proposed 40-year regulatory  
10 period. The developer will include at least one  
11 2,000 to 2,500 square foot space within—within  
12 Building 1-A that could provide step-up space for  
13 both local entrepreneurs, food step-up space,  
14 incubators and so on. The developer has agreed to  
15 allow the current Head Start provide a loft to plan,  
16 recommend and given feedback on the design and  
17 opening of the Head Start space, labor and training  
18 the development has outlined in writing a variety of  
19 commitments and they are making sure—secure—making  
20 good to secure good jobs for local workers on the  
21 site, and for Bronx companies to be given an  
22 opportunity participate in this project, and the  
23 developer commits to repairing the sidewalk on  
24 Tiffany Street between Berry Street and Spofford  
25 Avenue for the portion of the sidewalk adjacent to  
the Corpus Christi Monastery. Are there any

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3 questions or remarks from members of the  
4 subcommittee. I will now call for a vote in  
5 accordance with the recommendation of Chair Salamanca  
6 to approve all of the Spofford Campus Redevelopment  
7 Applications, Land Items 31 through 35. Counsel,  
8 please call the roll.

9 LEGAL COUNSEL: Kallos.

10 CHAIRPERSON KALLOS: Aye.

11 LEGAL COUNSEL: Gibson.

12 COUNCIL MEMBER GIBSON: I want to  
13 congratulate Council Member Salamanca and his team  
14 for achieving a great victory. We definitely need  
15 more affordable housing in the Bronx. I'm very proud  
16 to vote aye and congratulate him and his team.

17 LEGAL COUNSEL: Diaz.

18 COUNCIL MEMBER DIAZ: I also would like  
19 to congratulate Councilman Salamanca with the new  
20 vote of president and of those involved in this  
21 magnificent and unique project in the Bronx and yes.  
22 I vote yes.

23 LEGAL COUNSEL: The Land Use items are by  
24 a vote of 3 in the affirmative, 0 negative and non  
25 abstentions. [background comments]

3 CHAIRPERSON KALLOS: We will leave the  
4 vote open as we continue on with our public hearing.  
5 Our next hearing is on Land Use Item No. 41, the  
6 Special Projects Loan Application for project-  
7 property at 165 West 80<sup>th</sup> Street in Manhattan. HPD  
8 seeks Urban Development Action Area Project, UDAAP  
9 approval pursuant to the General Municipal Law and  
10 40-year tax exemption pursuant to the Private Housing  
11 Finance Law. Approvals would facilitate the transfer  
12 and rehabilitation of an existing building containing  
13 39 city-owned apartments in Council Member  
14 Rosenthal's district. I will now open the public  
15 hearing on this application and to just-to be clear,  
16 there's a building. It was somewhat abandoned.  
17 People lived there in studio apartments. That  
18 building is being turned over to a non-profit to  
19 operate to rehabilitate, to create one-bedroom  
20 apartments in so that folks can actually enjoy it,  
21 and then it's going to be turned over to the tenants  
22 to set up a cooperative, and so we are incredibly  
23 excited about that. [background comments] And, we  
24 have a statement from Council Member Rosenthal whose  
25 district this project exists.

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2 COUNCIL MEMBER ROSENTHAL: Thank you so  
3 much, Chair Kallos, and if I may say you're a whole  
4 new man. Congratulations.

5 CHAIRPERSON KALLOS: Thank you.

6 COUNCIL MEMBER ROSENTHAL: Hello. I am  
7 just so pleased to support the application to create  
8 a 100% affordable HDFC at 165 West 80<sup>th</sup> Street. This  
9 is a great step, and opportunity for affordable  
10 housing on the Upper West Side, and for the tenants  
11 who have stuck it out for so long under incredibly  
12 difficult conditions. At a time when the Upper West  
13 Side is losing rent regulated apartments, hand over  
14 fist, it's more important than ever that the city  
15 take advantage of opportunities like these wherever  
16 it can. I want to thank HPD for their hard work  
17 getting to a deal as well as the Council's Land Use  
18 team, and I urge my colleagues under the leadership  
19 of Chair Kallos to support this application when it's  
20 voted on later this month. Thank you. [background  
21 comments, pause]

22 CHAIRPERSON KALLOS: Sure. I'd like to  
23 now call the first panel. We have Nelson Chan from  
24 HPD, Artie Pearson, Director of Land Use at HPD as

25

2 well as Ken Ray from Catch, and our counsel will  
3 swear you in.

4 LEGAL COUNSEL: Please state your names.

5 NELSON CHAN: Nelson Chan.

6 ARTIE PEARSON: Artie Pearson.

7 KEN RAY: Ken Ray.

8 LEGAL COUNSEL: Do you affirm to tell the  
9 truth, the whole truth and nothing but the truth in  
10 your testimony before this subcommittee, and in  
11 response to all council member questions?

