

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND  
CONCESSIONS

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April 17, 2018

Start: 2:10 p.m.

Recess: 4:48 p.m.

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

B E F O R E: BEN KALLOS  
Chairperson

COUNCIL MEMBERS:

CHAIM M. DEUTSCH

RUBEN DIAZ, SR.

VANESSA L. GIBSON

ANDY L. KING

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

Lacey Tauber  
Development and Planning Director at the  
Department of Housing Preservation and  
Development, HPD

Jill Crawford  
Co-Founder and Partner at Type A Projects

Annie Tirschwell  
Partner at Type A Projects

Ted Weinstein  
Director of Bronx Planning at the Department of  
Housing Preservation and Development, HPD

Stephanie Reiss  
Intern at Live On New York

Sean Collins  
Representing LGBT Network and its CEO David  
Kilmnick

Tiffany Sims  
Director of Capital Projects for DREAM

Cliff Van Voorhees  
Chief Operating Officer of the Hyde Leadership  
Charter School Hunts Point from 2009-2011

Andrea Kretchmer  
Partner at Type A Project

Panos Qutrice  
Member of SEIU 32BJ Union

Artie Pearson  
Department of Housing Preservation and  
Development

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

Rick Gropper  
Principal of Camber Property Group

Unidentified Female  
Paul Robeson Houses in Manhattan, Council  
District nine

Charles/Chuck Brass  
Partner at Forsyth Street Advisors

Pence Spielberg  
Department of Housing Preservation and  
Development

Gene Schneur  
Co-Manager and Co-Founder of Omni New York LLC

Jenna Breines  
Deputy Director, Senior Affordable Rental  
Apartments Program, SARA

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[gavel]

CHAIRPERSON KALLOS: Good afternoon and welcome to the Subcommittee on Planning, Dispositions and Concessions. I'm Council Member Ben Kallos, the Chair of this committee. We are joined today by Council Member Ruben Diaz, Senior who is always the first one here and Council Member Andy King both of the Bronx. We have a quorum and today we will be holding five public hearings and a vote on four projects. The applications we will be voting on were subject to prior to hearings, we will vote to modify the West 108<sup>th</sup> Street WSHFSSH, WSFSSH rezoning Land Use Items 52, 53, and 54 in Council Member Levine's district in Manhattan. Applicant HPD seeks a zoning map change, a zoning text amendment to map the area as a mandatory inclusionary housing area utilizing option two and an urban development action area project approval including the authority to sell city owned property for this project. If approved the community facility containing 119 supportive and 79 affordable resident units would be developed as well as a new transitional shelter with approximately 110 beds and replacement ambulance parking. And later phase of the project approximately 80 senior housing

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1  
2 units would be developed, or modification removed,  
3 mandatory inclusionary housing option two and add  
4 mandatory inclusion option one which provides for 25  
5 percent of floor area for households averaging 60  
6 percent of AMI with ten percent at 40 percent of AMI.  
7 We will also be voting to modify.. this, this project  
8 has the support of Council Member Levine. We will  
9 also be voting to modify Park Haven rezoning Land Use  
10 Items 55, 56 and 57 for property located in Council  
11 Member Ayala's district in the Bronx. HPD seeks  
12 approval of an urban development action area project,  
13 designation project approval and disposition of city  
14 owned property, also seeks a zoning map amendment to  
15 rezone the project area and zoning text amendment to  
16 designate the project area as mandatory inclusionary  
17 housing utilizing the mandatory inclusionary housing  
18 option two. These actions will facilitate the  
19 development of an 11-story mixed use building with  
20 approximately 170 units of affordable housing, a  
21 fresh food supermarket, a community facility space.  
22 Our modifications will remove MIH option two and add  
23 MIH option one which provides for 25 percent of the  
24 floor area for households averaging 60 percent of AMI  
25 with ten percent at 40 percent of AMI. We will also

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1  
2 be adding the deep affordability option. We will be  
3 voting to approve Land Use Item 50 and, and this item  
4 also has support from Council Member Ayala. We will  
5 be voting to approve Land Use Item 58, the 500 West  
6 174<sup>th</sup> HDFC tax exemption for property located in  
7 Council Member Rodriguez's district in Manhattan  
8 pursuant to Article 11 of the private housing finance  
9 law. This 40-year tax exemption would not only  
10 facilitate the renovation of the building but also  
11 remove the property from the list of buildings slated  
12 for 3<sup>rd</sup> party transfer around ten foreclosure actions  
13 and I have a, a message from Council Member Rodriguez  
14 indicating that he supports this project. Last, we'll  
15 be voting to approve Land Use Item 59, the 721 Van  
16 Siclen tax exemption for property located in Council  
17 Member Barron's district of Brooklyn pursuant to  
18 Article 11 of the private housing finance law. This  
19 40-year tax exemption would not only facilitate the  
20 renovation of the building but also remove the  
21 property form the list of buildings slated for third  
22 party transfer route, ten foreclosure actions and  
23 that is supported by Council Member Barron. I will  
24 now call for a vote in accordance with the  
25 recommendations of local Council Members to approve

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2 the... forgive the interruption, we've just been joined  
3 by Council Members Levine and Ayala. I will call for  
4 a vote in accordance with the recommendations of the  
5 local Council Members to approve the modifications  
6 I've described; the West 108<sup>th</sup> Street rezoning Land  
7 Use Items 52,53, 54 and the Park Haven rezoning Land  
8 Use Items 55, 56, 57 and to approve the West 174<sup>th</sup>  
9 Street Land Use 58 and Van Siclen Land Use 59 tax  
10 exemptions. We're going to call the roll of those who  
11 are currently here and we're going to leave that vote  
12 open and while we are waiting for additional members  
13 to show up and vote we will go to Council Members  
14 Levine and Ayala for statements in support of the  
15 projects. Council please call the roll.

16 COMMITTEE CLERK: Chair Kallos?

17 CHAIRPERSON KALLOS: Aye on all.

18 COMMITTEE CLERK: King?

19 COUNCIL MEMBER KING: Aye on all.

20 COMMITTEE CLERK: Diaz?

21 COUNCIL MEMBER DIAZ: Aye on all.

22 COMMITTEE CLERK: By a vote of three in  
23 the affirmative, zero negative and zero abstentions  
24 the Land Use Items are approved and referred to the  
25 full Land Use Committee.

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CHAIRPERSON KALLOS: Council Member

Levine for a statement followed by Council Member Ayala.

COUNCIL MEMBER LEVINE: Well thank you

Chair Kallos and thank you for your partnership in bringing this to the finish line, a very, very important disposition in my district. Thank you...

thank you for helping us secure guarantees about the long-term affordability of this project. I do want to say a few words about why I decided to support this project on 108<sup>th</sup> Street which will bring 281 units of 100 percent affordable senior supportive and family housing to a block where it's sorely needed in addition to rebuilding and slightly expanding a very well run homeless shelter on that block. This project will bring many, many benefits for the community including a 6,000 square foot community health clinic run by the institute for family health, a community meeting space on the ground floor, a garage for the ambulances of the Central Park Medical Unit and there is an, an adjacent playground, the Aviles playground which will also receive many benefits including creation of a comfort station as part of the new building, renovation of the Western part of the



1  
2 playground to create a sitting area for seniors and  
3 storage space for our local preschool, the  
4 Bloomingdale Family Program that uses the park.  
5 There's a large public school across the street from  
6 this project, MS54 which will receive a very  
7 important benefit which is that the Parks Department  
8 is committed to replacing the extremely worn out  
9 synthetic turf field adjacent to the school, we have  
10 secured full funding for this project and anticipate  
11 design will start next month and in partnership with  
12 the local community board, CB7 we've established a  
13 construction monitoring committee with representation  
14 from the school to monitor the impact of construction  
15 on the local school and other nearby areas. And  
16 finally, we've made considerable efforts to mitigate  
17 the loss of parking that will result from the closure  
18 of the garages now operating on this site. At my  
19 request DOT is committed to converting West 104<sup>th</sup>  
20 Street between Amsterdam and Manhattan Avenues to  
21 create angled parking which will result in a net gain  
22 of approximately 33 spaces. We expect that the  
23 pavement markings and signage work on the street will  
24 be put in place this summer pending consultation with  
25 the community board. I really want to commend the

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2 non-profit developer of this project, the West Side  
3 Federation for Senior Supportive Housing, aka WSFSSH  
4 which is an incredibly well run agency which has a  
5 great track record and our community and really did a  
6 stellar job at shepherding this project forward so  
7 far and I'm pleased to be partnering with them and I  
8 want to thank Land Use staff which did a lot of work  
9 on this project and really was an incredible partner  
10 to me and my team including Raju Mann, Amy Levitan,  
11 Julie Lubin, Jeff Ewing and my own Chief of Staff Aya  
12 Keefe who worked very, very hard with their use...  
13 usual brilliance to bring this project to this point.  
14 So, I am grateful to the committee members who have  
15 voted yes so far and want to encourage the remainder  
16 of the committee members to follow suit. Thank you,  
17 Mr. Chair.

18 CHAIRPERSON KALLOS: Thank you Council  
19 Member Levine, that is quite a long and impressive  
20 list of concessions and wins for your community,  
21 Council Member Ayala.

22 COUNCIL MEMBER AYALA: Thank you Mr.  
23 Chair. I am also here very excited about a project in  
24 my district, the Park Haven rezoning, it's an  
25 affordable housing development going up in the South

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2 Bronx part of my district at 335 St. Ann's Avenue.

3 This project actually started before I became Council

4 Member so I inherited this project but I am very

5 excited about it because I think that it sets a, a

6 really interesting precedence in terms of how we

7 develop affordable housing in the city and that it

8 sets aside 30 percent of the units for families that

9 are currently homeless and I think that all future

10 development should include a set aside even if it's a

11 minimum of ten percent and in this case we have a 30

12 percent set aside which is astronomical, I am really

13 excited about that but it also... I think... I wanted to

14 thank the developer and HPD and the Land Use staff

15 for their assistance in, in trying to navigate how we

16 not only develop and ensure that we have units for

17 those that need it the most but that we're also not

18 doing it at this... you know at the expense of the

19 adjacent community. This lot was a vacant lot for

20 many years, it was actually used by the adjacent

21 church for parking and, and, and other activities and

22 it's important that the community that lives there

23 and resides there also have say in terms of what's

24 developed and that they are a part of that process

25 and I think that this project captures that really

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2 nicely. I appreciate, you know the, the time and  
3 effort that it took, I know it wasn't easy, but I  
4 appreciate you working with me until we, you know  
5 arrived at a... at a place where we were all satisfied  
6 with the end result. This project is also so top... on  
7 top of the 30 percent set aside units for homeless  
8 individuals we're getting ten percent at 30 percent  
9 of the AMI, ten percent at 40 percent of the AMI, ten  
10 percent at 50 percent of the AMI, 20 percent of the  
11 units will be between 60 and 70 and 20 percent  
12 between 70 and 80 and I think that it speaks to the  
13 community that lives there so I appreciate it and  
14 thank you very much and I wish you much success but  
15 there is a lot of conversation, I just wanted to add  
16 on the record that I wanted to have a further  
17 discussion, you know about, you know jobs that are  
18 generated through these projects, right and the...  
19 make... ensuring that we're paying a living wage when  
20 possible where, you know a council that has been  
21 negotiating raising the minimum wage for the last,  
22 you know few years and in, in a couple of years the  
23 minimum wage will be at 15 dollars an hour and I  
24 think that, you know for, for jobs that... especially  
25 jobs that benefit from such a deep subsidy that we're

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2 talking about ensuring that those individuals that  
3 work these positions, that live in these communities  
4 are making an honest living wage. So, I thank you  
5 very much and look forward to that discussion.

6 COMMITTEE CLERK: We're going to continue  
7 the vote.

8 CHAIRPERSON KALLOS: I will ask the  
9 Committee Council to continue the roll.

10 COMMITTEE CLERK: Gibson?

11 COUNCIL MEMBER GIBSON: I vote aye.

12 COMMITTEE CLERK: The Land Use Items are  
13 approved by a vote of four in the affirmative, zero  
14 negative and no abstentions and referred to the full  
15 Land Use Committee.

16 CHAIRPERSON KALLOS: One of our land use  
17 committee... sorry, one of this committee's members has  
18 actually in Israel on council business as part of a  
19 delegation trip, wish... we wish him all the best and  
20 ask that he leave our, our names at the Western wall  
21 and we'll continue on with the hearing and the vote  
22 is closed. We'll now move on to our public hearings  
23 on Land Use Items 64, 65, 66, 67, and 69. The Bethany  
24 Place House tax exemption Land Use Item 68 will be  
25 laid over. The first hearing will be on Land Use Item

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2 65 and the night... 1490 Southern Boulevard application  
3 for property located in Chair Salamanca's district in  
4 the Bronx. HPD seeks approval for the designation of  
5 an urban development action area and approval of an  
6 urban development action area project, UDAP. The  
7 project area is zoned to R7-1 with a C-4 overlay, the  
8 approvals would facilitate the redevelopment of the  
9 site into a ten-story mixed use building containing  
10 approximately 114 affordable independent residents  
11 for seniors with a percentage set aside for formally  
12 homeless and superintendent's unit. a non-profit  
13 would provide supportive services for seniors as well  
14 as on site property management services, there would  
15 also be a ground floor community facility space and a  
16 rear yard terrace for residents. Now open the public  
17 hearing for... on this item.

18 COMMITTEE CLERK: First panel please  
19 state your names for the record and I'll swear you  
20 in.

21 LACEY TAUBER: Alright, Jenna you want to  
22 go first?

23 JENNA BREINES: Jenna Breines.

24 LACEY TAUBER: Lacey Tauber, HPD.

25 JILL CRAWFORD: Jill Crawford, Type A.

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2 ANNIE TIRSCHWELL: Annie Tirschwell, Type

3 A.

4 TED WEINSTEIN: Ted Weinstein, HPD.

5 COMMITTEE CLERK: Do you swear or affirm  
6 that the testimony that you're about to give will be  
7 the truth, the whole truth and nothing but the truth  
8 and to answer all questions truthfully?

9 [panel affirms]

10 COMMITTEE CLERK: Okay.

11 CHAIRPERSON KALLOS: You may begin.

12 LACEY TAUBER: Alright. LU Number 65  
13 consists of the proposed project to be developed on  
14 city... on a city owned vacant lot, block 2981, lot 14  
15 known as 1490 Southern Boulevard in the Bronx,  
16 Council District 17. In 1985 the Department of  
17 General Services completed a land use review  
18 procedure action to approve the unrestricted  
19 disposition of 110 parcels in the borough of the  
20 Bronx including the project area. Currently a sponsor  
21 selected by HPD through a competitive solicitation  
22 proposes to develop the site under the senior  
23 affordable rental apartments program or SARA. Under  
24 SARA HPD provides GAP financing in the form of low  
25 interest loans to support the construction and

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2 renovation of affordable housing for low income  
3 seniors. Projects developed with SARA funding must  
4 also set aside 30 percent of units for homeless  
5 seniors referred by a city or state agency typically  
6 the New York City Department of Homeless Services.  
7 The building will be ten stories and upon completion  
8 there will be 112 rental units plus one unit for a  
9 superintendent as well as the community facility  
10 space. The building comprises 75 studios and 39 one  
11 bedrooms in accordance with program guidelines. The  
12 project has been awarded project-based section 8  
13 vouchers for all residential units which requires all  
14 tenants to pay 30 percent of their income toward rent  
15 and caps incomes of 50 percent of the area median  
16 income, AMI. There will be a rooftop terrace, an  
17 adjacent exercise room, ground floor community room,  
18 laundry room and bike room, there will also be a  
19 large outdoor garden and enhanced outdoor lighting  
20 for neighborhood security. There will be on site  
21 support services as well as property management that  
22 will be provided by the Jewish Association Serving  
23 the Aging, JASA, one of New York's largest and most  
24 trusted agencies serving older adults in New York  
25 City. The project also envisions approximately 3,800



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2 square feet of ground floor community center space  
3 that will be operated by the LGBT Network. The  
4 network centers are a safe space and life changing  
5 resource for thousands of LGBT and individuals from  
6 youth to seniors that seek their services. In order  
7 to facilitate development of the project HPD is  
8 before the council seeking urban development action  
9 area, UDAP approval under the general, general  
10 municipal law for the 1490 Southern Boulevard project  
11 and I'm here with the developers from Type A and I'll  
12 turn it over to them for their presentation.

13 JILL CRAWFORD: Good afternoon... good  
14 afternoon, my name is Jill Crawford, and this is my  
15 partner Annie Tirschwell from Type A real estate  
16 Advisors. We are a certified women owned business and  
17 a New York City based merging development company.  
18 We're here this afternoon because Type A was  
19 designated through HPD's MWBE building capacity RFP  
20 last year as the developer for 1490 Southern  
21 Boulevard in Bronx Community Board 3. Just to  
22 introduce Type A, although we fit firmly into the  
23 category of a merging developer Annie and I along  
24 with our partner Andrea Kretchmer collectively have  
25 decades of experience building and preserving

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2 buildings across the city including developing more  
3 than a million square feet of public schools and  
4 charter schools, creating and preserving more than  
5 600 units of affordable housing, building community  
6 centers, restoring houses of worship and restoring  
7 public parks and playgrounds across the city. Much of  
8 our work has been in the Bronx, we've developed  
9 schools that serve more than 2,000 Bronx children  
10 and, and preserve many affordable housing units.  
11 We've also worked with DREAM, an organization  
12 formerly known as Harlem RBI to rebuild public parks  
13 including Patterson Park in Mott Haven. These photos  
14 show Hyde Leadership High School which was one of the  
15 first... which was the first high school built on the  
16 Hunts Point Peninsula in 30 years which we worked on  
17 together with the Cliff Van Voorhees who's here to  
18 testify today, Bronx Charter School for the Arts,  
19 Patterson Playground in Mott Haven and also the Bronx  
20 Point Development which we're working on with L and  
21 M. At 1490 we're proposing to build an affordable  
22 senior rental building, 1490 is a city owned site as  
23 you heard along the Southern Boulevard corridor which  
24 is largely zoned for commercial and residential  
25 properties. Here's an aerial view of the site as

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2 well, go again... it's a 15,000 square foot site and  
3 currently occupied by an abandoned 9,000 square foot  
4 building that will be demolished in the coming  
5 months. In keeping with the surrounding area, it's  
6 zoned R7-1 with a C2-4 commercial overlay and it's  
7 sandwiched between the elevated subway and an  
8 outcropping of bedrock on the Western property line  
9 of, of the site. It's a bit of a tight site but the  
10 good news is that it's very well served by  
11 transportation, the Freeman Avenue subway stop is a  
12 block and a half away and bus lines run up both  
13 Southern Boulevard and the cross streets on either  
14 side. When we were given the, the opportunity to  
15 submit a proposal for 1490 we wanted to address what  
16 we believe were among the most urgent needs in the  
17 community so in addition to working with the LGBT  
18 Network to open a community center where there has  
19 not been an LGBT center in the borough of the Bronx  
20 since 2010, we've also... we also chose to work for  
21 seniors because as we... most of us knew I think here  
22 seniors are one of the most rent burdened  
23 populations. We know that seniors... one in five  
24 seniors is living in poverty and there are nearly  
25 200,000 seniors on waiting lists with an average wait

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2 time of seven years. We also know from our partners  
3 at JASA that the majority of their tenants living in  
4 the 202's that they own and manage have incomes  
5 between 12,000 and 16,000 dollars a year and pay  
6 rents around 245 to 345 dollars a month. Most of  
7 these seniors are not eligible for tax credit...  
8 traditional tax credit properties because the minimum  
9 income requirements are above 50 percent of AMI.  
10 These are the numbers that motivated us to put  
11 together the project... the proposal that we did  
12 particularly because in CB3 where the project is  
13 located 85 percent of seniors are eligible for  
14 section 8 vouchers. Okay, so at, at 1490 Southern  
15 Boulevard we're proposing to build a ten-story 100  
16 percent affordable rental building with 115 units,  
17 it's 75 studios, 39 one bedrooms and a one set aside  
18 two bedroom for a live in super. All of the units  
19 will be affordable to senior headed households  
20 earning up to 50 percent of AMI and supported by  
21 project-based vouchers. We are very pleased to be  
22 supporting the administration's Seniors First  
23 initiative that was announced last year. In addition  
24 to the units themselves as Lacey mentioned there is a  
25 ground floor, floor community room, laundry

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2 facilities and offices for JASA, for both property  
3 management and tenant services on the ground floor.  
4 We have designed and eighth floor exercise room with  
5 a terrace on the set back roof that's designed for  
6 passive recreation and there's a garden in the rear  
7 of the building which is designed for both active and  
8 passive recreation. And finally, in terms of design  
9 we're paying particular attention... oops sorry, you  
10 can go ahead... keep going, okay, there you go... to  
11 transparency... sorry, to sound attenuation at the  
12 window wall because of the proximity of the overhead  
13 subway and also to light and transparency on the  
14 ground floor, this is a particularly desolate stretch  
15 and we want our seniors to feel and be safe with  
16 additional eyes on the street. It's Type A's  
17 intention to create a real community for our tenants  
18 and the opportunity for them to age and thrive in  
19 place. As our partners in this effort we've engaged  
20 with JASA again for both tenant services and property  
21 management. We chose to work with JASA not only  
22 because they're a 50-year-old non-profit with... and  
23 one of the largest providers of services to seniors  
24 across the city in Long Island as was mentioned but  
25 because they own and operate seven of their own

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2 buildings and they are already... they already house  
3 nearly 2,400 low to moderate income New Yorkers. JASA  
4 has 11 standalone senior centers and 12 locations  
5 where they offer programs in the Bronx including  
6 neighborhood shops, Casa Boricua directly across the  
7 street from 1490 Southern Boulevard. Their experience  
8 in every aspect is senior care and they have deep  
9 experience supporting formerly homeless seniors  
10 living in mixed buildings. For tenant services JASA  
11 has already applied for HRA's SARA tenant services  
12 RFP, the RFP... the RFP funding is currently the only  
13 funding available for tenant services for SARA  
14 projects which are by definition not supportive  
15 housing. As you can see on the long list of services  
16 they intend to provide both onsite service  
17 coordinator, an on-site service coordinator who will  
18 work with tenants for referrals and case work but  
19 also everything ranging to social and community  
20 engagement type activities and programming to help  
21 introduce neighbors to each other but also to the  
22 resources in the surrounding community. This, this  
23 funding is based on the number of formerly homeless  
24 units set aside in the building but it... but the  
25 services are intended for everyone living in the

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2 building with the goal to have tenants continue to  
3 live independently, maintain housing stability and  
4 successfully age and thrive in place.

5 ANNIE TIRSCHWELL: We are incredibly  
6 excited to be working with the LGBT Network at 1490  
7 Southern Boulevard. As a 501 C3 not for profit  
8 organization the LGBT Network is nationally known for  
9 their work over the past 25 years with LGBT youth in  
10 the areas of education, advocacy, youth leadership,  
11 development and support as well as for their work  
12 with LGBT people across the lifespan. The network  
13 currently operates community centers in Long Island  
14 and on February 1<sup>st</sup> of this year the organization  
15 opened a full-service community center in Long Island  
16 City at 3718 North and... Northern Boulevard. These  
17 community centers are safe places and offer life  
18 changing resources for the tens of thousands of LGBT  
19 individuals who pass through their doors each year. A  
20 representative from the network is here today with...  
21 who will more specifically walk us through the  
22 programming... their programming. In addition to their  
23 work to date in community centers the network is  
24 currently working to establish and lead an outer  
25 borough LGBT services consortium in an effort to

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2 increase and coordinate delivery of health and human  
3 services for LGBT people and families in the outer  
4 boroughs. As the council speaker initiative this  
5 exciting project will be conducted in partnership  
6 with organizations throughout the city and with the  
7 support of numerous elected officials including the  
8 Bronx Borough President's Office and a series of  
9 Bronx based organizations. By the time we open our  
10 doors in 2020 the LGBT Network's community center may  
11 well be the first bricks and mortar LGBT center in  
12 the Bronx since the closing of BOOM health facility  
13 in 2010. As indicated previously senior rent burden  
14 in New York City is staggering particularly in  
15 community board 3 where 85 percent of seniors qualify  
16 for section 8 project-based vouchers. As a result,  
17 this development is being financed using a  
18 combination of N... New York City HDC tax exemption  
19 bond and subsidy, HPD SARA subsidy and an equity  
20 investment from a tax credit investor. HPD SARA  
21 program is currently the only subsidy for low income  
22 seniors that is appropriate for this demographic in  
23 this project, no 202 monies are currently available,  
24 and the project is too large for nine percent  
25 credits. In addition, this project is not designed



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2 for seniors in need of supportive housing, for  
3 example the chronically homeless or the mentally ill.  
4 With the allocation of section 8 vouchers towards  
5 this project tenants will... tenant's rents will cap at  
6 up to 30 percent of their income in a borough where  
7 24 percent of the senior residents live below the  
8 poverty line this subsidy is critical. We have looked  
9 to similar successful precedence in the community  
10 board for guidance including 1880 Boston Road. In  
11 coordination with Hebrew Home of Riverdale this  
12 project has also utilized SARA... has utilized the SARA  
13 program and section 8 vouchers to create an  
14 impressive 168 unit senior development. Type A Real  
15 Estate Advisors believe strongly in the power of  
16 developing projects deeply rooted in the communities  
17 in which they are built, they are healthier, more  
18 resistant, resilient and happier places to live. At  
19 1490 Southern we are fully committed to engaging  
20 directly with the community as we begin to market the  
21 building. We will create a web of outreach including  
22 local community boards, senior centers, houses of  
23 worship and the offices of elected officials. We are  
24 committed to engaging with all community  
25 stakeholders. By working with JASA we access their

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2 extensive experience marketing their own senior  
3 housing projects across the city and those CB3  
4 organizations that already have linkage agreements  
5 with neighborhood shop and the PSS Davidson Center.  
6 JASA was also already across the street from 1490 at  
7 Casa Boricua offering services but getting the word  
8 out is not where we plan to start or stop. By holding  
9 community-based seminars, workshops and housing  
10 forums we can truly educate, prepare and assist  
11 applicants through the entire process starting with  
12 financial literacy and credit work to the nitty  
13 gritty of paperwork, submissions and follow up. We  
14 will get the word out early often... early and often  
15 and sit one on one to assist where needed, we are  
16 fully committed to this process of community  
17 engagement and outreach. We are incredibly proud and  
18 pleased to have the support of our local community  
19 board on this project. As to the timeline we are 80  
20 percent complete with construction documents and have  
21 anticipated closing on financing in December 2018,  
22 once we close we expect construction to last  
23 approximately 20 months and that building occupancy  
24 will occur in the fall of 2020. And that is our  
25 presentation.

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2 CHAIRPERSON KALLOS: Thank you very much  
3 for your detailed presentation, I wish all the  
4 presentations were this detailed. So, first question  
5 just for folks at home, so I'll disclose that I am...  
6 I'm Jewish, I used to be Vice Chair of the Jewish  
7 Caucus, JASA appears to have the, the word Jewish in,  
8 in it, is this only for Jewish people?

9 ANNIE TIRSCHWELL: No, it isn't.

10 JILL CRAWFORD: Yeah, I mean they have  
11 community centers and housing across the city that  
12 serves predominately non-Jewish... [cross-talk]

13 CHAIRPERSON KALLOS: Okay, so anyone can  
14 apply to this?

15 ANNIE TIRSCHWELL: Yes... [cross-talk]

16 JILL CRAWFORD: Absolutely.

17 CHAIRPERSON KALLOS: Okay and then in  
18 terms of the other components of this you're also  
19 going to be building a LGBT center, you're... there was  
20 one in the Bronx, it was led by Derrick McCall when  
21 he went to work with the borough president, it was a  
22 pleasure to work with him in his previous role and  
23 even in his new role but that center ended up closing  
24 so there was... this would be a new center?

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2 ANNIE TIRSCHWELL: This would be a brand-  
3 new center, I think it's important to note that the...  
4 that the Council Members ask that, that the LGBT  
5 Network work closely with existing LGBT organizations  
6 throughout the Bronx and their consortium is the  
7 first place where they intend to do that.

8 CHAIRPERSON KALLOS: And so, is this  
9 going to be exclusively for LGBT or will other  
10 members of the community have access to this space as  
11 well?

12 ANNIE TIRSCHWELL: I think we can let  
13 Sean who's here from the LGBT Network answer that,  
14 the community centers are open for everyone,  
15 obviously the program is geared towards not just  
16 LGBT... members of the LGBT community but also friends  
17 and family who are welcome as well as the entire  
18 community.

19 JILL CRAWFORD: I will say also that  
20 there's been an effort by JASA to work already with  
21 LGBT Network on beginning to think about senior  
22 programming for, for seniors, residents in the  
23 building and in the community as well.

24 CHAIRPERSON KALLOS: Great and a, a, a...  
25 so, so just full, full disclosure I'm, I'm an ally

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2 but the numbers of times I've been to the center the  
3 LGBTs it was previously the LGBT center now it's just  
4 the center on West 13<sup>th</sup> Street is not insubstantial  
5 so it is good that the Bronx will have a similar  
6 resource and so in your presentation you provided a  
7 listing of all the various financing that you expect  
8 to be receiving, is that... is that the totality of the  
9 funding?

10 ANNIE TIRSCHWELL: We have some... two  
11 requests out currently but in... nothing in addition to  
12 that.

13 JILL CRAWFORD: We should say that...  
14 [cross-talk]

15 CHAIRPERSON KALLOS: Okay... [cross-talk]

16 JILL CRAWFORD: ...nothing is final until  
17 we close but yes, that's our anticipation... [cross-  
18 talk]

19 CHAIRPERSON KALLOS: Okay, so your main...  
20 so, it's the HTC first mortgage, HTC ELLA subsidy,  
21 HPD SARA subsidy, law... low income housing tax credit  
22 that's federal dollars and then section 8 vouchers,  
23 is that projects based or is it tenant based?

24 ANNIE TIRSCHWELL: Project... [cross-talk]

25 JILL CRAWFORD: Project... [cross-talk]

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2 ANNIE TIRSCHWELL: ...based... [cross-talk]

3 JILL CRAWFORD: ...based...

4 CHAIRPERSON KALLOS: Okay and that's  
5 through HPD as well?

6 JILL CRAWFORD: That's correct.

7 CHAIRPERSON KALLOS: So, even though it's  
8 listed as federal it's a city subsidy and then you  
9 also received the land at what price?

10 ANNIE TIRSCHWELL: One dollar.

11 CHAIRPERSON KALLOS: Okay, so... and, and  
12 how long will this property remain affordable?

13 JILL CRAWFORD: The initial agreement is,  
14 is a minimum of 30 years by the... by the term of the  
15 SARA term sheet... [cross-talk]

16 CHAIRPERSON KALLOS: Uh-huh... [cross-talk]

17 JILL CRAWFORD: ...but again that hasn't  
18 been finalized so... at a... the minimum would 30 years.

19 CHAIRPERSON KALLOS: Okay and would,  
20 would you be open to a, a longer affordability term?

21 ANNIE TIRSCHWELL: Yes, we would.

22 CHAIRPERSON KALLOS: Perfect and do you  
23 know what the, the all-in value of all the subsidies  
24 are?  
25

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2 JILL CRAWFORD: The all-in value of the  
3 subsidies...

4 JENNA BREINES: The, the total  
5 development cost of the project?

6 CHAIRPERSON KALLOS: Yes.

7 JENNA BREINES: I think currently it's  
8 around 60,000... 60 million but again it's early pre...  
9 early pre-development so these are... [cross-talk]

10 CHAIRPERSON KALLOS: So, so, so estimate  
11 around 60 million, I, I see you're not seeking any  
12 tax abatement, you would not be paying taxes because  
13 you're a non-profit or...

14 JILL CRAWFORD: The... JASA will be part of  
15 an HDFC and we'll... and we'll seek a tax abatement  
16 through the HDFC.

17 CHAIRPERSON KALLOS: So, there will be  
18 tax abatement layered in over this?

19 JILL CRAWFORD: That's correct.

20 JENNA BREINES: Yes, the... this project  
21 because it receives low income housing tax credits  
22 and has a not for profit involved will receive 420-C.

23 LACEY TAUBER: And that's as of right.

24 CHAIRPERSON KALLOS: Okay, fair enough.  
25 To... can, can you please share with our committee the

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2 full value of the 420-C and to, to the extent you're  
3 using additional mechanisms and vehicles to provide  
4 additional subsidy this, this sounds like a great  
5 project but I think and anyone who's watched this on  
6 TV and survived the opening before the goal here is  
7 to try to get a sense of just how much we as  
8 taxpayers are spending on this very worthwhile type  
9 of project so that we can get a sense of just if, if  
10 this is the, the best possible, making sure we have a  
11 project to hold things up to and so you, you  
12 disclosed that you were an MWBE, this was in response  
13 to an MWBE RFP so you are the developer what about  
14 other folks on the project in terms of the  
15 construction firm and the architect and other parts  
16 of this project in terms of MWBE?

17 ANNIE TIRSCHWELL: So, our architect is  
18 not an MWBE and nor... neither are our engineers, we  
19 have very... we're in the process of organizing our  
20 MWBE strategy for construction and I, I can't  
21 remember what we're... our current set aside for the  
22 number of, of MWBE contractors are, do any of my  
23 colleagues... do you remember Andrea?

24 [off-mic dialogue]



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2 ANNIE TIRSCHWELL: We're working our way  
3 towards the 25 to 30 percent requirement for our MWBE  
4 subcontractors on the project.

5 CHAIRPERSON KALLOS: Is it possible to  
6 exceed the minimum?

7 ANNIE TIRSCHWELL: So, so we've been in  
8 deep conversation with our contractors about that  
9 because it is a section A project, it's union... it's a  
10 union project and so I understand prevailing wage and  
11 we will be using a union contractor for this project,  
12 we believe and so yes, we're working really hard  
13 towards it, I understand that there's... it makes it a  
14 bit harder but we're as an MWBE incredibly committed  
15 to pushing the line on that wherever possible.

16 CHAIRPERSON KALLOS: So, so HPD may have  
17 warned you about my, my, my next question which isn't  
18 actually about whether or not it's, it's a union job  
19 or not because... [cross-talk]

20 ANNIE TIRSCHWELL: Yep... [cross-talk]

21 CHAIRPERSON KALLOS: ...that's not quite  
22 appropriate but I did want to make sure that folks on  
23 the construction site, I'm curious will they have  
24 health benefits so that if they get hurt on the job  
25 they can go to a doctor if something god forbid

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2 happens will they have disability benefits, will they  
3 be able to retire, will they have pension benefits  
4 in, in building this site?

5 JILL CRAWFORD: So, this is a prevailing  
6 wage job and all of the... all of the workers on the  
7 construction site will be paid a, a... prevailing wages  
8 with benefits.

9 CHAIRPERSON KALLOS: Great and then once  
10 the site is... and, and I guess is there a... will you  
11 have local hire as well, can folks who are in this  
12 neighborhood in the Bronx get jobs?