12 ARTIE PEARSON: Yes.

13 NELSON CHAN: Yes.

14 KEN RAY: Yes.

15 CHAIRPERSON KALLOS: Please begin.

16 ARTIE PEARSON: Afternoon, Chair Kallos  
17 and members of the Subcommittee. I'm Artie Pearson  
18 from HPD. Land Use No. 41 consists of the proposed  
19 disposition of a city-owned building located at Block  
20 1211, Lot 47 and it's know as 165 West 80<sup>th</sup> Street in  
21 Manhattan Council District 6. 165 West 80<sup>th</sup> Street  
22 is a 39-unit partially occupied building that was  
23 taken into HPD's Central Management Portfolio in  
24 1985. Presently, the building is slated for  
25 substantial rehabilitation under HPD's Special

3 Project Loan Program, which is administered by the  
4 Agency for Property Disposition and Finance Division.  
5 Through the program the sponsor will purchase the  
6 building for one dollar, complete renovations and in  
7 this case convert the property ownership once  
8 occupants meet certain milestones such as rental  
9 achievements and homeownership training courses. HPD  
10 net leased the property to the current sponsor  
11 Community Assisted Tenant Controlled Housing or  
12 otherwise know as CATCH in 2009. Disposition and  
13 redevelopment of the property was temporarily delayed  
14 due to a temporary restraining order granted to  
15 tenants in 2012. The case was overturned in favor of  
16 the city in May of 2017. The building is in its pre-  
17 rehab state, and as previously stated there are 39  
18 units all of which are studios. Of the 39 units, 15  
19 are occupied. During construction, there are  
20 significant vacancies allowing for checker boarding,  
21 eliminating the need for temporary relocation. Post  
22 rehab there will be 20 studio units and nine 1-  
23 bedroom units including the superintendent's unit.  
24 The scope of the work will include some structural  
25 joist replacement as well as replacement of building  
systems such as electrical, plumbing and mechanical.

3 The apartment interiors will include new bathroom and  
4 kitchen fixtures meeting Green Initiative standards,  
5 new entry doors and windows. Sale prices for  
6 existing occupants will be \$250 in accordance with  
7 the settlement and the unit price for incoming  
8 shareholders has yet to be determined. Program  
9 guidelines are—for AMIs are capped at 120%. However,  
10 the AMIs for existing tenants will be capped at 60%.  
11 Maintenance to be roughly \$876 a month for studios  
12 and \$1,106 a month for one-bedroom units, which is  
13 roughly 60% of AMI. The project also includes a  
14 small commercial and/or community space if the unit—  
15 the use for the space has not determined. Under  
16 program guidelines the sponsor—the sponsor will  
17 remain property manager for the post-year, post-  
18 cooperative conversion after which the co-op will  
19 have the option to retain their services as property  
20 manager or select another organization. In addition  
21 to seeking disposition approval, the project also  
22 seeks Article XI tax benefits that will coincide with  
23 the term of a 40-year regulatory agreement. Having  
24 the tax exemption in place will essentially offset  
25 debt service. The shareholders will be required to  
pay upon the permanent construction loan that's

2 facilitating continued affordability, and we have  
3 briefed Council Member Rosenthal on this project and  
4 we can answer any questions that you might have  
5 regarding this--this project.

6 CHAIRPERSON KALLOS: I'd like turn it  
7 over to the sponsor of this project.

8 COUNCIL MEMBER ROSENTHAL: Thank you,  
9 Chair Kallos. Just a quick question. Refresh my  
10 memory again for the current tenants will they all  
11 fit into the AMA-AMI levels so they can stay?

12 ARTIE PEARSON: Yes.

13 COUNCIL MEMBER ROSENTHAL:  
14 Congratulations. [laughter] Can you come back to my  
15 district and do a few more projects?

16 ARTIE PEARSON: We'll try.

17 COUNCIL MEMBER ROSENTHAL: Okay. I'll  
18 take you up on that. Thank you so much.

19 ARTIE PEARSON: Uh-hm.

20 CHAIRPERSON KALLOS: Thank you very much.  
21 So, I have a couple of questions that I'd like to ask  
22 just so that folks who are watching at home and just  
23 members of the public have some transparency around  
24 the project. So, I guess the first question: Who  
25 can move into these affordable units? What does

2 their income need to look like and how-how does that  
3 all work? If I'm watching at home, how do I get  
4 these affordable co-ops in Council Member Rosenthal's  
5 district who is a great Council Member to have as  
6 your representative.

7 ARTIE PEARSON: So the vacant units will  
8 go through Housing Connect's lottery.

9 CHAIRPERSON KALLOS: Great, and how much  
10 income does somebody need to make and it were-is it  
11 just for people who are very low-income? Is it for  
12 people who are higher income or middle-income?

13 ARTIE PEARSON: Well, the AMI incomes are  
14 capped at 120%, correct?

15 KEN RAY: Yeah, and the current  
16 underwriting we expect that we'll be able to limit  
17 that to 80% or less. Right now, we're looking around  
18 75%, and as the non-profit sponsor, we would love to  
19 push it down as far as we can.