13 JILL CRAWFORD: Yes, and actually the  
14 contractor we intend to work with has a pretty  
15 significant presence already in the Bronx so we... and  
16 has recently done quite a bit of work so we're... we  
17 anticipate that they've already got some good tools  
18 on the ground to help us get local hiring... a local  
19 hiring effort started, we've already spoken with a  
20 number of groups about doing just that, so I think  
21 we're... [cross-talk]

22 CHAIRPERSON KALLOS: And, and if  
23 somebody's watching on TV at home right now and  
24 they're interested how would they get one of the  
25 local hire jobs?

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2 JILL CRAWFORD: Today they can just reach  
3 directly out to us and we would... [cross-talk]

4 CHAIRPERSON KALLOS: Okay... [cross-talk]

5 JILL CRAWFORD: ...we would be the conduit  
6 to making that happen but... [cross-talk]

7 CHAIRPERSON KALLOS: And, and so you're  
8 Type A Real Estate Advisors LLC?

9 JILL CRAWFORD: Yes.

10 CHAIRPERSON KALLOS: Perfect and I have  
11 to ask why, why Type A?

12 ANNIE TIRSCHWELL: Have you seen our  
13 presentation...

14 JILL CRAWFORD: It was a very detailed...  
15 [cross-talk]

16 CHAIRPERSON KALLOS: If, if there were  
17 only more type A's I feel like it might be... the... I, I  
18 think this is the standard, this is what every  
19 presentation should look like... [cross-talk]

20 JILL CRAWFORD: Sorry...

21 CHAIRPERSON KALLOS: No, no this isn't...  
22 there's no apology like, own it...

23 JILL CRAWFORD: It was a joke that stuck,  
24 the name was a joke.

25

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2 CHAIRPERSON KALLOS: That, that, that is  
3 fine, on... along the flipside when you open according  
4 to presentation there will be folks providing  
5 support, I meant... I don't know if you're going to  
6 have building service workers, but will those folks  
7 also have health benefits, disability benefits, a  
8 pension, a, a, a wage that they can afford to live  
9 and that's commensurate with other people doing  
10 similar work?

11 JILL CRAWFORD: Yes, the, the employees  
12 in the building will actually be employees of JASA  
13 but they end up employees are paid living wages and  
14 have benefits, we can let the LGBT network answer  
15 directly for themselves also for their employees that  
16 will be in their building, but we believe that the  
17 answer is also affirmative there.

18 CHAIRPERSON KALLOS: One of the items  
19 that we became aware of and no one had ever heard of  
20 until this administration... until last term was these  
21 things called deed restrictions, seeing that the  
22 property is being provided to you for the purpose of  
23 senior housing and for nonprofit community use  
24 serving an LGBT community would you be open to having  
25 a deed restriction so that if in 40, 50, 100 years

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2 you, you are not there anymore that the property can  
3 continue to serve the community in the same way?

4 JILL CRAWFORD: I... yes, I think that it's  
5 important to note that the building is being designed  
6 under the air zoning, so it is already restricted to  
7 seniors for... in that way... [cross-talk]

8 CHAIRPERSON KALLOS: Uh-huh... [cross-talk]

9 JILL CRAWFORD: ...so it was our intention  
10 to build it for the purpose of senior housing going  
11 forward.

12 CHAIRPERSON KALLOS: Great. Additionally,  
13 so the other questions is... are can you describe any  
14 outreach or marketing efforts you plan to use to help  
15 seniors in the neighborhood access these units and  
16 similarly this one's for HPD which is just how does  
17 HPD plan to work with Department of Social Services  
18 to match households to unit set aside for formally  
19 homeless households?

20 ANNIE TIRSCHWELL: So, on the marketing  
21 end of things one of the reasons we're so pleased to  
22 be working with JASA is because they have a number of  
23 their own buildings and also feel that strong  
24 community engagement on the marketing side, create  
25 stronger community based projects and so JASA has

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2 already started working outside of this project with  
3 both neighborhood job and the PSS Davidson  
4 Neighborhood Senior Center, we have already reached  
5 out to the council member and, and as well as the  
6 community board and have a number of senior centers  
7 that we're working with the council member on  
8 approaching as part of our marketing outreach. One of  
9 the things that we realize that it's just not  
10 outreach but there's also a fair amount of financial  
11 literacy, assistance with applications because of the  
12 senior population, JASA has a lot of experience  
13 working with this population in not just  
14 understanding the, the project is going up but making  
15 themselves ready to be ready to apply as part of the  
16 lottery and so we plan to get the word out through a  
17 myriad of senior based organizations as well as  
18 houses of worship and community organizations and  
19 then also work with people to understand what the  
20 process entails.

21 LACEY TAUBER: And then on our end I  
22 would just say that individuals who are being  
23 assigned to permanent housing through HRA express a  
24 thorough preference and that's something that the  
25 folks on our side who do the matching take very

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2 seriously because they know that two real factors  
3 determining success for that permanent housing are  
4 that someone can afford the place that they live and  
5 that they're living where they want to live.

6 CHAIRPERSON KALLOS: And I think you  
7 touched on it in your testimony, but this is right  
8 next to an elevated train with no hopes of ever being  
9 put underground, I, I... residents on occasion have,  
10 have raised concern about why, why, why here, why not  
11 somewhere else and if here isn't this going to be  
12 just one of those type of made for New York stories  
13 of the, the person in unit and the trains going by,  
14 the, the apartment is shaking, the pots and pans are  
15 clinging and no one can hear anything and I think  
16 we've all seen that TV show or that scene it's one of  
17 those things that people use as a Manhattan... as a New  
18 York City touch point?

19 ANNIE TIRSCHWELL: Well I would say that  
20 it... well you're not going to get away from the train  
21 tracks but we have worked very closely with an  
22 acoustician and our architects to create a window  
23 wall... a, a window condition and a wall condition that  
24 seeks to mitigate the impact of noise on the units  
25 and in fact our, our EAS sets forth minimum sound

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2 extenuation requirements that we must meet and we are  
3 meeting it, at a minimum meeting those requirements  
4 for indoor air quality... indoor noise quality.

5 CHAIRPERSON KALLOS: So, for a tenant if  
6 the subway goes by and let's say they get into worse  
7 condition or make more noise can they hear anything?

8 ANNIE TIRSCHWELL: Yes, they'll hear the  
9 train, but they will also be able to live comfortably  
10 in the unit.

11 LACEY TAUBER: I would... I would just want  
12 to add that the sound extenuation would be something  
13 that would be part of the mitigation required under  
14 the environmental review.

15 CHAIRPERSON KALLOS: We, we have a, a  
16 building that I was somewhat skeptical of in my  
17 district which is 100 percent affordable and I think  
18 we did just an Article 11 on the air rights and I, I  
19 was very skeptical, it's right on the entrance to  
20 the... sorry, the exit of the Queensboro Bridge but  
21 that project... I've, I've been in the units while  
22 people are honking and going by very quickly and I  
23 couldn't hear anything so... yeah, I, I did not expect  
24 it and, and I don't think the tenants did either so  
25 it... I believe it is possible with the, the double



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2 pane and insulation and then just making sure you put  
3 the insulation into the walls... [cross-talk]

4 ANNIE TIRSCHWELL: Yep... [cross-talk]

5 CHAIRPERSON KALLOS: ...as well.

6 ANNIE TIRSCHWELL: Actually, one of the  
7 things that we've been cautioned to do is to make  
8 sure that during construction that contractor is in  
9 every unit at every vulnerable part of the window or  
10 wall have properly constructed... done their  
11 construction work so that's another part of our plan.

12 CHAIRPERSON KALLOS: We've done a lot  
13 with HPD, in fact I probably got on the... off on the  
14 wrong foot with HPD on concerns of seniors who aren't  
15 interested in being in studios particularly because  
16 first often you have a senior couple where they, they  
17 would like to have a, a one bedroom and a studio is  
18 very tight for one human being let alone two human  
19 beings similarly if a senior needs a home health aide  
20 they can't get one in a studio so I see that a  
21 predominant amount of, of these units are studios  
22 instead of one bedrooms, would you be able to  
23 reallocate this so that there were predominately one  
24 bedrooms or even two bedrooms so that a senior family  
25 has a room for themselves as well as for a home

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2 health aide or other family members, we do have  
3 intergenerational housing as well?

4 JILL CRAWFORD: Can I take that?

5 CHAIRPERSON KALLOS: I'm, I'm more  
6 focused... [cross-talk]

7 ANNIE TIRSCHWELL: Sure... [cross-talk]

8 CHAIRPERSON KALLOS: ...on the one  
9 bedrooms.

10 JILL CRAWFORD: I, I think it would be  
11 our preference to have more one bedrooms in the  
12 project but the unfortunate reality is that the  
13 financing is based on the number of units and the  
14 cost of the project whether we... we're building the  
15 largest building we can build in this... on this piece  
16 of property per zoning and we have looked at it in  
17 all different configurations and to reduce the number  
18 of studios... we have to take out a fair number of  
19 units to get to more one bedrooms than studios and it  
20 has a pretty serious impact on the... our ability to  
21 make the financing actually work.

22 CHAIRPERSON KALLOS: What would you need  
23 to get to more one bedrooms?

24 TED WEINSTEIN: The, the, the SARA  
25 program actually allows both studios and one

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2 bedrooms, we encouraged actually in this case as many  
3 one bedrooms as financially were feasible, there is  
4 difficulty to this project well first is the  
5 demolition that has to happen of an existing  
6 building, there is a retaining wall in the back,  
7 there's a lot of rock so this is not a simple vanilla  
8 type of construction and so we encouraged them and  
9 they were very responsive about putting in as many  
10 one bedrooms as financially feasible.

11 CHAIRPERSON KALLOS: What's the  
12 demolition and site cleanup cost?

13 TED WEINSTEIN: I have no...

14 ANNIE TIRSCHWELL: HPD is conducting that  
15 work so I don't know...

16 CHAIRPERSON KALLOS: So, so... but HPD is  
17 already doing the work so, that's off book...

18 TED WEINSTEIN: That wasn't... that the...  
19 there wasn't the site at the beginning of the  
20 process.

21 CHAIRPERSON KALLOS: Okay, so now we're  
22 at a place to revisit so HPD has stepped in, done the  
23 work, willing to do the demo so can we get more one  
24 bedrooms then?

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2 ANNIE TIRSCHWELL: I mean... yeah, I mean  
3 don't know if you want to... we... [cross-talk]

4 CHAIRPERSON KALLOS: This, this isn't...  
5 [cross-talk]

6 ANNIE TIRSCHWELL: ...yeah, yeah... no...  
7 [cross-talk]

8 CHAIRPERSON KALLOS: ...this sounds like  
9 it's more of a council HPD question versus... [cross-  
10 talk]

11 ANNIE TIRSCHWELL: Yeah... [cross-talk]

12 CHAIRPERSON KALLOS: ...developer council  
13 question.

14 JENNA BREINES: So, you know we are  
15 certainly responsive to the development community  
16 that we're working with, a lot of the project... the  
17 SARA projects that have been funded so far are being  
18 developed by experienced senior housing providers,  
19 but the prevailing wage construction costs are  
20 incredibly expensive and often times we do end up  
21 having to reduce the number of one bedrooms to make  
22 the numbers... to make the numbers work. Even when  
23 we're going over subsidy we still need to make sure  
24 that there are enough income generating units to pay  
25 for the cost of the community space that required for

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2 the Air zoning and also, we, you know feel really  
3 beholden to create as many senior units as we  
4 possibly can, there are an incredible number of  
5 seniors waiting for units... [cross-talk]

6 CHAIRPERSON KALLOS: Right, are these...

7 [cross-talk]

8 JENNA BREINES: ...so it's an issue that we  
9 take seriously but we need to balance.

10 CHAIRPERSON KALLOS: Are these 450 square  
11 foot studio units or are these MIH CQA 300 or  
12 something tiny, micro senior units?

13 JENNA BREINES: These are not... these are  
14 not supportive housing sized micro unit type units,  
15 they're generally around three... 400 square feet  
16 depending on the configuration of the buildings,  
17 sometimes we end up with units that are slightly  
18 larger, sometimes we end up with units that are  
19 slightly smaller, but we are generally looking to see  
20 350 to 400 units... to 400 square feet.

21 ANNIE TIRSCHWELL: I think we're actually  
22 exceeding all of the MIH requirements. So, to be... we...  
23 I can get you the exact numbers, but the borough  
24 president's office asked us the same question and we  
25 currently exceed MIH minimums.

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2 CHAIRPERSON KALLOS: Okay, thank you, I,  
3 I was not... I think they wanted to go even further  
4 down, I think they want, wanted to go down to 250 and  
5 I think I held the line and I believe my colleague  
6 Council Member Antonio Reynoso played a role in  
7 holding that line against the city wanted to get too  
8 far but I would just say that so... if HPD can get back  
9 to us with the financing term sheets and help us  
10 understand why we can't do more one bedrooms, it  
11 seems that we have alignment from the developer who's  
12 interested in doing so if we can get the financing to  
13 work out, does that sound right?

14 ANNIE TIRSCHWELL: It sounds right except  
15 that we have spent a lot of time already trying to  
16 get that unit mix to work with the financing so, sure  
17 of course except we have spent... [cross-talk]

18 CHAIRPERSON KALLOS: Perfect... [cross-  
19 talk]

20 ANNIE TIRSCHWELL: ...a fair amount of time  
21 working on it already so...

22 CHAIRPERSON KALLOS: Absolutely. Thank  
23 you, this was an amazing panel, you came very well  
24 prepared and I hope the rest... [cross-talk]

25

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2 ANNIE TIRSCHWELL: Wait there's... [cross-  
3 talk]

4 CHAIRPERSON KALLOS: ...of them today...  
5 [cross-talk]

6 ANNIE TIRSCHWELL: ...a whole other panel.

7 CHAIRPERSON KALLOS: There's, there's  
8 four more so hopefully the rest have the same level  
9 of detail, thank you.

10 ANNIE TIRSCHWELL: Thank you.

11 JILL CRAWFORD: Thank you.

12 CHAIRPERSON KALLOS: Our next panel is in  
13 support; we have Stephanie Reiss from Live On New  
14 York; Tiffany Sims from DREAM; Sean Collins from the  
15 LGBT Network and we have Clifford Van Voorhees  
16 representing himself. If all four folks could please  
17 submit their testimony to the Sergeant at Arms and  
18 please have a seat at the table. In many of these  
19 cases many of you have been working on this for years  
20 sometimes decades sometimes lifetimes typically as  
21 the hearings get longer and longer we cut the time  
22 down to two minutes and one minute, we've been trying  
23 a noble experiment as I've been here to give folks  
24 five minutes, I'm asking that you not necessarily use  
25 the full five minutes but please give your testimony

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2 and take as much time as you need I just feel that  
3 it's only right to try to give people as much and  
4 just know that there's four other projects coming so  
5 you do not have to use... okay, so we have Andrea  
6 Kretchmer who is on behalf of... who is from Type A  
7 Real Estate as terms of disclosure but is reading  
8 testimony from JASA into the record and if you can  
9 just as you... we'll let the other folks testify first  
10 if you can strike out portions and try to give a  
11 quick summary... [cross-talk]

12 ANDREA KRETCHMER: Sure... [cross-talk]

13 CHAIRPERSON KALLOS: ...and submit it on  
14 the writing. Whoever would like to go first is  
15 welcome.

16 STEPHANIE REISS: Alright, I'll go first.  
17 Good afternoon Subcommittee Chair Kallos, my name is  
18 Stephanie Reiss and I am an intern at Live On New  
19 York. Live On New York supports the development of  
20 affordable senior housing with services at 1490  
21 Southern Boulevard in the Bronx. This project would  
22 support the entire community and aligns with our  
23 mission to make New York a better place to age. The  
24 onsite senior specific service provider JASA is a  
25 member of Live On New York and an active member of



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2 affordable senior housing coalition. New York City  
3 faces an unprecedented affordable housing crisis one  
4 that effects every community throughout the five  
5 boroughs. As found in Live On New York's 2016 study  
6 more than 200,000 low income seniors in New York City  
7 languish on wait lists for affordable housing through  
8 the HUD 202 program, the average wait time for these  
9 units an astounding seven year. For seniors the dire  
10 need for affordable housing cannot be overstated, as  
11 rent burden often leads to adverse life choices such  
12 as skipping meals or medicine to afford rent. As cost  
13 of living continues to rise and New York City's  
14 vacancy rate is around three percent the affordable  
15 housing crisis is exacerbated and becomes  
16 particularly difficult for seniors who are often  
17 living on fixed incomes. The inclusion of services to  
18 be provided by JASA for the formerly homeless senior  
19 tenants as well as the entire building of seniors is  
20 a critically important component to this housing  
21 opportunity. Access to services for seniors can lead  
22 to a better quality of life including improved health  
23 outcomes and lower costs associated with  
24 hospitalization. JASA has a long history of helping  
25 seniors with housing and services consistently

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2 working to promote safe communities and ensuring that  
3 seniors can age with dignity and respect. In fact,  
4 next month JASA is celebrating its 50<sup>th</sup> anniversary  
5 of providing community-based services to older New  
6 Yorkers. Further Live On New York is proud to support  
7 the inclusive nature of this building as a 3,800  
8 square foot community center operated by the LGBT  
9 network will be a resource to the entire community.  
10 We know there are many important factors to consider  
11 when making decisions that affect their community and  
12 we greatly appreciate you keeping the needs of  
13 seniors in mind when making these policy  
14 considerations. We also appreciate the focus and  
15 prioritizations of city council and the De Blasio  
16 administration on affordable senior housing. Thank  
17 you for the opportunity to testify in support of 1490  
18 Southern Boulevard.

19 SEAN COLLINS: Good afternoon, my name is  
20 Sean Collins and I'm here on behalf of the LGBT  
21 Network and its CEO David Kilmnick to speak in strong  
22 support of the project by Type A Real Estate Advisors  
23 LLC. to develop the property located at 1490 Southern  
24 Boulevard. Upon completion the LGBT Network plans to  
25 occupy approximately 3,800 square feet on the ground

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2 floor of this building with a large presence on the  
3 street. A little bit about the LGBT Network, we are  
4 an association of non-profit organizations working to  
5 give a home and a voice to the LGBT communities of  
6 New York City and Long Island. Our four community  
7 centers in Long Island City; Woodbury, Bay Shore and  
8 Sag Harbor provide safe spaces for LGBT people and  
9 their families to be themselves and stay healthy and  
10 change the world. For 25 years we have been pioneers  
11 in advocacy and social change not just in our 35  
12 programs that serve tens of thousands of families  
13 each year but also our visibility and work in  
14 schools, workplaces, organizations and the greater  
15 community engaging more than a quarter million people  
16 annually. The LGBT Network currently employs  
17 approximately 40 people at its four community centers  
18 and all staff including those who would be hired to  
19 work at our new Bronx facility are paid a living wage  
20 with benefits. The new Bronx LGBT community center at  
21 1490 Southern Boulevard will support our  
22 organization's mission to provide a home and a safe  
23 space for the LGBT community as well as the ally  
24 community and will support our ongoing efforts to  
25 advocate for equality wherever LGBT people live,

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2 learn, work, play and pray. We expect to offer a  
3 number of programs and services in the areas of youth  
4 leadership and development, parent and family  
5 support, immigrant family support, HIV and STI  
6 prevention and health promotion, individual support,  
7 community building and older adult services. We are  
8 also leading the development of an outer borough LGBT  
9 services consortium in partnership with the Brooklyn  
10 community pride center, the pride center of Staten  
11 Island and leadership table of several organizations  
12 in the Bronx in order to identify the service needs  
13 and gaps, advocate for increased access to LGBT  
14 affirming and affordable health care and create a  
15 safety net of coordinated resources in order to  
16 eliminate LGBT health disparities, safety issues and  
17 inequities. One key outcome of this proposed  
18 consortium which has the support of the borough  
19 presidents of each of the outer boroughs would be an  
20 LGBT services needs assessment which will help to  
21 further inform the programs and services which will  
22 be offered at 1490 Southern Boulevard and throughout  
23 the borough. The Bronx LGBT and ally community faces  
24 a unique set of challenges because they have been  
25 historically underserved but we are confident that

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2 this investment in a physical home for the LGBT  
3 community will make real progress towards uplifting  
4 all families across the Bronx.

5 TIFFANY SIMS: Good afternoon, I'm

6 Tiffany Sims the Director of Capital Project for  
7 DREAM and I am pleased to provide this testimony in  
8 support of Type A's proposed development at 1490  
9 Southern Boulevard the Bronx as a prior client of  
10 Type A. DREAM is a 27-year-old community organization  
11 with a mission to provide intercity youth with  
12 opportunities to play, learn and grow. We use the  
13 power of teams to coach, teach and inspire youth to  
14 recognize their potential and realize their dreams.  
15 In 1991 DREAM then Harlem RBI was founded when a  
16 group of volunteers transformed an abandoned garbage  
17 strung lot into two baseball diamonds for youth in  
18 East Harlem. Over time we began to address the  
19 greater needs of the community like low literacy and  
20 high school graduation rates first through summer and  
21 after school enrichment and beginning in 2008 through  
22 the Dream Charter School. Today we serve more than  
23 2,200 boys and girls annually in East Harlem, the  
24 South Bronx and Newark with the unique program model  
25 that uses team-based methods to provide

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1  
2 comprehensive, enriching experiences to young people.  
3 We are proud to say that 97 percent of our seniors  
4 have graduated from high school, 94 percent have been  
5 accepted into college and 99 percent of our  
6 participants have avoided teen parenthood. From that  
7 first transformation of an abandoned lot on East  
8 100<sup>th</sup>, 100<sup>th</sup> Street through the development of our  
9 first school at the base of an affordable housing  
10 tower on a former NYCHA parking lot in East Harlem we  
11 are all too familiar with the critical and difficult,  
12 difficulty of creating buildings that are worthy of  
13 the people and communities we serve. Type A was there  
14 from the beginning... has been there with us for a  
15 substantial piece of this journey and we believe they  
16 are committed to the idea that beautiful buildings  
17 have the power to transform lives. Beginning with our  
18 K to 8 building and headquarters in East Harlem a  
19 seven year public, private partnership effort that  
20 resulted in the brand new 500 student facility,  
21 headquarters for our staff and volunteers and 87  
22 units of affordable housing through the rehab of two  
23 NYC parks that DREAM maintains and operates and most  
24 recently a fast tracked, very fast tracked renovation  
25 of our temporary high school space that now houses

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2 our first class of 100 ninth graders, Type A has  
3 helped DREAM solve our real estate challenges in the  
4 complex and expensive role in New York City real  
5 estate. They have tried to take the burden of real  
6 estate off our shoulders so that we can focus on the  
7 critical work of educating and supporting our  
8 dreamers and their families. We are pleased to see  
9 that Type A is expanding their focus to include  
10 affordable senior housing and providing space for the  
11 LGBT Network to open a community center. We believe  
12 they will bring the same mission driven, civic minded  
13 approach to this new project as they bring to their  
14 work for DREAM.

15 CLIFF VAN VOORHEES: Good afternoon, my  
16 name is Cliff van Voorhees and from 2009 to 2011 I  
17 was the Chief Operating Officer of the Hyde  
18 Leadership Charter School Hunts Point, South Bronx  
19 and I worked extensively with Civic, Civic Builders  
20 and Annie Tirschwell on the development of a high  
21 school building for our school. Just a few words  
22 about our school, today it's a K-12 school with 900  
23 students, 95 percent of our high school students have  
24 graduated in four years and 95 percent have gone on  
25 to college, they're doing very well in college with

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2 lower attrition rates than the averages and moreover  
3 we now have our first group of graduates among whom a  
4 couple of them I've been following are now nurses and  
5 one is taking a master's degree in bioethics at Case  
6 Western Medical School. A number of our students also  
7 at John Jay and I remember one boy in particular  
8 who's older brother was incarcerated when he was  
9 student in our school. So, my purpose today is to  
10 share my experience with Civic Builders and Annie  
11 Tirschwell in so far as it may be relevant to the  
12 project you're considering. Our high school building  
13 was a turn key project developed by Annie Tirschwell  
14 and her Civic Builder's team. Annie was a co-founder  
15 of Civic Builders and the SVP for real estate and is  
16 still on their board. This wonderful building was a  
17 newly built 31,000 square foot, three story, purpose  
18 built, built facility and it was completed in 2011.  
19 The first challenge that Annie faced was to find an  
20 affordable site close to our existing school, she  
21 managed a targeted site selection and acquisition  
22 process in coordination with us and respecting our  
23 priorities. I met with her several... at several  
24 possible sites before we collaboratively settled on  
25 830 Hunts Point Avenue. Once the land was secured and



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2 purchased by her organization Annie managed the  
3 collaborative design process with us ensuring that  
4 our goals and school pedagogy and culture were  
5 prioritized and incorporated in the design. Our Hyde  
6 team has numerous fruitful design meetings with Annie  
7 and her architects. An integral part of this project  
8 was of course the financing and securing a 21 million  
9 new market tax credit that Annie's team managed with  
10 their partners making the high cost of new  
11 construction feasible for our school. Then came the  
12 construction of the building which was also under  
13 Annie's purview, after a tightly managed process she  
14 and her team completed the project on time and on  
15 budget. We had regular progress meetings and  
16 participated fully in making decisions to prioritize  
17 our options. We thank god that she was able to do  
18 this because our back up plans were really not very  
19 satisfactory. As the only college proprietary high  
20 school in Hunts Point the facility houses 280  
21 students and includes nine classrooms, a science lab,  
22 art room, weight room, common spaces, administrative  
23 offices, and a rooftop play area. You may note the  
24 absence of a cafeteria, gymnasium and auditorium,  
25 this is an important example of the wise allocation

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2 of resources that Annie and Civic led us toward, a  
3 multipurpose room which our students referred to  
4 affectionately as our cafegymorium. While Hyde  
5 initially occupied the facility as a rent paying  
6 tenant they recently purchased the building from  
7 Civic Builders at below market rate. It was always  
8 clear to me that Annie and her associates at Civic  
9 Builders were committed to building strong  
10 communities through a collaboration with carefully  
11 selected community partners. She and her associates  
12 were not at civic to make money, they were there out  
13 of a passionate commitment to a cause they believed  
14 in making quality space available to support quality  
15 educations for underserved children. I can  
16 unreservedly recommend Annie to you as a developer  
17 who is responsible, high performing and committed to  
18 community strengthening, she is dedicated to doing  
19 worthy projects in an engaging and highly  
20 collaborative way. Thank you.

21 ANDREA KRETCHMER: Good afternoon, I'm  
22 Andrea Kretchmer, I'm a partner at Type A Real Estate  
23 Advisors and I'll be reading JASA's testimony into  
24 the record, they had an all hands board and staff  
25 meeting for the day and weren't able to attend. JASA

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2 is pleased to submit this testimony in support of  
3 Type A's proposed development at 1490 Southern  
4 Boulevard where JASA will serve as both property  
5 manager and tenant services provider. JASA's mission  
6 is to sustain and enrich the lives of the aging in  
7 the New York metropolitan area so that they can  
8 remain in the community with dignity and autonomy.  
9 Since 1968 JASA has grown to become one of the New  
10 York's largest and most trusted agencies serving  
11 older adults in the Bronx, Brooklyn, Manhattan,  
12 Queens and Long Island. They provide life sustaining  
13 programs for seniors and are committed to maintaining  
14 affordable residential facilities that provide their  
15 tenants with a safe, secure and accessible  
16 environment. JASA does more than simply put a roof  
17 over senior's heads, they own and manage seven  
18 properties providing subsidized housing to nearly  
19 2,400 New Yorkers over the age of 62 who qualify as  
20 low and moderate income and or are disabled. A  
21 manager and social worker are on duty in every  
22 complex and several have on site senior centers.  
23 Extensive... they have extensive experience helping  
24 seniors avoid housing instability and eviction as  
25 well as working with formerly homeless seniors to

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2 promote their success living as part of a building  
3 community. JASA operates 11 standalone senior centers  
4 across the city and has eight locations in the Bronx  
5 including Casa Boricua and PSS Davidson. Though these  
6 locations... through these locations and referrals JASA  
7 offers access to extensive services ranging from case  
8 management and counseling to home care, legal and  
9 financial services, meals, transportation and crisis  
10 intervention. JASA's network serves 43,000 people  
11 citywide. For this proposed development JASA has  
12 applied for funding for 1490 Southern under the  
13 provision of senior affordable housing tenant  
14 services RFP, an HRA opportunity that funds services  
15 at senior housing developed under the HPD's SARA  
16 program. The HRA, HRA grant is currently the only  
17 funding available for tenant services at 1490  
18 Southern. Funding availability is based on a 5,000  
19 dollar per unit set aside for formerly homeless  
20 tenant however at this building services are intended  
21 to be offered to all tenants who reside in the  
22 building. The HRA funding initiative is designed to  
23 create a sense of community in a building that will  
24 be home to a mix of tenants so those who are low  
25 income and those who are formerly homeless as well as

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2 providing productive linkages to the immediate  
3 surrounding neighborhood. To meet the programs goal  
4 to enable seniors to live independently, maintain  
5 housing stability and successfully age in place JASA  
6 will draw on their experience with senior housing,  
7 senior centers and naturally occurring retirement  
8 community programs where group programs serve as an  
9 important means of creating community, promoting  
10 wellness and social connectedness. 1490 Southern is  
11 an exciting opportunity for JASA to expand services  
12 in the Bronx and to build on our successful track  
13 record of helping seniors across the city remains in  
14 their communities again with dignity and autonomy.

15 Thank you.

16 CHAIRPERSON KALLOS: Thank you, I believe  
17 we are past the selection point however the testimony  
18 was glowing and helpful. I guess the, the one  
19 question I will give to you, I believe Sean is just..  
20 the applicant had... Type A had deferred to you when I  
21 had asked about the nature of the programming whether  
22 or not you'll work with other LGBT organizations and  
23 whether or not the space or programming is restricted  
24 and just I guess the other piece is just I, I know  
25 at the center a lot of their program relates to

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2 substance abuse, whether or that is also restricted  
3 to the community or... and, and what portion of your  
4 programming you'll plan to have to what types of  
5 programs.

6 SEAN COLLINS: Okay, so that was a lot of  
7 questions...

8 CHAIRPERSON KALLOS: Sorry...

9 SEAN COLLINS: So, let me start by  
10 saying, you know we've, we've always serviced the  
11 entire community regardless of the program or  
12 service, all of our program services are, are  
13 available to everyone. As far as any restrictions on  
14 the space, no, we're going to be providing a full  
15 service community center and we have been in  
16 conversations with local council members, the borough  
17 president office as well and other organizations  
18 about collaborative efforts to provide services  
19 throughout the borough at 1490 as well and really to,  
20 you know reduce any duplication of services and  
21 really streamline for the entire community and we're  
22 having a resource fair with Council Member Salamanca  
23 in a couple of weeks, we're, we're helping out with  
24 that. We have identified BOOM Health in designation  
25 tomorrow as groups that will be working with on the

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2 consortium and, and also going forward just on  
3 collaborations with programming at 1490.

4 CHAIRPERSON KALLOS: Will you work with  
5 predecessor organizations in the Bronx or what is  
6 your relationship... [cross-talk]

7 SEAN COLLINS: So, we've, we've been  
8 working very well with Derrick McCall at the borough  
9 president's office, he's been a great resource in  
10 helping us navigate, you know some of the, the  
11 challenges and, and really help us highlight some of  
12 the needs as well.

13 CHAIRPERSON KALLOS: Thank you very much  
14 and a special shout out to DREAM you're in my  
15 district so thank you. I, I... your field is outside my  
16 district, but you serve my district so... [cross-talk]

17 TIFFANY SIMS: Great.

18 CHAIRPERSON KALLOS: Represent... I, I  
19 represent East Harlem as well so thank you, I'll  
20 excuse the panel in support. We have one individual...  
21 we, we have one appearance in opposition from Panos  
22 Outrice [sp?] I believe and its... he's here on behalf  
23 of SEIU 32BJ. And I, I want to commend the previous  
24 panel on... we did not hear the beep, everyone used the  
25 time they had without actually using all of it just

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2 because they had it. Panos how do I pronounce your  
3 last name?

4 PANOS QUTRICE: Qutrice.

5 CHAIRPERSON KALLOS: Qutrice, okay I was...

6 I was as close as I could get, I'm not actually...

7 [cross-talk]

8 PANOS QUTRICE: It was... [cross-talk]

9 CHAIRPERSON KALLOS: Greek... it was Greek

10 last... [cross-talk]

11 PANOS QUTRICE: It was perfect... [cross-

12 talk]

13 CHAIRPERSON KALLOS: ...name so thank you.

14 PANOS QUTRICE: It was perfect, thank

15 you. Good evening, my name is Panos Qutrice, I'm a

16 building service worker and a member of 32BJ SEIU.

17 I'm here today testifying on behalf of my union. 32BJ

18 is the largest... the largest property service workers

19 union in the country. Many of us work in residential

20 buildings like the one HPD and, and 1490 Southern

21 owner LLC, an affiliate of Type A project is

22 proposing to develop at 1490 Southern Boulevard. I'm

23 here to make sure the development team is committed

24 to create... to creating high quality jobs at the site.

25 32BJ knows that affordable housing projects can



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2 create good jobs because we represent the clear  
3 majority of workers in affordable buildings across  
4 the city. These workers receive family sustaining  
5 wages and benefits. Our union believes projects that  
6 receive this discretionary tax subsidies should also  
7 create good jobs that is why we are calling on the  
8 city as well as the applicant to commit to funding  
9 and paying the industry standards prevailing wage for  
10 building service workers in the Bronx at 1490  
11 Southern Boulevard. My union and I understand how  
12 important new affordable housing is for this  
13 neighborhood, a good jobs commitment is an important  
14 step towards ensuring that this development truly  
15 benefits the Bronx. Thank you.

16 CHAIRPERSON KALLOS: Thank you very, very  
17 much. You got and, and thank you for testifying. And  
18 do we have anyone else here to testify on this  
19 matter. Seeing none I will now close the hearing on  
20 Land Use Item Number 65. I'll now open the public  
21 hearing on Land Use Item 66, the PRC Tiffany tax  
22 exemption for property located in Chair Salamanca's  
23 district in the Bronx. HPD seeks approval of a... of a  
24 new Article 11 tax exemption for a period of 40 years  
25 pursuant to section 577 of the private housing

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1  
2 finance law. This action will facilitate the  
3 development of a new eight story residential building  
4 with 161 units of affordable housing in the Bronx.  
5 The project site is within an R7-1 zoning district  
6 and the proposed eight story mixed use building with  
7 161 affordable units would be developed as of right  
8 under zoning. I will now ask our council to please  
9 swear in our panel.

10 COMMITTEE CLERK: Please state your  
11 names.

12 ARTIE PEARSON: Artie Pearson.

13 PENCE SPIELBERG: Pence Spielberg.

14 COMMITTEE CLERK: Do you swear or affirm  
15 that the testimony that you're about to give will be  
16 the truth, the whole truth and nothing but the truth  
17 and that you will answer all questions truthfully?

18 ARTIE PEARSON: Yes.

19 CHAIRPERSON KALLOS: If all panelists  
20 could affirm, identify your names and affirm. We  
21 actually need you to say yes.