20 CHAIRPERSON KALLOS: Okay, so is the-as  
21 the non-profit sponsor, you, you, you, you can't go  
22 any higher than 100%, 20% of AMI? Does anyone have  
23 that number what that number is?

24 KEN RAY: It's going to be for one or-  
25 [background comments] or a 2% household.

2 CHAIRPERSON KALLOS: And—and you'd like  
3 to get that number down to 75% of AMI?

4 KEN RAY: Right now we are around 75%,  
5 somewhere between 75 and 80% as we work our way  
6 through the underwriting.

7 CHAIRPERSON KALLOS: And currently, how  
8 many people live there?

9 KEN RAY: Fifteen.

10 CHAIRPERSON KALLOS: And those fifteen--

11 KEN RAY: [interposing] I'm—I'm sorry,  
12 that would be for the new people moving in as we're  
13 looking at 75% to 80%.

14 CHAIRPERSON KALLOS: And for the people  
15 who already live there, can they stay?

16 KEN RAY: Yes.

17 ARTIE PEARSON: Yes.

18 KEN RAY: Absolutely. It's a non-  
19 eviction plan.

20 CHAIRPERSON KALLOS: And now much do they  
21 have to pay for their—to—to buy their apartment?

22 KEN RAY: \$250.

23 CHAIRPERSON KALLOS: Great, and in terms  
24 of the new units, how much are those going to be sold  
25 for?

2 ARTIE PEARSON: That hasn't been  
3 determined yet.

4 CHAIRPERSON KALLOS: But it will be a  
5 multiple—a multi—it will be a certain percentage  
6 based on what a person making 120% of AMI earns.

7 KEN RAY: Uh-hm.

8 ARTIE PEARSON: Yes.

9 CHAIRPERSON KALLOS: Okay, do we have a—a  
10 figure for that so folks at home aren't wondering  
11 what AMI is and all that other stuff?

12 KEN RAY: Yes, yes we do. If it's a  
13 single person, if—if we're looking in our range of  
14 75% that's somebody who makes about \$50,000 a year.

15 CHAIRPERSON KALLOS: Okay.

16 KEN RAY: If it's a 2-person household  
17 because we are going to be creating some 1-bedroom  
18 units in here. So, the max family size under any  
19 circumstances that we would consider as two people,  
20 and that puts you into the—a similar range, a little  
21 under—a little under \$60,000, \$61,000 probably the  
22 max.

23 CHAIRPERSON KALLOS: Okay, and are you  
24 able to back into what you think the—the price range  
25 might be based on that for the 1-bedrooms or studios?

2 KEN RAY: No, because what we—I mean yes  
3 we ultimately will be of course, but—and those will  
4 be published well ahead of time.

5 CHAIRPERSON KALLOS: Okay, and the  
6 maintenance on those units if someone wants to  
7 redecorate or something does the maintenance spike or  
8 is that maintenance fixed at a certain number?

9 KEN RAY: The maintenance is—is going to  
10 be set initially by us at \$876 a month for studio,  
11 and \$1,100.

12 NELSON CHAN: [off mic] And you have an  
13 increase in there as well.

14 ARTIE PEARSON: Right.

15 KEN RAY: And then the co-op we'll decide  
16 what—what increases after that if any.

17 CHAIRPERSON KALLOS: Will that—will the  
18 cost restricted on how much they can increase on it—  
19 by?

20 ARTIE PEARSON: I think I might have to  
21 get the data on that. (sic)

22 KEN RAY: [interposing] There are resale  
23 restrictions certainly--

24 ARTIE PEARSON: [interposing] Yeah,  
25 right.

2 KEN RAY: --but not on the-

3 ARTIE PEARSON: Right.

4 CHAIRPERSON KALLOS: And so in terms of  
5 the resale restriction, how does this work? So,  
6 somebody buys the unit for \$250 and then they can  
7 sell it for as much as they want, or how does it  
8 work?

9 KEN RAY: There is a schedule provided by  
10 our program.

11 NELSON CHAN: Right. [bumping noise] Oh,  
12 sorry. There's a schedule provided by our program  
13 that dictates how long folks live in there and how  
14 much they can resell for.

15 CHAIRPERSON KALLOS: Okay, can they sell  
16 it to anyone or do the people they sell it to have to  
17 be within a certain income level?

18 NELSON CHAN: Correct-

19 ARTIE PEARSON: [interposing] Right, they  
20 have to be-

21 NELSON CHAN: --they will have to be  
22 within a certain income level and this is monitored  
23 by a third-party monitor.

24 CHAIRPERSON KALLOS: Great and if  
25 somebody, if one of the 15 people who currently lives

2 there can't afford the \$800 a month are you evicting  
3 them or what happens?