22 PENCE SPIELBERG: Yes.

23 ARTIE PEARSON: Yes.

24 [off-mic dialogue]  
25

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2 CHAIRPERSON KALLOS: We need a slip for  
3 our third speaker, their name and for them to also  
4 take the affirmation please.

5 RICK GROPPER: Oh, sorry, Rick Gropper  
6 and I affirm.

7 CHAIRPERSON KALLOS: You may begin.

8 ARTIE PEARSON: Afternoon Chair Kallos.  
9 I'm Artie Pearson from the Department of Housing  
10 Preservation and Development. Land Use Number 66  
11 consists of an exemption area containing one multiple  
12 dwelling to be located at block 2713 part of lot two  
13 and will be known as tentative lot 120 in the Bronx,  
14 council district 17 and it's known as PRC Tiffany. On  
15 May 27<sup>th</sup>, 2015 the council approved the dissolution  
16 of two Article 5 housing companies that merged and  
17 converted into a single Article 11 HDFC known as  
18 Andrews Kelly Housing development fund corporation.  
19 The two housing developments were formerly known as  
20 Esperanza Village Associates located at 955 East  
21 163<sup>rd</sup> Street and 970 Kelly Street and the Maria  
22 Estela, two associates located at 1710 and 1730  
23 Andrews Avenue. Currently the sponsor proposes to  
24 construct a new building on underutilized vacant land  
25 under HPD's mixed income program, mix and match. In

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2 addition to vacant land there's a parking lot on site  
3 that is being replaced elsewhere on the PRC Andrews  
4 site. PRC Andrews Avenue plans to lease the vacant  
5 land to the sponsor who will own and operate PRC  
6 Tiffany project for the purpose of constructing new  
7 rental housing for low and moderate-income  
8 households. The sponsor will construct an eight-story  
9 building containing 161 units with a mixture of unit  
10 types including 11 studios, 83 one bedrooms, 41 two  
11 bedrooms and 23 three bedrooms plus a two-bedroom  
12 superintendent's unit. Additionally, 60 percent of  
13 the units are targeted towards households with  
14 incomes up to 60 percent of AMI, the balance serves  
15 incomes up to 100 percent AMI with rents underwritten  
16 at 80 percent of AMI. The rents will vary between 215  
17 dollars for a studio to 1,910 dollars for a three-  
18 bedroom apartment. The building will be energy  
19 efficient and amenities will include a gym, a  
20 community room and a laundry facility that will be...  
21 and they will all be at the cellar level at 975  
22 Tiffany Avenue. It should be noted that both the  
23 elevators and stairs will provide access to the  
24 cellar and all three of the spaces noted above have  
25 frontage onto a courtyard at cellar level that

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2 provides natural light and air. The replacement  
3 parking is immediately South of its current location,  
4 pedestrian access is provided to both the 955 East  
5 163<sup>rd</sup> Street and 970 Kelly Street properties which is  
6 PRC Andrews site. Additionally, there will be  
7 vehicular access onto the lot from both Kelly Street  
8 and Tiffany Street. Currently there is an existing  
9 exemption on lot two however the benefit will  
10 terminate on tentative lot 20 so in order to assist  
11 with maintaining long term affordability of the new  
12 building HPD is before the council seeking Article 11  
13 tax benefits for tentative lot 20 that will coincide  
14 with the 40-year regulatory agreement for the  
15 development of the new building and the sponsor has a  
16 presentation which I will scroll, scroll through as  
17 he discusses what you're about to see.

18 CHAIRPERSON KALLOS: Do we have a copy  
19 for the record?

20 RICK GROPPER: We do.

21 CHAIRPERSON KALLOS: You, you can... there  
22 you go. The Sergeant at Arms will take it and you..  
23 [cross-talk]

24 ARTIE PEARSON: I'll give you extra  
25 copies.

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2 CHAIRPERSON KALLOS: Perfect.

3 RICK GROPPER: Okay, so thank you Council  
4 Member, thank you everyone. I'm Rick Gropper, one of  
5 the Principals of Camber Property Group and we  
6 together with PRC have proposed to construct a 161  
7 unit affordable rental building on a parking lot that  
8 is currently vacant land on... which was used for the  
9 development of two existing affordable housing  
10 buildings which were renovated. 975 Tiffany Street  
11 is... again it's 161 units and it will be constructed  
12 using an Article 11 tax abatement as well as tax  
13 exempt bonds, tax credits and subsidy from HPD and  
14 HDC. The building is eight stories and we are  
15 currently in process with the DOB and are in, in the  
16 midst of getting approval from, from DOB as well as  
17 from city agencies. The Article 11 tax abatement has...  
18 which has been proposed is to exempt the property  
19 from real estate taxes and it is currently on a lot  
20 which, which houses, houses parking and the parking  
21 will be replaced in connection with the construction  
22 of the new building. The overall program for the  
23 building is, again it's 161 units at different tiers  
24 of AMI, it will also have a fitness center, it will  
25 have community space and an outdoor garden with

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2 recreation space for the residents. Energy efficient  
3 features will include...

4 CHAIRPERSON KALLOS: That, that was me...

5 RICK GROPPER: Oh great. Energy efficient  
6 features will include low flow... low flow fixtures, it  
7 will include daylight sensors and also motion sensors  
8 for the common areas to reduce the, the energy  
9 consumption of the building. In terms of

10 affordability we've proposed according to the mix and  
11 match program that HPD and HDC are, are sponsors of  
12 we're... we proposed a range of AMIs between 27 percent  
13 of AMI up to 80 percent of AMI and they're in about  
14 five tiers as well as a ten percent set aside for  
15 formerly homeless individuals and families. And then  
16 the last two slides of the presentation are more of  
17 an appendix that, that states the affordability for  
18 each of the AMI tiers as well as the proposed rent.

19 CHAIRPERSON KALLOS: Thank you very much.

20 So, to start with who owned the property that was  
21 split out to create your new lot?

22 RICK GROPPER: Who currently owns the  
23 property?

24 CHAIRPERSON KALLOS: So, you, you had 955  
25 East 163<sup>rd</sup> and 970 Kelly Street, Esperanza Village

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2 Associates and then Ann... Maria Estela, two associates  
3 so you had... you, you have a total of three... four  
4 buildings and then so who... [cross-talk]

5 ARTIE PEARSON: Sure... [cross-talk]

6 CHAIRPERSON KALLOS: ...those are all  
7 HDFC's and then I'm, I'm guessing how did you come to  
8 the property and at what cost?

9 RICK GROPPER: So... and, and Chuck who  
10 represents PRC which is our partner can probably  
11 answer in more detail, but the existing buildings are  
12 owned currently by PRC, they're owned... there's a  
13 nominee owner which is an HDFC owner and PRC is the  
14 beneficial owner.

15 CHAIRPERSON KALLOS: So... okay, is, is PRC  
16 a non-profit or what is PRC?

17 RICK GROPPER: PRC is a for profit  
18 developer as well... and Camber Property Group is, is  
19 also a for profit developer both specializing in  
20 affordable housing.

21 CHAIRPERSON KALLOS: Okay, so PRC owned  
22 the four buildings and you... so you went to Department  
23 of Finance and you just subdivided your lots and then  
24 made sure that the buildings remained compliant and...  
25 because of the new MIH ZQA... [cross-talk]



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2 RICK GROPPER: Exactly... [cross-talk]

3 CHAIRPERSON KALLOS: ...you no longer have  
4 parking requirements, so you just move parking around  
5 and the new building doesn't have any new parking  
6 requirements, so you basically are taking the parking  
7 lot and putting it up there?

8 RICK GROPPER: Exactly, yeah using MIH...  
9 using ZQA we're... [cross-talk]

10 CHAIRPERSON KALLOS: Okay... [cross-talk]

11 RICK GROPPER: We're able to... [cross-  
12 talk]

13 CHAIRPERSON KALLOS: So, so, so new...  
14 [cross-talk]

15 RICK GROPPER: ...have... [cross-talk]

16 CHAIRPERSON KALLOS: ...new... no new costs  
17 thanks to MIH ZQA and how many people drive in the  
18 neighborhood that you are building this in, what is  
19 the driving index, do you have one?

20 RICK GROPPER: I don't know what that is,  
21 but we can... we can look into it.

22 CHAIRPERSON KALLOS: So, EDC and other  
23 agencies do studies of just how many people actually  
24 use or need cars, it was part of the MIH ZQA study so

25

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2 I'm just curious and where's the closest transit  
3 point?

4 RICK GROPPER: The closest transit point  
5 is basically around the corner.

6 CHAIRPERSON KALLOS: And what is that?

7 RICK GROPPER: It is the, the five train  
8 at White Plains Road.

9 CHAIRPERSON KALLOS: Okay... [cross-talk]

10 RICK GROPPER: Westchester Ave, sorry,  
11 wrong project, Westchester Ave, five train.

12 CHAIRPERSON KALLOS: Okay and so there's  
13 an existing Article 11 tax exemption for the two  
14 existing buildings on lot two which will be  
15 subdivided, how many units are in these two existing  
16 buildings, how long is the existing Article 11  
17 exemption that covers these buildings and what  
18 affordable restrictions are on those buildings?

19 RICK GROPPER: For the existing  
20 buildings, I'm going to... [cross-talk]

21 CHAIRPERSON KALLOS: Right... [cross-talk]

22 RICK GROPPER: ...I'm going to ask my  
23 colleague Chuck to answer those two who represents  
24 PRC the current owner.

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2 CHAIRPERSON KALLOS: Perfect, we'll just  
3 need to administer... we will need you to... so, what  
4 we're going to ask you

5 CHARLES BRASS: Yeah, hi, hi my name is  
6 Charles Brass, you can call me Chuck though from... I'm  
7 with Forsyth Street Advisors, I'm a consultant for,  
8 for this development team and also for the PRC on the  
9 prior property. The prior project was a section 8  
10 project that was developed actually in 19, 1980's,  
11 early 1980s and in 2015 it was... it was renovated with  
12 HDC with bonds tax credits and a new Article 11 tax  
13 abatement from... that the city council granted to the  
14 section 8 project that... in conjunction with its  
15 renovation in 2015.

16 CHAIRPERSON KALLOS: And so, how, how  
17 much is remaining?

18 CHARLES BRASS: I believe that was a 40-  
19 year exemption so 37 years probably are, are still  
20 left on, on that project... on, on that tax exemption.

21 CHAIRPERSON KALLOS: Okay and then so you  
22 got these four buildings, they're all fairly new,  
23 they all have new tenants in them and now they're  
24 going to be in a construction zone, how long is the  
25

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2 construction and what are you doing to mitigate harms  
3 from construction?

4 CHARLES BRASS: Well the, the four  
5 buildings are... you know they'll all be... they, they  
6 are separated from, from, from this, there's only one  
7 building really that, that's near, near this  
8 building, there... and, and the, the contractor will  
9 take, you know proper mitigation methods to make sure  
10 that, that they're not disturbed, you know they'll,  
11 they'll, they'll be... what, whatever steps are  
12 necessary to keep the construction... [cross-talk]

13 CHAIRPERSON KALLOS: Will, will you...  
14 [cross-talk]

15 CHARLES BRASS: ...within the... [cross-talk]

16 CHAIRPERSON KALLOS: ...agree to... [cross-  
17 talk]

18 CHARLES BRASS: ...the building... [cross-  
19 talk]

20 CHAIRPERSON KALLOS: ...avoid after hours  
21 variances unless it's mandated by DOB in order to do  
22 crane work if you need to?

23 CHARLES BRASS: Well, well the, the  
24 contractor part is not here but I believe they've  
25 already worked out agreement with the community board

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2 as to the schedule that they would.. that, that they  
3 would work on so.. [cross-talk]

4 CHAIRPERSON KALLOS: Okay, that, that is  
5 helpful. Now to the, the more formal piece, so you  
6 have Article 11, do you know what the net present  
7 value... so... and that's a 40-year Article 11 or 30?

8 ARTIE PEARSON: It, it'll be 40 years.

9 CHAIRPERSON KALLOS: 40 years versus...  
10 [cross-talk]

11 ARTIE PEARSON: Yeah... [cross-talk]

12 CHAIRPERSON KALLOS: ...last times 30  
13 years, let's see what we can do with ten years on  
14 that other project HPD to get me more one bedrooms.  
15 In terms of the tax abatement, what's the cash value  
16 for that over the 40 years or... and as well as net  
17 present value?

18 ARTIE PEARSON: 6,585,173.

19 CHAIRPERSON KALLOS: 6,585,173 and that  
20 is I assume full cost?

21 ARTIE PEARSON: Of the exemption?

22 CHAIRPERSON KALLOS: Yeah.

23 ARTIE PEARSON: Yes.

24 CHAIRPERSON KALLOS: And what is the net  
25 present value?

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2 ARTIE PEARSON: It's 40,902 per DU.

3 CHAIRPERSON KALLOS: Per... 40,000?

4 ARTIE PEARSON: 902.

5 CHAIRPERSON KALLOS: Versus 6.5 million?

6 ARTIE PEARSON: Correct.

7 CHAIRPERSON KALLOS: That... I think that's  
8 an error.

9 ARTIE PEARSON: Let's see.

10 CHAIRPERSON KALLOS: It's fine I will...  
11 just... you can look it up I'll keep going. In terms of  
12 HPD you're getting the mix and match subsidy, what  
13 else... what other subsidies are you receiving?

14 RICK GROPPER: It's, it's... we're, we're  
15 receiving subsidy from HPD, subsidy from HDC, low  
16 income housing tax credits and a senior loan from  
17 HDC.

18 CHAIRPERSON KALLOS: So, you got the LIT...  
19 LIHTC and then HDC receiving which program?

20 RICK GROPPER: HDC under mix and match.

21 CHAIRPERSON KALLOS: Okay, so you're also  
22 doing the HDC layer of mix and match, anything else  
23 from HDC?

24 RICK GROPPER: Nope... well tax exempt  
25 bonds from HDC.

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2 CHAIRPERSON KALLOS: Okay, give me a  
3 second, thank you. Just trying to take notes on all  
4 the different things that we are providing so tax  
5 exempt bonds, do you know what the value of those  
6 bonds are?

7 RICK GROPPER: The total... the total  
8 amount of the bonds?

9 CHAIRPERSON KALLOS: Yes.

10 RICK GROPPER: Yes.

11 ARTIE PEARSON: While he's looking that  
12 up I'm going to provide you with the cumulative value  
13 of the tax exemption which is 25,775,135.

14 CHAIRPERSON KALLOS: Okay, so the 6.5 was  
15 the, the net... [cross-talk]

16 ARTIE PEARSON: Yes... [cross-talk]

17 CHAIRPERSON KALLOS: ...present value.

18 ARTIE PEARSON: That's correct.

19 CHAIRPERSON KALLOS: So, this is  
20 something I had to learn so basically when we value  
21 things we value them based on what would it cost in  
22 today's dollars versus what is the total over the  
23 course of the years and so that is the difference  
24 between a net present value where folks might say  
25 well its only costing the city 6.5 million versus the

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2 full cost where I might say but it's actually costing  
3 us 27... 25.7 million, okay. So, tax exempt bonds, how  
4 much?

5 RICK GROPPER: 17.8 million.

6 CHAIRPERSON KALLOS: And that's from HDC?

7 RICK GROPPER: Yes.

8 CHAIRPERSON KALLOS: Okay, anything else?

9 RICK GROPPER: Nope, I said the H, HDC  
10 subsidy, HPD subsidy and low-income housing tax  
11 credits.

12 CHAIRPERSON KALLOS: Okay, so no, no  
13 ELLA?

14 RICK GROPPER: Nope.

15 CHAIRPERSON KALLOS: Okay, no HDC first  
16 mortgage or is that covered by the tax exemption...  
17 [cross-talk]

18 RICK GROPPER: That's, that's... [cross-  
19 talk]

20 CHAIRPERSON KALLOS: ...bonds... [cross-talk]

21 RICK GROPPER: ...the tax-exempt bonds.

22 CHAIRPERSON KALLOS: Perfect. In terms of  
23 the location... so, in, in terms of you as a developer  
24 are you an MWBE or do you have management structure  
25 that includes MW, minority and women?



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2 RICK GROPPER: We're not an MWBE but we,  
3 we do have goals to hire MWBE contractors in  
4 connection with the construction of the building.

5 CHAIRPERSON KALLOS: What is your goal?

6 RICK GROPPER: The goal... so, the goal is  
7 actually a dollar goal and it's consistent with H..  
8 with HPD's MWBE build up program. Do you know what  
9 the exact... [cross-talk]

10 PENCE SPIELBERG: I don't know what the  
11 dollar is but it's, it's 25 percent.

12 RICK GROPPER: It's a...

13 PENCE SPIELBERG: Approximately...

14 RICK GROPPER: Cool, we'll get you the  
15 exact number but it's a 25 percent goal based on a..  
16 the way that HPD calculates the total dollars and..  
17 [cross-talk]

18 CHAIRPERSON KALLOS: And, and you can  
19 meet that through the architect, the engineer, or  
20 construction?

21 RICK GROPPER: We're planning to meet it..  
22 the majority of the way we'll meet it is through  
23 construction and we, we partner with the local  
24 community board, we partner with building skills New  
25 York and we have, have developed a, a pretty solid

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1  
2 pipeline of M, MWBE contractors and in addition to  
3 that we also hire... we set an internal target to hire  
4 30 percent of all of the labor force locally.

5 CHAIRPERSON KALLOS: Okay, great so you  
6 have a 30 percent local hire goal?

7 RICK GROPPER: Yes. The, the total dollar  
8 amount for MWBE is 6.5 million and that's... represents  
9 25 percent.

10 CHAIRPERSON KALLOS: And just to save me  
11 a moment on doing the math there that is... what is the  
12 total project cost?

13 RICK GROPPER: The total cost is 58.7  
14 million.

15 PENCE SPIELBERG: It's, it's 25 percent  
16 of eligible costs that could be done by MWBE... it's 25  
17 percent of eligible costs that could be done by an  
18 MBE... MWBE contractor so it's, it's not an exact one  
19 for one calculation if that's what you're trying to  
20 do, it's... [cross-talk]

21 CHAIRPERSON KALLOS: I'm, I'm working on  
22 getting there, so the next question of course is  
23 these jobs, it sounds great, will the folks have  
24 health insurance, disability insurance and pension  
25

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2 benefits on construction or in operating your  
3 facility?

4 RICK GROPPER: So, we're... the project  
5 will be built non-union and the... all of the employees  
6 on site will be paid a living wage, the contractor  
7 will hire... is, is responsible for maintaining these  
8 requirements and for hiring all of... all the  
9 subcontractors and for enforcing the living wage  
10 requirement.

11 CHAIRPERSON KALLOS: Okay, so not sure  
12 what non-union necessarily means in this context so I  
13 guess... and, and then in terms of what living wage  
14 means, is that a 15-dollar minimum wage or... so, I  
15 guess the... so, so to, to be clear so you're not  
16 mandating health insurance or disability insurance or  
17 pension benefits for people doing the work or  
18 operating your facility?

19 RICK GROPPER: Again it's, it's the, the  
20 contractor who's, who's hiring the... their local...  
21 their, their subcontractors and... [cross-talk]

22 CHAIRPERSON KALLOS: And, and what is  
23 living wage?

24 RICK GROPPER: Living wage is currently I  
25 think 15 dollars an hour.

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2 CHAIRPERSON KALLOS: So, that's, that's,  
3 that's not a living wage that's a minimum wage to, to  
4 be clear.

5 RICK GROPPER: I think living wage is...  
6 which is set by... has been set by a number of trade  
7 groups... [cross-talk]

8 CHAIRPERSON KALLOS: Uh-huh... [cross-talk]

9 RICK GROPPER: I don't know what it is  
10 off the top of my head but I... we can get back to you  
11 on that.

12 CHAIRPERSON KALLOS: That's, that's fine  
13 I was just... be, being... [cross-talk]

14 CHARLES BRASS: Yeah, and, and... [cross-  
15 talk]

16 CHAIRPERSON KALLOS: ...very precise.

17 CHARLES BRASS: The, the, the building  
18 employees in the building will be 30... it's a 32BJ  
19 building so the... [cross-talk]

20 CHAIRPERSON KALLOS: Okay, so, so I'm,  
21 I'm familiar with their contracts so those folks will  
22 have health insurance, disability... [cross-talk]

23 CHARLES BRASS: Yes... [cross-talk]

24 CHAIRPERSON KALLOS: ...and pension  
25 benefits so that, that is helpful but... so for the

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2 construction not necessarily. So, I, I think those  
3 are my other piece and so the... your tenants in 955  
4 and 970 are okay with the new development?

5 CHARLES BRASS: Yeah, we, we held a  
6 public... we gave them public notice, opportunity to  
7 comment and, and... you know so they're... we, we didn't  
8 receive any objections.

9 CHAIRPERSON KALLOS: Just make sure  
10 you're speaking into the mic and do all the buildings  
11 have fitness centers and recreation rooms or just  
12 this new one?

13 CHARLES BRASS: Just, just, just the new  
14 one, the, the original buildings were built in 1980,  
15 the section 8... section 8 standards in 1980 so they  
16 don't necessarily... they have... some of them have  
17 community rooms but... [cross-talk]

18 CHAIRPERSON KALLOS: Will, will 955...  
19 [cross-talk]

20 CHARLES BRASS: ...but not... [cross-talk]

21 CHAIRPERSON KALLOS: ...and 960 tenants be  
22 able to access the fitness center at all or...

23 CHARLES BRASS: In all honesty I don't  
24 believe so.

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2 CHAIRPERSON KALLOS: Okay and this is  
3 going to be a green community certified for energy  
4 efficiency, what does that mean in terms of lead or  
5 other industry standards?

6 RICK GROPPER: It's going to be green  
7 community certified but that doesn't necessarily mean  
8 that it's going to be lead certified.

9 CHAIRPERSON KALLOS: What is the  
10 difference, I'm, I'm learning here?

11 RICK GROPPER: I don't know what the  
12 exact difference is between lead but lead basically  
13 is the system of points similar to green communities  
14 but it's... lead is, is taking it sort of a step  
15 further in counting points for bike racks and  
16 walkability and stuff like that so we're focused on  
17 green communities which includes low flow fixtures,  
18 low VOC paints, active design guidelines, motion  
19 sensors for all of the public areas, energy star  
20 appliances.

21 PENCE SPIELBERG: Sorry, just, just to  
22 add enterprise green communities is a one standard by  
23 which, you know you got certified and lead is another  
24 standard by which you got certified, typically  
25 buildings that get certified for energy... for, for

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2 enterprise green communities are equivalent to lead  
3 silver but this project will not be seeking the lead  
4 certification which is, is a separate way of  
5 measuring.

6 CHAIRPERSON KALLOS: Okay and so given  
7 that there is a 30 percent local hire commitment if  
8 folks are watching at home and they're interested in  
9 a job on your project site and they live in the  
10 neighborhood or even if they live in one of the  
11 adjacent buildings how do they get one of these jobs?

12 RICK GROPPER: We're, we're going to have  
13 applications at the site office which we're going to  
14 establish at 975 Tiffany so anyone can stop by there,  
15 they can also go to the community board if, if  
16 they're closer to that community board office and  
17 then from there they're placed on a list and we... as  
18 soon as we have a job opening when, when we have one  
19 that's, that comes up we go to that list and, and  
20 then find a person who is interested, if that  
21 candidate needs training, needs an OSHA card for  
22 example we would work with local groups to arrange  
23 training and then get them onto the site.

24 CHAIRPERSON KALLOS: Okay, so you, you  
25 heard it here first, go to 975 to apply for the job,

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2 thank you for building these units, please do  
3 consider making sure folks who are working on your  
4 site have health insurance and other benefits, I  
5 think it's important and thank you for your  
6 transparency in terms of the amount of financing  
7 you're receiving and it's good to see that ZQA and  
8 MIH are actually creating new opportunities for  
9 affordable housing so thank you, I'll... do we have  
10 anyone else who wished to testify we'll excuse this  
11 panel, do we see anyone else who wishes to testify on  
12 this item, seeing none I will close the hearing on  
13 Land Use Item 66. We are going to... we're going to  
14 hold, we're going to recess for about five minutes  
15 for a Council Member Cornegy who has an item coming  
16 up which is Land Use Item 64... Land Use Item 64.

17 CHAIRPERSON KALLOS: I now open the  
18 public hearing on Land Use Item 64, the 1618 Fulton  
19 Street tax exemption application for property located  
20 in Council Member Cornegy's district in Brooklyn. HPD  
21 seeks an amendment to previously approved urban  
22 development action area project, approval of an  
23 Article 11 tax exemption for property located at  
24 1612-1624 Fulton Street. The original 1618 Fulton  
25 Street application included designation, disposition



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2 and project approval of an urban development action  
3 area project in order to dispose of three small city  
4 owned lots to be merged with five privately owned  
5 lots to assemble a site for a development of a 100  
6 percent affordable housing project financed by HPD's  
7 M2 term sheet. This application was approved by city  
8 council in August 2017, this application seeks  
9 council's approval for a 40-year Article 11 tax  
10 exemption and an amendment to the previously approved  
11 project to incorporate the addition of eight units of  
12 40 percent AMI to be subsidized by project-based  
13 section 8 vouchers. Under the original project rents  
14 were set at tiers affordable to families with incomes  
15 below... between 57 percent and 130 percent of AMI. The  
16 amended project will include rents affordable to  
17 families with incomes between 37 percent and 130  
18 percent AMI with my compliments to Council Member  
19 Cornegy for reducing, making it even more affordable  
20 by almost 20... by, by 20 percent. I'd like to turn it  
21 to Council Member Cornegy who has a statement for  
22 this project.

23 COUNCIL MEMBER CORNEGY: Thank you Chair  
24 Kallos. I'm pleased to speak in support of the  
25 project however I do have a couple of questions in

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2 terms of the affordability. As late as last night we  
3 were given some changes made to the level of  
4 affordability, so I'll come back to the questions  
5 obviously after you testify. I'm support... in, in...  
6 generally in support of the project which will not  
7 only bring over 50 units of affordable housing to my  
8 district but will also carve out 7,500 square feet of  
9 ground floor commercial space parceled out in 100  
10 square foot units for the use of local small  
11 business. This means that for the first time in my  
12 memory we've managed to effectively use the ULURP  
13 process to not only meet the housing needs of city  
14 residents but at the same time effectively ensure the  
15 service available to them and the retail diversity  
16 and viability of the community in which they will  
17 live as bolstered as well. Too often new developments  
18 push small businesses owners out of their communities  
19 by creating commercial spaces that are realistic  
20 accommodation for big box real, real... retailers only.  
21 In partnership with Juan Barahona and a team at SMJ  
22 Development we were able to ensure that this would  
23 not happen with this new project. I look forward to  
24 continuing to work with SMJ to ensure these smaller  
25 retail spaces are offered to local business owners

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2 with favorable terms, so they can continue serving  
3 their vibrant community for years to come and I'm  
4 happy today to speak in general support of the  
5 project once this affordability question is answered.  
6 Thank you Chair.

7 CHAIRPERSON KALLOS: Fair enough. I want  
8 to thank our, our current Housing and Buildings Chair  
9 Cornegy for being here as well as our former Small  
10 Business Chair and if I recall this was actually the  
11 first of its kind affordable small business rezoning  
12 so I just want to compliment him on that and for  
13 continuing to drive a tough but good bargain. I would  
14 like to remind HPD that you are still under oath and  
15 you may begin.

16 ARTIE PEARSON: This particular land use  
17 item consists of an amendment to a previously  
18 approved project known as 1618 Fulton Street located  
19 at 16... and 1624 Fulton Street and 20 rear of Troy  
20 Avenue, block 1699, lots 35, 39 and 43 in Brooklyn  
21 Council District 36. The development site is made up  
22 of vacant city owned lots within the Fulton Park  
23 urban renewal area that were previously approved for  
24 disposition by the city council on November 6<sup>th</sup>,  
25 2013, Resolution Number... I'm sorry, 2003, Resolution

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1  
2 Number 1144 as part of the second amended Fulton Park  
3 urban renewal plan however the sites were never  
4 developed as planned and remain city owned. On August  
5 24<sup>th</sup> of 2017 the city council approved Resolution  
6 Number 1630 designating the three city owned lots as  
7 urban development action area project facilitating  
8 disposition to a sponsor selected by HPD who proposed  
9 us to combine the public sites with adjacent private  
10 sites which are located at block 1699, lots 33, 34,  
11 36, 38 and 137 to create an assemblage in order to  
12 construct one 11 story building with a total of 103  
13 dwelling units including one unit for a  
14 superintendent. The original project estimated  
15 initial rents set at tiers affordable to families  
16 with incomes between 57 percent to 130 percent AMI  
17 with income targets ranging from 60 percent to 165  
18 percent of AMI. Under the amended project initial  
19 rents are affordable towards households with incomes  
20 between 37 percent of AMI and 130 percent of AMI with  
21 income targets ranging from 40 percent to 165 percent  
22 of AMI. The community facility space will increase  
23 from 13,100 square feet to approximately 14,802  
24 square feet of which 4,000 square feet will be split  
25 into a separate unit that will be sold to a third-

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2 party entity for use as ground floor retail. Under  
3 the amended project the sponsor also seeks Article 11  
4 tax benefits for a term of 40 years. Other aspects of  
5 the projects remain the same. There will be a mixture  
6 of unit types including studio, one, two, and three-  
7 bedroom apartments all units will be affordable under  
8 an HPD regulatory agreement. Additionally, 20 percent  
9 of the units will be permanently affordable under the  
10 voluntary inclusionary housing program. The building  
11 will be energy efficient and residential amenities  
12 for the project includes an exercise room and  
13 children's playroom, laundry rooms on all residential  
14 floors and a rooftop patio for use by all building  
15 tenants. The sponsor has committed to renting ground  
16 floor commercial slash community facility spaces to  
17 small local businesses. HPD is before the council  
18 seeking an amendment to the 1611 Fulton Street  
19 project as well as approval to Article 11... approval  
20 of Article 11 tax benefits for the exemptionary  
21 inclusive of city owned sites as well as private  
22 sites in order to help maintain combined  
23 affordability of residential units for a term of 40  
24 years coinciding with the regulatory agreement. And  
25 to the point of some of the affordability's being

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2 adjusted, it just goes to the point where the  
3 financing is constantly changing and then another  
4 adjustment had to be made as of last night and we can  
5 answer any questions that you might have towards that  
6 end.

7 CHAIRPERSON KALLOS: I'm going to turn it  
8 to my friend and colleague Council Member Cornegy for  
9 the first set of questions.

10 COUNCIL MEMBER CORNEGY: So, what I  
11 understand is that there's been a change as of last  
12 night, it was my understanding that we were going to  
13 get a... to the 37 percent AMI through the use of  
14 section 8 vouchers for eight of the units, I  
15 understand the circumstances around which they've  
16 been removed in terms of H... HUD... [cross-talk]

17 ARTIE PEARSON: Uh-huh... [cross-talk]

18 COUNCIL MEMBER CORNEGY: ...I just want to  
19 know if HPD is committed because the developer is  
20 committed to preserving those eight units... [cross-  
21 talk]

22 ARTIE PEARSON: Uh-huh... [cross-talk]

23 COUNCIL MEMBER CORNEGY: ...but obviously  
24 these... the assistance of some program that will allow  
25 to do that not being able to use the section 8 based

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2 vouchers to, to do that at this point to get us to  
3 that. I'm concerned because without that it puts us  
4 at the 50 percent AMI with no real deep affordability  
5 and many people know that I'm not demanding deeper  
6 affordability on all projects, I think that there  
7 should be a range... [cross-talk]

8 ARTIE PEARSON: Uh-huh... [cross-talk]

9 COUNCIL MEMBER CORNEGY: ...and that range  
10 would be absent without the use of that program that  
11 was removed through HUD and an inability to arrive at  
12 that... those eight units are still earmarked by the  
13 developer for deep affordability but without the use  
14 of a program city, state or federal it's difficult to  
15 make that happen, I want to know if there's a  
16 commitment from HPD and the administration to  
17 preserve that level of affordability and, and is  
18 willing to exhaust all options to do that?

19 ARTIE PEARSON: I believe the answer to  
20 your question is yes and I'm going to let Mr.  
21 Spielberg answer the financing questions to give you  
22 an idea of how these units are going to be financed.

23 PENCE SPIELBERG: I mean as you know  
24 there's a give and take between what is the, the, the  
25 rents that are in project versus the financing that

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2 come with it, the amount of debt that can be  
3 leveraged of course and then there is our subsidy  
4 that goes into it. I would say that we are... this  
5 development is new, and we are looking into all  
6 different types of possibilities of how to maintain  
7 the levels of affordability that the developer and  
8 you and we have been in talking around so at this  
9 moment that is the, the best I can give you without  
10 actually really having to... gone through the exercise  
11 of exhausting all different possibilities.

12 COUNCIL MEMBER CORNEGY: So, so generally  
13 a project like this with that much of a gap may be  
14 considered to, to, to halt till we can get to a  
15 better place with the affordability, I'm not asking  
16 that because I think that there are several members  
17 of my community who need housing and, and who are  
18 looking for housing but I am asking, asking for some  
19 aggressive measures to be taken to preserve that  
20 level of affordability and that many units, I think  
21 it's a... it's crucial to the project as one of the  
22 things that was attractive and had me move from...  
23 there were several and, and my colleague Ben Kallos  
24 just pointed out to me how many times we've tried to  
25 get this project developed over... starting in 1985 and



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2 we finally arrive at an opportunity to do that so I'm  
3 acutely aware of the history of the project and the  
4 importance to my community, you know in the climate  
5 that we're in of affordability but I don't want to  
6 miss an opportunity because I'm unwilling to review a  
7 real serious solid strategies to get us to those  
8 eight units of deep affordability. I also want to  
9 mention I think it's worth noting that we went from  
10 4,000 square feet of commercial space earmarked for  
11 small mom and pops to 7,500 square feet over the last  
12 couple of days because a large... someone who's going  
13 to use a, a large amount of that space re-committed  
14 it so we went from four... let's... so if we can do that  
15 in a commercial space I believe that we should be  
16 able to do that on a residential space especially  
17 when it was earmarked for that so I don't want to  
18 just kind of point the finger at HUD and their  
19 inability to get us to a place through section 8  
20 vouchers to deep affordability and not exercise every  
21 opportunity that we can on the city level to still  
22 meet that, that very... that very important need within  
23 my community.

24 PENCE SPIELBERG: Under, understood and I  
25 said that we are endeavoring to right now go through

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2 the budget and go through with the availability is a  
3 very... of various different resources to try to make  
4 that happen and, and so here I cannot commit to  
5 anything, but we will... we will definitely be working  
6 to get back to you as... very soon.

7 COUNCIL MEMBER CORNEGY: But I'll be  
8 honest I will follow up diligently because I spent a  
9 lot of political capital to move this project along,  
10 I worked diligently with my colleagues where we've  
11 tried to get a range of affordability on projects in  
12 my district and I... and I committed to do that and I  
13 committed to my community and my community board that  
14 I would do everything in my power so I will be  
15 following up with you.