4 KEN RAY: No, and what happens is we were  
5 successful, much to my surprise in getting project  
6 based vouchers. We have eight vouchers for the  
7 project, Section 8 vouchers. I didn't know that it  
8 was possible to get those, but--

9 CHAIRPERSON KALLOS: [interposing] And--  
10 and so what does--what does that--?

11 KEN RAY: --we're given an award so--

12 CHAIRPERSON KALLOS: So, what is it--a  
13 project base like? (sic)

14 KEN RAY: It means it's a Section 8  
15 Voucher that will pay up to the rent for that size  
16 apartment. The maintenance rather for that size  
17 apartment, and the resident will pay 30% of their  
18 income, and currently we have some residents in the  
19 building who are extremely low income. I'm talking  
20 \$10,000 a year.

21 CHAIRPERSON KALLOS: And in terms of for--  
22 so, they'll--they'll have--they'll pay 30% of that.  
23 So, that's like \$3,000 and then the remainder around  
24 \$5,000 will come in through Section 8 or HPD will pay  
25 that?

2 KEN RAY: Uh-hm. So, the building will be  
3 solid financially, and they will be protected as  
4 individual households.

5 CHAIRPERSON KALLOS: In terms of the 15  
6 tenants are any of them currently disabled? Are any  
7 of them at risk of being disabled, and will they have  
8 a chance to move into units that are lower in the  
9 building?

10 KEN RAY: Yes, we--well, and the first  
11 question, not that that we know of. You know, no one  
12 has exhibited that. In terms of disabilities there  
13 are some older people in the building. So, I'm not  
14 sure how I'm supposed to qualify them as--as could  
15 become. I think we all could become.

16 CHAIRPERSON KALLOS: We're all aging.  
17 So, I guess is--

18 KEN RAY: I'm a little further along than  
19 you are in that, but [laughs]

20 CHAIRPERSON KALLOS: Are you talking  
21 about a--a 60-year--sorry, this is a 40-year program--

22 KEN RAY: [interposing] Yes.

23 CHAIRPERSON KALLOS: --over the next 40  
24 years, and in 40 years I'll be 77. So, if I got a  
25

3 top floor apartment I might get tired of walking up  
4 all those steps.

5 KEN RAY: We--in--in the projects that  
6 we've sponsored over the last 20 years or so, we have  
7 always made it a part of our project to allow for  
8 those kinds of transfers as part of the project. So,  
9 that if we have somebody who's exhibiting those kinds  
10 of needs now, then we want to move them down  
11 beforehand, and our view is they lived in the  
12 building when it was in bad shape. They had to live  
13 through the construction. They're the ones that  
14 deserve it more than a new person coming in from the  
15 outside.

16 CHAIRPERSON KALLOS: In terms of ADA  
17 accessibility will the renovation--what types of  
18 accessibility features will come with the renovation,  
19 and what would be necessary from the city to be able  
20 to perhaps have an elevator?

21 ARTIE PEARSON: Well, given that this  
22 project is not a senior building, having an elevator  
23 in the building would essentially require a redesign,  
24 and there's more units that are being lost now with  
25 the combination of apartments. As the sponsor said,  
if there is a tenant in the building now that needs

2 to be accommodated, they can move them into a vacant  
3 unit. Someone coming along later on the board will  
4 have a chance to work with that person to see if  
5 there's a vacancy that--that--that person can move  
6 into. As far as the design of the apartments  
7 themselves, they're all built to be handicap  
8 adaptable. So, if someone needs to have some--their--  
9 their sinks lowered or something like that, there's  
10 the ability to do that.

11 CHAIRPERSON KALLOS: Sure.

12 ARTIE PEARSON: Yes.

13 CHAIRPERSON KALLOS: And in terms of the  
14 source of funds, what kind of funding is the city  
15 providing for this project?

16 ARTIE PEARSON: Right. So, do you want  
17 to talk about the funding sources?

18 NELSON CHAN: Sure. About 70% of the  
19 project will be coming through Collegiate Funds.  
20 There will be about 26% from a private lender, and 2%  
21 is from the developer.

22 CHAIRPERSON KALLOS: Great and I think  
23 just we'll--we'll have additional questions that we'll  
24 forward for answers, but I guess just for CATCH, what  
25 is--so non-profits are generally exempt from MWBE

2 preferences and—and requirements. What is the  
3 Minority and Women makeup of executives at CATCH and  
4 in terms of the developer—the contractor that we'll  
5 be using? Have you selected any MWBE or MWBE  
6 subcontractors?

7 KEN RAY: I'll start with—with CATCH.  
8 It's about 50/50 right now. The—our contract we have  
9 not selected. Our architect is or should be if he's  
10 not, it's Hispanic and so I—I was just asked that  
11 question as I came in, and that's like I have to see  
12 if Carlos ever actually went through that variation.

13 NELSON CHAN: [interposing] It's—it's--  
14 the Architect is Carlos Melas, who has done a lot of  
15 work for HPD projects.

16 CHAIRPERSON KALLOS: Great and I—and—and  
17 I know that Council Member Rosenthal is the Chair of  
18 the Women's Committee. So, I know we'll continue to  
19 work on advocating for MWBEs in every single city  
20 project. So, I think that's an end to the question  
21 that I have here. If folks have additional questions  
22 they can submit it to @benkallos or email the  
23 questions and we'll pass them along, but we  
24 appreciate your testimony, and this is great work and  
25 congratulations to you and Council Member Rosenthal.

2 NELSON CHAN: Thank you

3 KEN RAY: Thank you. [background  
4 comments, pause]

5 CHAIRPERSON KALLOS: Are there any  
6 members of the public who wish to testify on this  
7 Land Use item? [background comments] Seeing none, I  
8 will now close the public hearing on this  
9 application. Our next hearing is on Land Use Item  
10 No. 41 a Special Projects Loan--[background comments]  
11 We'll move onto Land Use Items 42 and 43, the CUCS  
12 West 127<sup>th</sup> Street Supportive Housing Application in  
13 Council Member Perkins' District in Manhattan. HPD  
14 seeks approval for an Urban Action Development Area  
15 Project, designating the project approval disposition  
16 of city-owned property and special permit to allow  
17 community facility floor area ratio to be applied to  
18 the development to create supportive and affordable  
19 housing. I will now open the public hearing on this  
20 application, and the counsel will now swear you in.

21 LEGAL COUNSEL: Please state your name.

22 DOUGLAS JAMES: Douglas James.

23 ARTIE PEARSON: Artie Pearson.

24 TERESA CASSANO: Teresa Cassano.

25 LEANDA SIMMONS: Leanda Simmons.

2 LEGAL COUNSEL: Do you affirm to tell the  
3 truth, the whole truth and nothing but the truth in  
4 your testimony before this subcommittee and in  
5 response to all Council Member questions.

6 ARTIE PEARSON: Yes.

7 DOUGLAS JAMES: I do.

8 CHAIRPERSON KALLOS: You may begin.

9 ARTIE PEARSON: Good afternoon, Chair  
10 Kallos. Again, I'm Artie Pearson from HPD's Office  
11 of Governmental Affairs. Land Use Number—Land Uses  
12 Numbers 42 and 43 are related ULURP actions seeing  
13 UDAAP designation, disposition and project approval  
14 for city-owned sites located at 302 to 306 and 310  
15 West 127<sup>th</sup> Street. That's Block 1953, Lots 36, 37, 38  
16 and 40, and it's known as CCS West 120–27<sup>th</sup> street in  
17 Manhattan Council District 9 under HPD's Supportive  
18 Housing Loan Program. The Supportive Housing Loan  
19 program provides funds for the rehabilitation of  
20 existing buildings or for new construction buildings  
21 that provides supportive housing for the homeless,  
22 people with special needs and other persons of low-  
23 income. HPD works the Department of Homeless  
24 Services as well as other city—as other public  
25 agencies to ensure that the completed projects meet

3 programmatic guidelines. The sponsor of the project  
4 is the Center for Urban Community Services provides—  
5 proposes to combine two privately owned lots located  
6 at Block 1953, Lots 39 and 41 with the city-owned  
7 lots in order to create an assemblage of six lots  
8 forming the project area to be developed. The city-  
9 owned lots are all undeveloped with the exception of  
10 Lot 36, which is improved with a vacant building  
11 previously under DCAS' jurisdiction, and it was  
12 transferred to HPD on February 28, 2018. Of the two  
13 privately owned lots 130—one is undeveloped vacant  
14 land, and the second is developed with two adjoining  
15 4-story buildings used as a traditional residence for  
16 homeless adults known as the Kelly Hotel. The  
17 current occupants of the Kelly Hotel will be  
18 permanently relocated to a location in Community  
19 Board 9. Under Land Use 42, HPD seeks approval for  
20 the construction of one 12-story building and upon  
21 completion there will be 116 rental units for  
22 occupancy by homeless and low-income persons plus one  
23 unit for a live-in superintendent, which is a 2-  
24 bedroom. There will be a mixture of unit types  
25 including 57 studios, 24 1-bedrooms, 32 2-bedrooms  
and 5 5-bedroom apartments. Under program

3 guidelines, 60% of the apartments will be supported  
4 units and the other 40% will be rentals for low-  
5 income households. Additionally in accordance with  
6 program guidelines, incomes will be capped at 60% of  
7 the Area Median Income. The estimated initial rents  
8 for formerly homeless-homeless tenants referred by  
9 DHS-DHS and other city agencies will be up to 30% of  
10 their income. Other tenants will pay rents set up to  
11 30% of 60% of the AMI on an annual basis. The  
12 building will be constructed to meet Enterprise Green  
13 Community Certification Guidelines such as low-flow  
14 toilets, energy efficient lighting and energy star  
15 rate of appliances. Amenities will include 24-hour  
16 security, a computer lab, gym, bike room, teaching  
17 kitchen, playground, outdoor courtyard and a rooftop  
18 garden. The project also includes office space that  
19 will be used by CUCS to provide on-site social  
20 services. All residents will have access to the  
21 services which includes case management, mental  
22 health counseling and referrals to additional  
23 services in the community. Also, HPD requests  
24 approval of Land Use No. 43, which seeks approval of  
25 a Special Permit allowing for the modification of the  
Zoning Resolution. The proposed modification is to

2 allow for an increase in floor area ratio that will  
3 be applied to non-profit community facility  
4 institutions with sleeping accommodations. In order  
5 to facilitate construction of the CUCS West 127<sup>th</sup>  
6 Street project, HPD is before the Planning  
7 Subcommittee seeking approval for both Land Use No.  
8 42 and 43, and we've briefed Council Member Perkins  
9 on this project. Thank you.