16 PENCE SPIELBERG: Understood.

17 COUNCIL MEMBER CORNEGY: And, and, and  
18 exercising every option to get us to that level.

19 ARTIE PEARSON: Yes... [cross-talk]

20 COUNCIL MEMBER CORNEGY: Thank you.

21 ARTIE PEARSON: We'll make sure that we...  
22 you keep... we keep you updated as things move along.

23 COUNCIL MEMBER CORNEGY: Thank you.

24 CHAIRPERSON KALLOS: I want to thank  
25 Council Member Cornegy for his leadership on this and

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2 just to piggy back on him so what is happening here,  
3 so 1985 is the first time it's rezoned and the, the  
4 concept here is that when the city's actually doing  
5 these rezoning's and taking these actions that  
6 something's actually going to happen here and the  
7 city's actually going to get the affordability here  
8 so, 1985 is the first action, 2003 is the second  
9 amended plan, 2007 we come back yet again, 2016 we're  
10 back again, I imagine my colleague thought we were  
11 done in 2017 but we're here again hopefully for good  
12 news but what's, what's the story here, it's 33  
13 years?

14 ARTIE PEARSON: I don't have the history  
15 of what happened all of those years ago, I will...  
16 [cross-talk]

17 CHAIRPERSON KALLOS: I believe I got my  
18 history from you.

19 ARTIE PEARSON: Maybe from... excuse me?

20 CHAIRPERSON KALLOS: We, we received the  
21 history from HPD.

22 ARTIE PEARSON: Okay, I'll, I'll go back  
23 to the program folks and get, get the entire history  
24 and try and get you as much more information as we  
25

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2 possibly can to see where things fell through the  
3 cracks along the way.

4 CHAIRPERSON KALLOS: And, and so in, in  
5 granting... so, so initially this was a... project was  
6 feasible without an Article 11 that's why we're back  
7 here again?

8 PENCE SPIELBERG: It was not necessarily...  
9 that's a... that's a hard question to answer frankly,  
10 with the way that financing has worked and with the,  
11 you know difficulties of, of getting all those  
12 sources together it was using... it was... the, the  
13 project was anticipated to go towards using the 421A  
14 tax exemption. Here it seems that it's more feasible  
15 and we can go get more deeply affordable units if we  
16 are able to provide the full tax exemption.

17 CHAIRPERSON KALLOS: What is the... what is  
18 the tax abatement for the cumulative cost and what is  
19 the net present value?

20 ARTIE PEARSON: The cumulative cost is  
21 27,154,395 and that present value is 6,999,347.

22 CHAIRPERSON KALLOS: Okay and so just to  
23 be clear the whole project is already in good shape  
24 but that 27 million dollars buys us eight more units  
25 at a, a further... a, a reduced affordability?

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2 PENCE SPIELBERG: I mean that's not  
3 exactly correct, using the as of right 421A tax  
4 exemption that it was using before there would have  
5 been a tax exemption as well, I don't have that  
6 number of what that was for you, so I cannot provide  
7 the incremental benefit between the 421A and what the  
8 Article 11 tax exemption... [cross-talk]

9 CHAIRPERSON KALLOS: The Article 11 is a  
10 full tax exemption, the 421A my under... at least the  
11 old 421A, I haven't looked at the new 421A term  
12 sheets but the... don't... the 421As actually expire  
13 gradually or would this have been... [cross-talk]

14 PENCE SPIELBERG: It would be 25 years of  
15 a tax that's set at what the current tax levels are  
16 called the mini tax if you will and then there's ten  
17 years in which that gradually then goes away so it's  
18 a 35-year tax exemption with 25 years set at a... at  
19 the current rates and then ten more years of slightly  
20 less taxes...

21 CHAIRPERSON KALLOS: And the, the Article  
22 11 is a full abatement of all taxes?

23 PENCE SPIELBERG: This is correct.

24 CHAIRPERSON KALLOS: And, and so... okay,  
25 I... given, given that this project has already gone

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2 through the council and this is a matter of the  
3 Article 11 for the deeper affordability I will be  
4 working closely with the Land Use Division, the HPD  
5 and Council Member Cornegy on this matter as we make  
6 sure that we're getting the, the deepest benefit but  
7 you do not have the different, differential between  
8 421A... the 421A Abatement cost versus the Article 11?

9 PENCE SPIELBERG: Not with us, no.

10 CHAIRPERSON KALLOS: So, you... [cross-  
11 talk]

12 ARTIE PEARSON: We can get that... [cross-  
13 talk]

14 CHAIRPERSON KALLOS: ...you have... [cross-  
15 talk]

16 ARTIE PEARSON: ...information to you...  
17 [cross-talk]

18 CHAIRPERSON KALLOS: ...can you... can I see  
19 the Article 11 term sheet that you have there or what  
20 is... what is year one, what is this year's... give me  
21 the sheet and I'll do the math.

22 ARTIE PEARSON: Wait, this is something  
23 that we've submitted along with the... right, but it's...  
24 right, it's something that we submitted already,  
25 yeah.

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2 CHAIRPERSON KALLOS: Okay. Fair enough,  
3 okay. Thank, thank you very much, we, we will move on  
4 to the next item. Is there anyone here to testify on  
5 this item? Seeing none I'm going to close the hearing  
6 on this and take about a three-minute break.

7 COUNCIL MEMBER CORNEGY: Thank you Chair  
8 Kallos.

9 CHAIRPERSON KALLOS: I will now open the  
10 public hearing on Land Use Item 67, the Paul Robeson  
11 Houses in Council Member Perkins district in  
12 Manhattan. HPD seeks approval for a partial Article  
13 11 tax exemption for a period of 40 years pursuant to  
14 section 577, the private housing finance law. The  
15 subject property includes two buildings totaling 81  
16 units that are fully occupied and HDFC. Robeson,  
17 Robeson and apartments HDFC will acquire fee interest  
18 in the exemption area and 1990 ACP Junior Boulevard,  
19 I'm going to guess that's Adam Clayton Powell Junior  
20 Boulevard will acquire the beneficial interest and  
21 will operate the exemption area. The HDFC will  
22 provide necessary repairs to the building upon  
23 acquisition. We have a new person on the panel and I  
24 will direct our council to swear them in and remind  
25

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2 the other members of the panel that they're still  
3 under oath.

4 COMMITTEE CLERK: Could you please raise  
5 your right hand? Do you affirm to tell the truth, the  
6 whole truth and nothing but the truth in your  
7 testimony before this committee and then answer all  
8 to Council Member questions?

9 UNIDENTIFIED FEMALE: I affirm.

10 CHAIRPERSON KALLOS: If you can summarize  
11 what I just said in plain English because it was very  
12 complicated and begin your testimony.

13 ARTIE PEARSON: Land Use Number 67  
14 consists of an exemptionary containing two fully  
15 occupied multiple dwellings located at 1995 Adam  
16 Clayton Powell Boulevard and 1990 Adam Clayton Powell  
17 Boulevard and it's known as Paul Robeson Houses in  
18 Manhattan, Council District nine. Paul Robeson Houses  
19 is a low-income section 8 development currently owned  
20 by an Article 5 housing redevelopment company  
21 approved for disposition in June 1982 by the Board of  
22 Estimate. The project comprises of 81 units with a  
23 mixture of unit types including two... I'm sorry, 20  
24 one bedrooms, 39 two bedrooms, and 21 three-bedroom  
25 apartments as well as a superintendent's unit.



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1  
2 household AMIs do not exceed 50 percent of AMI and  
3 tenants pay no more than 30 percent of their income  
4 towards rent. There are minimal housing code  
5 violations and minimal repairs consist... and, and the  
6 minimal than minor repairs consisting of flooring  
7 upgrades and replacement of kitchen appliances are  
8 all that's planned and necessary at this time. The  
9 current Article 5 exemption is set to expire in 2022  
10 and the owner will convert to an Article 11 HDFC. In  
11 order to help preserve long term affordability of the  
12 low income rental units HPD is before the planning  
13 subcommittee seeking approval for the housing company  
14 to dissolve their status as an... as an Article 5,  
15 terminate their Article 5 tax exemption and enter  
16 into a new partial Article 11 tax exemption for a  
17 period of 40 years that will coincide with the term  
18 of regulatory agreement which will also stipulate  
19 that the owner enter into a new 20 year housing  
20 assistance program contact with HUD and having the  
21 Article 11 in place will help maintain a continued  
22 affordability for this development, it's all that the  
23 HPD is seeking at this time.

24

25

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2 CHAIRPERSON KALLOS: Thank you. So,  
3 basically there's a property and it's being turned  
4 over to a new manager?

5 ARTIE PEARSON: It is, the ownership  
6 structure is changing to an Article 11, in order to  
7 do that the current ownership structure has to  
8 terminate.

9 CHAIRPERSON KALLOS: And it's fully... how,  
10 how many units?

11 ARTIE PEARSON: Its 81.

12 UNIDENTIFIED FEMALE: 81 units.

13 CHAIRPERSON KALLOS: And it's fully  
14 occupied?

15 ARTIE PEARSON: That's correct.

16 CHAIRPERSON KALLOS: And so, what has  
17 happened... so, this isn't... it's being converted from  
18 one HDFC to a new HDFC with an Article 11?

19 ARTIE PEARSON: It's converting from an  
20 Article 5 redevelopment housing company.

21 CHAIRPERSON KALLOS: Okay, so what does  
22 that... [cross-talk]

23 ARTIE PEARSON: Which is not an HDFC... it  
24 is not an HDFC currently, it's... [cross-talk]

25

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2 CHAIRPERSON KALLOS: So, what is an  
3 Article 5?

4 ARTIE PEARSON: Do you want to... [cross-  
5 talk]

6 UNIDENTIFIED FEMALE: Yes, it's an  
7 Article 5 entity that will be dissolved, they could  
8 request us to dissolve the Article 5 entity and  
9 convey the property to an Article 11 HDFC.

10 ARTIE PEARSON: It's just another  
11 structure for creating low, low income affordable  
12 housing.

13 CHAIRPERSON KALLOS: Okay and so you've  
14 got 81 tenants, what is the reason that they need to  
15 convert from their current Article 11 LLC to the HDFC  
16 and why do they need the Article 11?

17 UNIDENTIFIED FEMALE: So, the current  
18 owner is selling the property to a new owner and the,  
19 the new owner is requesting the Article 11 tax  
20 exemption.

21 CHAIRPERSON KALLOS: Okay and so the new...  
22 the, the old owner... so the old owner couldn't make it  
23 marketable anymore, they... like what is... the, the  
24 units are rent stabilized, they're rent regulated or  
25 what's the... [cross-talk]

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2 UNIDENTIFIED FEMALE: The units are not  
3 currently rent regulated, they were... they were...  
4 they're under a hat contract which means that HUD  
5 pays the contract rent and the tenant pays 30 percent  
6 of their income but under the new structure the, the  
7 units will be rent registered.

8 CHAIRPERSON KALLOS: Okay, so did the HUD  
9 regulation expire?

10 UNIDENTIFIED FEMALE: The HUD regulations  
11 expire in 2034.

12 ARTIE PEARSON: And at the end of that  
13 time frame the new owner will enter into a new 20-  
14 year HAP contract, it could only be for 20 years, so  
15 you have to keep re-upping every 20 years.

16 CHAIRPERSON KALLOS: If HUD is keeping  
17 these units affordable through 2034 which is another  
18 16 years and then they will... don't know what... don't  
19 know if we'll be here next week given what's going on  
20 with Syria but like assuming we are here in 2034... so...  
21 [cross-talk]

22 ARTIE PEARSON: So, my understanding is  
23 that the regulatory agreement for the Article 11 will  
24 require that they enter into a new HAP contract once...  
25 [cross-talk]

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2 CHAIRPERSON KALLOS: And, and it's a...

3 [cross-talk]

4 ARTIE PEARSON: ...the current... [cross-

5 talk]

6 CHAIRPERSON KALLOS: ...it's a partial

7 Article 11 so... [cross-talk]

8 UNIDENTIFIED FEMALE: It's a partial

9 Article 11 and the, the regulatory... so the HAP  
10 contract has to be made in effect for the entire  
11 regulatory time.

12 CHAIRPERSON KALLOS: Okay, I... just give  
13 me one moment... okay, so what is the... what is the  
14 value of the Article 11 on this one?

15 UNIDENTIFIED FEMALE: The net present  
16 value... hold on one moment, I have that... the net  
17 present value is six million... 6.7 million, you want  
18 an exact number or is 6.7 million sufficient... [cross-  
19 talk]

20 CHAIRPERSON KALLOS: I'll take the exact  
21 number if you'll give it to me.

22 UNIDENTIFIED FEMALE: Just one moment...  
23 6,669,269.

24

25

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2 CHAIRPERSON KALLOS: Okay and do you know  
3 what the, the cumulative cost over the... it's a 40-  
4 year term?

5 UNIDENTIFIED FEMALE: Oh, I'm so sorry, I  
6 gave you... that's the cumulative tax benefit, it's the  
7 6,669,269; the net present value is 2,518,222.

8 CHAIRPERSON KALLOS: Okay and that's a 40  
9 year?

10 UNIDENTIFIED FEMALE: Yes, sir.

11 CHAIRPERSON KALLOS: Okay, thank you.

12 Okay and so what does... in terms... you mentioned  
13 partial in your testimony so how much of that is, is  
14 that a full abatement, a 25 percent abatement, a 50-  
15 year abatement, what's the... [cross-talk]

16 UNIDENTIFIED FEMALE: It's a ten... its  
17 sized as ten percent gross rent plus 25 percent  
18 increases going forward so each time the owner gets a  
19 rent increase the city of New York collects 25  
20 percent of the difference between the current years  
21 rent and the past years rent.

22 CHAIRPERSON KALLOS: Okay, give me one  
23 moment, that is a new one. So, you get 25 percent of  
24 increase... of rent increases?

25

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2 UNIDENTIFIED FEMALE: The difference  
3 between one year's rent and the previous year's rent.

4 CHAIRPERSON KALLOS: Okay and that's how  
5 you compute the... okay. And so why... if there's already  
6 the HUD term on this for the next 16 years why do we  
7 need the Article 11 now versus in 16 years or if the  
8 HUD agreement ever expires?

9 UNIDENTIFIED FEMALE: The, the thought is  
10 with that we are extending affordability for an  
11 additional 20 something years by putting the project  
12 under a regulatory agreement and in an ideal...  
13 naturally the affordability becomes at risk when the...  
14 and especially given the neighborhood of Harlem so we  
15 are very concerned that existing section 8 properties  
16 which serve the lowest AMI individuals remain intact  
17 for the longest period of time.

18 CHAIRPERSON KALLOS: So, if we don't act  
19 in 2018 right now with the new purchaser then we will  
20 not have another bite at the apple for another 16  
21 years?

22 UNIDENTIFIED FEMALE: I believe that's a  
23 fair statement, I can't say whether it's true or not  
24 but it's a fair statement.

25

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2 CHAIRPERSON KALLOS: Okay. And we, we  
3 don't have any of the parties to this transaction  
4 here today, is that correct?

5 UNIDENTIFIED FEMALE: Unfortunately, with  
6 the scheduling they were not available.

7 CHAIRPERSON KALLOS: So, so are they  
8 doing any work on the project, is, is any of this..  
9 [cross-talk]

10 UNIDENTIFIED FEMALE: So... [cross-talk]

11 CHAIRPERSON KALLOS: ...money necessary for  
12 rehabilitation?

13 UNIDENTIFIED FEMALE: The, the last REAC  
14 score on the project which is what HUD uses to  
15 determine its viability was a very high score and so  
16 as part of the purchase they are doing necessary  
17 repairs and some local law 11 work.

18 CHAIRPERSON KALLOS: Okay, do we know  
19 what the value of that work is?

20 UNIDENTIFIED FEMALE: Yes, the work that  
21 they're doing is, is.. just one moment please..

22 CHAIRPERSON KALLOS: No worries.

23 UNIDENTIFIED FEMALE: So, the total of  
24 immediate repairs that are necessary are the  
25 immediate repairs for the local law 11 are 127..



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2 120,000 dollars and the interior floors and  
3 appliances are 29,435.

4 CHAIRPERSON KALLOS: Okay, so that... it,  
5 it does not... I, I was expecting a, a much higher  
6 number to warrant the, the, the 2.5 million dollars..  
7 [cross-talk]

8 UNIDENTIFIED FEMALE: Well the purchase..  
9 the property is being purchased without any subsidy  
10 from the city of New York or tax-exempt bonds, it's a  
11 private transaction..

12 CHAIRPERSON KALLOS: Right but then we're  
13 stepping in and giving them two and a half million  
14 dollars and in, in hopes... between two and a half  
15 million dollars and 6.7 million dollars with, with a  
16 handshake that in 20 years, in, in 16 years they will  
17 sign a document with HUD that commits them for  
18 another 20 years without us having to step back in in  
19 16 years.

20 UNIDENTIFIED FEMALE: No sir, what  
21 happens is the regulatory agreement that they execute  
22 at closing mandates certain activities... [cross-talk]

23 CHAIRPERSON KALLOS: Uh-huh... [cross-talk]

24 UNIDENTIFIED FEMALE: ...as a... in exchange  
25 for the tax exemption they have to maintain a HAP

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2 contract throughout the term of the regulatory  
3 agreement, they have to have a 20 percent homeless  
4 set aside, they have to register the rents with HCR  
5 as part of the regulatory agreement.

6 CHAIRPERSON KALLOS: Okay, so there is...  
7 in... so, okay, there's a 20 percent homeless set  
8 aside?

9 UNIDENTIFIED FEMALE: Yes.

10 CHAIRPERSON KALLOS: Okay, that.. great  
11 and so it is a 40-year Article 11 and so they will...  
12 and so they're just... and do you know how much the HUD  
13 Article 5 is valued at?