10 DOUGLAS JAMES: Thank you.

11 ARTIE PEARSON: So, we have the sponsor  
12 here. So, who would like to go through that point  
13 with you?

14 CHAIRPERSON KALLOS: Great.

15 ARTIE PEARSON: Okay.

16 DOUGLAS JAMES: Good afternoon, Chairman  
17 Kallos. My name is Douglas James Chief Operating  
18 Office for the Center for Urban Community Services,  
19 CUCS. Thank you for having us. So, CUCS is a non-  
20 profit provider. It provides services on a full  
21 spectrum for addressing the needs of homeless  
22 individuals and low-income individuals in New York  
23 City. [coughs] We operate about 30 programs around  
24 the city where we provide services to the largest  
25 number of supportive housing units the city around

3 2,400 units. We are the lead agency in the Manhattan  
4 Outreach Consortium, we operate transitional shelter  
5 beds for street homeless individuals, and as a part  
6 of the DHS shelter system we operate a wholly-owned  
7 medical care subsidiary chainium that provides  
8 upgraded psychiatry and medical services both to our  
9 own programs and programs operated by other non-  
10 profits. We operate single stops, which are one-stop  
11 shops for connectivity to social services and  
12 benefits for low-income New Yorkers and we operate a  
13 training institute, which provides training to a  
14 number of non-profits around the city and around the  
15 country, and best practices and evidence-based  
16 approaches to providing services. So, the project  
17 that 3012-302-314 West 127<sup>th</sup> Street is affordable  
18 housing project. It will have 117 units. The  
19 Classic 64 and 60% of them will be formerly homeless,  
20 40 will be income restricted units allocated through  
21 the HPD lottery with half of them set aside for  
22 Community Board 10. As mentioned by HPD, we will  
23 have primary and medical-primary and behavioral  
24 healthcare services available onsite for all  
25 residents of the building, case management services.  
There's a computer lab, a gym, playground, an indoor

3 play area, case management services for ensuring  
4 connectivity to school and children in the residents  
5 and laundry and other amenities. I'm happy to take  
6 any questions.

7 CHAIRPERSON KALLOS: Thank you. This  
8 looks like an amazing project. So, I guess the first  
9 question is just [background comments] the first  
10 question is how much does the total project cost to  
11 build all these great units, and what are the sources  
12 of funding?

13 TERESA CASSANO: So, I'm Teresa Cassano.  
14 I'm the Director of the Supportive Housing Loan  
15 Program and I'll take this one. The total project  
16 cost is estimated to be under \$80 million. The  
17 sources will consist of HDC Bond proceeds, Federal  
18 Low-Income Housing Tax Credits. About 10% of the  
19 project will be from the Supportive Housing Loan  
20 Program, my program at HPD. We'll be making a loan.  
21 We're also leveraging state funding for the Homeless  
22 Housing Assistance Program as well as sponsor  
23 proceeds, NYSERDA funding from the State and a  
24 borough president contribution.

25 CHAIRPERSON KALLOS: And in terms of the  
supportive housing, I know that the Mayor has given a

2 pledge for that. So, that is where that funding is  
3 coming from?

4 TERESA CASSANO: Yes, so, the capital  
5 will be provided through the 15,000 commitment as  
6 well as some of the service dollars. So, the service  
7 award for families here is a leftover from the New  
8 York-New York 3 Commitment. So, we are finishing up  
9 the city's side of that commitment as well as the  
10 award for singles will be through the Mayor's  
11 commitment for 15,000 units.

12 CHAIRPERSON KALLOS: I-I appreciate the  
13 Mayor's commitment. I was there when announced it.  
14 The Governor in response has also made a similar  
15 commitment. Are there state dollars from the  
16 Governor's supportive housing funding in this  
17 project?

18 TERESA CASSANO: So, we are leveraging  
19 state capital dollars from the Homeless Housing  
20 Assistance Program, which is a state agency. The  
21 service awards for this project are through the city  
22 but in future projects we also close deals with state  
23 awards.

24 CHAIRPERSON KALLOS: Sure and this  
25 project is not applying for an Article XI to-which is

3 a process that this committee usually deal with for  
4 tax abatement. Will this property be taxed?

5 TERESA CASSANO: This is--this project is  
6 getting an as-of-right 420c tax exemption. The  
7 regulatory agreement will be for 60 years.

8 CHAIRPERSON KALLOS: Great and what  
9 happens at 60 years?

10 TERESA CASSANO: Well, at 60 years the  
11 provider will come back to HPD, correct?

12 ARTIE PEARSON: Right.

13 CHAIRPERSON KALLOS: Great and in terms  
14 of the onsite supportive services in terms of medical  
15 mental health, are they just going to be small closet  
16 type size spaces or how much space in terms of square  
17 footage are you dedicating to medical mental health  
18 social services.

19 DOUGLAS JAMES: [coughs] So, the entire  
20 ground--lower subfloor of the basement is going to be  
21 devoted to office space and social services. It's  
22 the entire floor plate of the building. We, in order  
23 to accommodate the social services office, we are--our  
24 architect designed an area way in the butt--back to  
25 allow natural light to penetrate to the lower floor,  
and that we move our social services to the lower

3 floor of the survey. (sic) The upper floor is the  
4 ground floor and above for-for occupancy, and  
5 residency while providing adequate services for the  
6 entire building.

7 CHAIRPERSON KALLOS: Will there be any-  
8 now in terms of the services that you're talking  
9 about if I'm one of the 40% of the low-income folks  
10 who—who gets in, am I able to use the same services?

11 DOUGLAS JAMES: It's a great question.  
12 Our approach is to not segregate or discriminate  
13 against anybody in the building. It's for two  
14 reasons. One, we don't want to stigmatize either the  
15 supportive housing residents or the income restricted  
16 tenants. So, when we try to create an integrated  
17 housing model, the services were available to  
18 everybody irrespective of referral source to the  
19 housing. The other thing we find is that for income  
20 restricted tenants even though they don't come  
21 through the Special Needs Application process, they  
22 come with a lot of the same needs that our formerly  
23 homeless tenants come with, and so they all benefit  
24 from the social services.

25 CHAIRPERSON KALLOS: Some—some developers  
have taken amenities like gyms and computer labs and

2 items like that, and said that some tenants could use  
3 it and others can't. Will there be a distinction for  
4 the amenities?

5 DOUGLAS JAMES: Absolutely not.

6 CHAIRPERSON KALLOS: Okay. In terms of  
7 the—the low-income housing, how—what—what income if  
8 somebody is watching at home and is interested in  
9 moving into West 127<sup>th</sup> Street when this gets built,  
10 what income thresholds if they're interested in this  
11 location.

12 DOUGLAS JAMES: So, the income is capped  
13 at 60% of AMI, and the rent levels are set at 30% of  
14 60% of AMI. So, I'm not sure exactly what those  
15 numbers work out to.

16 TERESA CASSANO: So, for a one-person  
17 household so say a studio unit, those numbers are  
18 approximately \$38,000 a year would be the income  
19 level for a 4-person family. We're talking under  
20 \$55,000 a year.

21 CHAIRPERSON KALLOS: And so this project  
22 is going to have 57 studio, 24 1-bedrooms, 30 2-  
23 bedrooms, 5 3-bedrooms. Are you just going to use  
24 these studios for the supportive housing? Where are  
25

3 the units going to be distributed equally between the  
4 low-income and supportive housing?

5 DOUGLAS JAMES: So, it's equally. It's  
6 just about over 50% of both the supportive units and  
7 the income restricted units are for families. Just  
8 roughly 50%. (sic) So, for the supportive units, 36  
9 units, 37 units are for supportive units for families  
10 and 34 are for singles.

11 CHAIRPERSON KALLOS: In terms of the  
12 building and its bulk, we are giving a waiver. So,  
13 normally you could build about 3.44, and my  
14 understanding, and you can correct me if I'm wrong is  
15 so--so for every square foot normally you could built  
16 three times on top of it. That would be 3.44, and  
17 you're seeking to be able to build six times on top  
18 it about 6.2 and you're not going to actually build  
19 on the full lot. You're going to only build on half  
20 of it. So, you're going to be able to build 12 times  
21 on top of that. Is that correct?

22 DOUGLAS JAMES: That is correct.

23 CHAIRPERSON KALLOS: And in terms of  
24 that, is that the same? Are there other 12-story  
25 buildings in the neighborhood or are you going to be  
the tallest building in the neighborhood?

2 DOUGLAS JAMES: It's in scale with other  
3 buildings on the block. In fact, directly across the  
4 street from the building facing is another 12-story  
5 building with a similar setback and size density.

6 CHAIRPERSON KALLOS: Okay, and so and all  
7 of this going to 100% affordable and supportive  
8 housing anyway?

9 DOUGLAS JAMES: Correct.

10 CHAIRPERSON KALLOS: Great. I think you--  
11 you may have heard from the previous applications  
12 that's something that's important to me is MWBE.  
13 This is not necessarily a project that I think would  
14 be covered, but in terms of your non-profit what does  
15 the executive leadership look like in terms of MWBE?

16 DOUGLAS JAMES: So--

17 CHAIRPERSON KALLOS: [interposing] Not  
18 MWBE, sorry. Minority and Women.

19 DOUGLAS JAMES: No, thank you. I  
20 understood the question. So, for our executive  
21 leadership like the folks in the small room, about  
22 30% of the people in room are people of color and 30%  
23 of them are women. As a non-profit, you know, that's  
24 not to be surprised. The bulk of our overall staff  
25 are women and people of color, and we strive to have

2 the—all levels of the agency represented and not just  
3 the larger agency but the folks that we serve.

4 CHAIRPERSON KALLOS: And in terms of MWBE  
5 for your contractor, your architect and other people  
6 who are helping to building it, do you know what the  
7 makeup is?

8 DOUGLAS JAMES: So, our architect is a  
9 women-owned business. The two principals are women  
10 and they're not yet registered as MWBEs but it's a  
11 woman-owned enterprise and we haven't selected a  
12 general contractor yet. We are planning to work with  
13 the MWBE Accelerator, which is based in Central  
14 Harlem from the—through Citi Bank to help coordinate  
15 our efforts to maximize utilization of MWBEs and  
16 local trades.

17 CHAIRPERSON KALLOS: So—so speaking of  
18 local, what percentage of the project do you expect  
19 to be a local hires? How many jobs are there going  
20 to be, and how do people in the neighborhood get a  
21 job building up this housing?

22 DOUGLAS JAMES: We hadn't selected a  
23 contractor yet but as part of that project we hope to  
24 work with whoever the successful bidder is and ensure  
25

3 that they focus their attention on maximizing those  
4 numbers.

5 CHAIRPERSON KALLOS: Yeah, if before a  
6 vote you're able to just share with us a goal that  
7 you may have worked out with that contractor or that  
8 you plan to provide to a contractor that should bid,  
9 and along those lines, what kind of jobs are these?  
10 Are these jobs where people will have if they get  
11 hurt on the job health insurance to cover that injury  
12 or if God forbid they get disabled on the job,  
13 disability to supplement Workers Compensation, and  
14 will be paid in an are-a-a rate that is competitive  
15 with the area standards?

16 DOUGLAS JAMES: So, it will be a  
17 prevailing wage job so-

18 TERESA CASSANO: So, we will be paying  
19 Davis-Bacon wages, which are published by the federal  
20 government.

21 CHAIRPERSON KALLOS: And will there also  
22 be a requirement for health insurance and disability?

23 TERESA CASSANO: I think we'll have to  
24 work with the selected contractor to understand.

25 CHAIRPERSON KALLOS: Great and I think  
one last question that I had just on the property.

2 So, one of the property. Sorry. So, two of the  
3 properties in this group are from CUCS.

4 DOUGLAS JAMES: Yes.

5 CHAIRPERSON KALLOS: And then one of them  
6 is a one-story building that's been turned over from  
7 DACA.

8 TERESA CASSANO: Correct.

9 CHAIRPERSON KALLOS: And three properties  
10 are vacant. That is land that's owned by HPD. How  
11 much is that being—how much are those four properties  
12 being sold for?

13 TERESA CASSANO: The city-owned  
14 properties will be conveyed for a dollar.

15 CHAIRPERSON KALLOS: And in terms of it,  
16 do we know what the appraised value of those  
17 properties together are?

18 TERESA CASSANO: I don't have that  
19 information with me right now.

20 CHAIRPERSON KALLOS: Will you share it  
21 with us later?

22 TERESA CASSANO: Sure.

23 CHAIRPERSON KALLOS: Perfection. I think  
24 those are all the questions that I have during this  
25 public hearing. I want to thank you for the great

2 work that you're doing. If you're interested in  
3 building supportive housing on the Upper East Side,  
4 we are desperate for it, and would love to some in  
5 the mid-block. If you did not know, in my district  
6 you get an as-of-right floor area bonus if you build  
7 in the mid-block, and I-I will say it shouldn't just  
8 be hospitals and private schools using it. So, we'd  
9 love to have more supportive housing, and we'd be  
10 there to welcome you with open arms. We will forward  
11 additional question as maybe and hope that you'll  
12 respond. [background comments] And so, I will excuse  
13 this panel. Are there any members of the public who  
14 wish to testify? Seeing none, I will now close the  
15 public hearing on this application Land Use Items 41  
16 through 43 are being laid over. I'd like to thank  
17 our counsel Julie Lubin and the Land Use staff for  
18 preparing today's hearing, and the members of the  
19 public and my colleagues for attending. [background  
20 comments] And we will hold this hearing open until  
21 3:20. [pause]

22 LEGAL COUNSEL: Vote to approve-

23 COUNCIL MEMBER DEUTSCH: What are we  
24 voting on? [pause]

1 SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND  
2 CONCESSIONS

42

3 LEGAL COUNSEL: Vote to approve LUs 31  
4 through 35. Deutsch.

5 COUNCIL MEMBER DEUTSCH: Aye.

6 LEGAL COUNSEL: The vote is approved by 4  
7 in the affirmative, 0 negative and 0 abstentions and  
8 referred to the full Land Use Committee.

9 COUNCIL MEMBER DEUTSCH: Thank you.

10 [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 March 29, 2018