14 UNIDENTIFIED FEMALE: The Article 5 is  
15 currently.. I don't have the net present value of it  
16 but to give you an example this year's taxes for the  
17 Article 5 is 143,886 but the new exemption will  
18 actually increase the first year's taxes to 157,277.

19 CHAIRPERSON KALLOS: Okay. And, and so  
20 if... so, just to be clear the, the, the control, I'm a  
21 science person so control is you do not think if we  
22 did nothing this would remain affordable for 16  
23 years?

24 UNIDENTIFIED FEMALE: It will remain  
25 under HUD use restrictions until 2034, yes.

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2 CHAIRPERSON KALLOS: And in 20... in 2034...

3 okay and... okay, thank you, I'll... we'll, we, we will

4 be in touch, this is helpful testimony, we will touch

5 base with Council Member Perkins and if HPD can

6 provide us a... similar to what the IBO did of a cost

7 per year of affordability for this project versus the

8 additional HUD Article 5 so that would be starting at

9 2034 and then counting out those 24 years how much

10 the 6.6 million dollars goes for per unit and just

11 helping us get a sense of what we're buying.

12 UNIDENTIFIED FEMALE: Yes sir, I would

13 just... if you don't mind if I can make one further

14 comment?

15 CHAIRPERSON KALLOS: Yes.

16 UNIDENTIFIED FEMALE: The population

17 being served in this building paid about... they pay 30

18 percent of their income, the average AMI for the

19 tenants in this building averages 20 percent of AMI

20 considering that the median income in community board

21 nine... ten is 46,000 dollars a year. This is a very

22 low-income population so HPD has a very vested

23 interest in ensuring that the lowest income

24 population in Central Harlem are not dislocated.

25

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2 CHAIRPERSON KALLOS: I, I, I absolutely  
3 support it I'm just... it, it looks like it's a... just  
4 doing the math now it's about 280,000 dollars per  
5 year for those 24 additional years that we're hoping  
6 to get and so it's also helpful to know what the HUD  
7 subsidy is so it's a quarter million and then if you  
8 break it out by units it comes out to about 3,500 per  
9 unit which may be a very good deal but I just want to  
10 get your numbers on it and make sure that we're  
11 getting our, our money's worth and then also just  
12 looking at net present and whether or not we're able  
13 to even structure it so that the Article 11 perhaps  
14 doesn't kick in until 2034 when they may actually  
15 start needing some of the subsidies or when they... the  
16 units are at risk.

17 ARTIE PEARSON: If I could just speak  
18 for, for the point that the... that the tax abatement  
19 that's on the property now expires in 2022 so..

20 CHAIRPERSON KALLOS: Okay, so what's  
21 currently... [cross-talk]

22 ARTIE PEARSON: Between... [cross-talk]

23 CHAIRPERSON KALLOS: ...on it?

24 ARTIE PEARSON: It's... Article 5 has their  
25 own type of tax abatement that will expire in 2022 so

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2 if we did nothing and that... and that abatement  
3 expires but the... only the HAP contract is in place  
4 there's still no tax abatement against this property,  
5 correct?

6 UNIDENTIFIED FEMALE: And there's also  
7 the potential for the property to go market at that  
8 time in 2022. Thank you for bringing that up Artie.

9 CHAIRPERSON KALLOS: That, that... [cross-  
10 talk]

11 UNIDENTIFIED FEMALE: When the Article 5  
12 dissolves, Article 5 has a 40-year term and it  
13 dissolves by itself so at that point there would be..  
14 the city would have very little leverage in wrapping  
15 it to... wrapping this project into a regulatory  
16 regime.

17 CHAIRPERSON KALLOS: Okay, so that is  
18 helpful information to, to learn, I, I would have  
19 liked to... and Artie thanks for bringing it up, I  
20 don't think either of us knew about that, so it isn't  
21 2034 it's 2022 so it's four years that the units will  
22 be there no matter what and then in 2022... so, what,  
23 what happens in 2022 versus what happens in 2034?

24 ARTIE PEARSON: So, the tax abatement  
25 that's on the property now expires in 2022 but the

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2 HAP contract that's in place now expires in 2020...  
3 2034 so the HAP contract might still be in place but  
4 there will be no tax abatements on the property and  
5 those rents are not rent regulated, correct?

6 UNIDENTIFIED FEMALE: They're not rent  
7 regulated and also more importantly the restriction  
8 that... because right now under the Article 5 the city  
9 has the ability to do actions such as this once 2022  
10 comes around and in 2023 HPD loses the... and the city  
11 loses the ability to alpine on whether or not this  
12 project will remain a section 8 property. It will be  
13 up to the owner's discretion because they would have  
14 fulfilled their original 40-year agreement.

15 CHAIRPERSON KALLOS: Thank you. So, is  
16 anyone here to testify on this item? Seeing none I  
17 will close the public hearing on Land Use Item Number  
18 67. The next item on the agenda will be, we'll now  
19 open the public hearing on Land Use Item 69, the  
20 Archer Green tax exemption application for property  
21 located in Council Member Miller's district in  
22 Queens. HPD seeks approval of an Article 11 tax  
23 exemption for a term of 40 years. Archer Green  
24 Apartments Housing development fund corporation, HDFC  
25 would acquire property and Archer Green Apartments

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2 LP. The liability of partnership would be the owner  
3 and operator of the property collectively these two  
4 organizations will acquire and construct the property  
5 with loans from NYC HDC and HPD with low income  
6 housing tax credits. The owners would enter into a  
7 regulatory agreement with HPD to establish controls  
8 on the operation of the property. Approval would  
9 facilitate a mixed-use building with a residential  
10 tower above a base with a commercial and community  
11 facility uses. The residential towers expected to  
12 include 387 affordable units. I see a new person, so  
13 we will direct the council to.. if you can identify  
14 yourself, your name and then the counsel will swear  
15 you in and I remind the other members that they are  
16 still under oath.

17 GENE SCHNEUR: Gene Schneur from Omni New  
18 York.

19 COMMITTEE CLERK: Please raise your right  
20 hand, do you affirm to tell the truth, the whole  
21 truth and nothing but the truth in the testimony  
22 you're about to provide and in answer to all Council  
23 Member questions?

24 GENE SCHNEUR: I do.

25 CHAIRPERSON KALLOS: You may begin.

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2 ARTIE PEARSON: Okay, Land, Land Use

3 Number 69 consists of an exemption area located at

4 92-33 168<sup>th</sup> Street, block 10209, lot 115 in Queens,

5 Council District 27. Now known as Archer Green the

6 site is comprised of an underutilized two-story

7 parking garage that is partially occupied by the New

8 York City police department. The project area was

9 awarded to the sponsor in June 2016 as part of a

10 request for proposals issued in 2015 by the Economic

11 Development Corporation. Redevelopment at this site

12 entails the construction of two residential towers

13 above a commercial and community facility base.

14 Disposition of the site will be handled by EDC and

15 through HPD's mix and match program. Development at

16 this site will be undertaken by the sponsor.

17 Currently the plan is to construct one 19 story tower

18 and one 23 story tower that will have a total of 387

19 units of 100 percent affordable rental housing with a

20 mixture of unit types including 38 studios, 160 one

21 bedrooms, 164 two bedrooms and 24 three-bedroom

22 apartments plus a superintendent's unit. Under the

23 mix and match program household targets will range

24 from 40 percent to 130 percent of AMI, for a family

25 of three with rents ranging from 37 percent AMI to



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2 100 percent AMI which is roughly 475 dollars for a  
3 studio to 2,406 dollars for a three-bedroom  
4 apartment. The building will be constructed to meet  
5 green... enterprise, enterprise green community  
6 certification. The commercial space will be comprised  
7 of 69,000 square feet of... and commercial... and  
8 community facility space will be comprised of 15,000  
9 square feet. Commercial businesses anticipated for  
10 the site include grocery store or supermarket,  
11 community facility space is expected to be occupied  
12 by adult day care or a domestic violence center.  
13 Additional amenities include an underground,  
14 underground parking spaces, of the 210 spaces 60 will  
15 be reserved for the NYPD, 67 reserved for tenants and  
16 83 commercial spaces. Other amenities planned for the  
17 project are a community room and a shared kitchen  
18 facilities and rooftop terrace. In order to help  
19 facilitate long term affordability of the rental  
20 units HPD is before this planning subcommittee today  
21 seeking Article 11 tax benefits. The commercial and  
22 community facility spaces are excluded from the  
23 exemption area. Thank you. They're just here to  
24 answer questions.

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2 CHAIRPERSON KALLOS: Great, so the only  
3 thing being sought here is an Article 11?

4 ARTIE PEARSON: That's correct.

5 CHAIRPERSON KALLOS: What is the value  
6 over the 40 years for the Article 11?

7 ARTIE PEARSON: One second... 96,702,691  
8 dollars.

9 CHAIRPERSON KALLOS: I'm sorry, one more  
10 time 96 million?

11 ARTIE PEARSON: 720,691.

12 CHAIRPERSON KALLOS: Okay and then net  
13 present value is 19.486150?

14 ARTIE PEARSON: The net present value  
15 according to this is 27,020,979.

16 CHAIRPERSON KALLOS: Okay, thank you,  
17 glad I asked. Okay. So, I guess the, the first  
18 question is so this is... this is new construction?

19 GENE SCHNEUR: Yes. Yes, new  
20 construction.

21 CHAIRPERSON KALLOS: And it's two towers  
22 at... [cross-talk]

23 GENE SCHNEUR: Two, two towers with  
24 commercial space on the bottom.

25

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2 CHAIRPERSON KALLOS: Great. So, I guess  
3 the first question is it looks like you, you, you win  
4 the day with the most units, actually probably more  
5 units than, than everyone else put together at 387  
6 units. Are the... are you... are you... are you getting HPD  
7 financing in... [cross-talk]

8 GENE SCHNEUR: Yes, we're use... we're  
9 getting the, the financing consists of, you know  
10 volume cap from HDC of approximately 52 million in  
11 addition to recycle bonds of about 27 million, HDC  
12 subsidy approximately 39 million, HPD subsidy of  
13 about 41 million, low income housing tax credit  
14 proceeds of about 43.8 million dollars, in addition  
15 there will be developer equity of approximately 11  
16 million dollars in this deal and a bank loan for the  
17 retail space for about 11 million dollars.

18 CHAIRPERSON KALLOS: Thank you for your  
19 transparency, LIHT... are you getting low income  
20 housing tax credit as well?

21 GENE SCHNEUR: Yes, that's the... that's  
22 the syndication proceeds.

23 CHAIRPERSON KALLOS: Great, any other  
24 sources of funding?

25 GENE SCHNEUR: No.

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2 CHAIRPERSON KALLOS: Okay, thank you for  
3 the transparency, if HPD can just outline the, the  
4 terms and programs in just a supplemental handout  
5 that would be helpful.

6 ARTIE PEARSON: Sure, we'll get that  
7 information to you and I, I can't help but reiterate  
8 that these are just estimates, they're always...  
9 that's, that's all we can give you are estimates  
10 because the financing does change.

11 CHAIRPERSON KALLOS: Understood and just  
12 hoping that these are in the ballpark and that if  
13 somebody is saying... that, that if we're saying 52  
14 million that, that it wasn't really 100 million, if  
15 it's like 52 million but it's... ends up being 57  
16 million I don't think that's the big thing... [cross-  
17 talk]

18 GENE SCHNEUR: No... [cross-talk]

19 CHAIRPERSON KALLOS: ...we're just trying  
20 to get a ballpark... what is the total project cost?

21 GENE SCHNEUR: 207 million... 207 million,  
22 that's hard and soft cost.

23 CHAIRPERSON KALLOS: Perfect, thank you  
24 for sharing that. What are the soft costs?

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2 GENE SCHNEUR: Well the, the, the hard  
3 costs are about 135 million, so it was about 70  
4 million dollars of soft... various soft costs.

5 CHAIRPERSON KALLOS: What, what are soft  
6 costs?

7 GENE SCHNEUR: It could be financing  
8 costs, insurance... [cross-talk]

9 CHAIRPERSON KALLOS: Okay... [cross-talk]

10 GENE SCHNEUR: ...costs, there's a lot of...  
11 this is a large project.

12 CHAIRPERSON KALLOS: So, 72 million in  
13 soft costs, okay. Thank you. You, you've been here  
14 for the whole... for the whole day from two o'clock on  
15 so you... I think you... [cross-talk]

16 GENE SCHNEUR: Yes... [cross-talk]

17 CHAIRPERSON KALLOS: ...know the other  
18 questions that are coming. So, the, the next question  
19 would be, are you as a developer an MWBE or are any  
20 of the consultants, engineers, or construction  
21 companies MWBEs or have leadership that are minority  
22 or women?

23 GENE SCHNEUR: Well we're not an MWBE  
24 company, we're a for profit company since that will  
25 be the next question but we have... you know we have

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2 our MWBE goals that we're going to meet, we have  
3 extensive goals if you'd like me to read them to you  
4 I can read them to you, this project's goals are... the  
5 MWBE participation its... the goals are 20 percent MWBE  
6 in total dollar value, ten... in addition to ten  
7 percent WBE in total dollar value then we have...  
8 [cross-talk]

9 CHAIRPERSON KALLOS: Is it... is it 20 or  
10 ten or 30 together?

11 GENE SCHNEUR: 30 together, 20 plus 10.

12 CHAIRPERSON KALLOS: Okay, so that... so,  
13 it is fair to say 30 together?

14 GENE SCHNEUR: Yes.

15 CHAIRPERSON KALLOS: Okay, prefect thank  
16 you... [cross-talk]

17 GENE SCHNEUR: Then we have local  
18 enterprise participation, the... that's for Queens and  
19 that's 25 percent is the goal.

20 CHAIRPERSON KALLOS: And is that the same  
21 as local hire or is it... [cross-talk]

22 GENE SCHNEUR: That's part of it, yes,  
23 then we also... [cross-talk]

24 CHAIRPERSON KALLOS: Okay... [cross-talk]

25

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2 GENE SCHNEUR: ...have... in addition to we  
3 have local workforce participation which will be the  
4 zip code particular.

5 CHAIRPERSON KALLOS: And what is that  
6 goal?

7 GENE SCHNEUR: That's... hold on one  
8 second... commercial goals... well that's the... I'm sorry,  
9 that's 15 percent, the Southeast Queens, that's the  
10 15 percent of Southeast Queens, that's the goal.

11 CHAIRPERSON KALLOS: And so, one was  
12 enterprise and one... [cross-talk]

13 GENE SCHNEUR: So, it's 25 percent total  
14 dollar value is Queens of which 20... 15 percent of the  
15 goal is to be in Southeast Queens.

16 CHAIRPERSON KALLOS: Okay, so 15 percent  
17 of 25 percent or 15 and then ten percent is, is  
18 Queens wide?

19 GENE SCHNEUR: 25 percent is I guess all  
20 Queens, 15 of it should be Southeast Queens I  
21 believe.

22 CHAIRPERSON KALLOS: Okay, thank you for  
23 the transparency and clarity. And then the next  
24 question on the construction side and operation side  
25 will folks doing the actual work or operations have

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2 health insurance, disability insurance or pension  
3 benefits... [cross-talk]

4 GENE SCHNEUR: On, on the... [cross-talk]

5 CHAIRPERSON KALLOS: ...as well as a wage  
6 that is commensurate with surrounding job sites?

7 GENE SCHNEUR: Well this is a non-  
8 prevailing wage job... [cross-talk]

9 CHAIRPERSON KALLOS: Uh-huh... [cross-talk]

10 GENE SCHNEUR: ...the third-party  
11 contractor its Lettire in this case they will oversee  
12 the construction portion of the project, this is a  
13 living wage project, so people will be paid, you know  
14 a living wage in the jobs. In terms of long term, the  
15 maintenance staff in the building once the building  
16 will be built will be 32BJ, so the maintenance staff  
17 will receive all the benefits that are customary for  
18 32BJ workers.

19 CHAIRPERSON KALLOS: We were... we were  
20 just joined by Council Member Cornegy who has  
21 pioneered bringing affordable business spaces, is  
22 there any opportunity to make commercial space  
23 affordable for mom and pops or to target retailers  
24 that will be... have a smaller footprint versus a one  
25 large footprint or in the alternative if there is



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2 need for schools or supermarkets in this part of the  
3 city, what, what is... what are your thoughts for the  
4 69,000 of community facility and 15,000 commercial?

5 GENE SCHNEUR: Well, in terms of the  
6 retail, the 69,000 square feet it's going to be a mix  
7 of retailers and we certainly hope that a portion of  
8 it are going to be smaller, local retailers.

9 CHAIRPERSON KALLOS: Are, are you willing  
10 to make a commitment to how many of them?

11 GENE SCHNEUR: I can't make a commitment  
12 at this time.

13 CHAIRPERSON KALLOS: Got you, okay. I  
14 think those are all of the questions that I've been  
15 asking, give me one other moment. For HPD how does  
16 this project fit into the larger planning process for  
17 the area outlined in the Jamaica Now neighborhood  
18 action plan?

19 ARTIE PEARSON: I don't have an answer to  
20 that question right now, I'll have to get the  
21 information and get back to you.

22 CHAIRPERSON KALLOS: Perfect. Well not  
23 perfect but if we can have that and similarly for...  
24 back to the commercial space, it, it appears that our  
25 team believes a grocery store may be advantageous

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2 here, do you know if your site is available for the  
3 fresh program and if they're... if, if there's a desire  
4 from the developer to actually bring in a... an  
5 affordable fresh grocer for the neighborhood?

6 GENE SCHNEUR: There is a lease signed  
7 with an affordable fresh grocer that participates in  
8 the fresh program that will take part of the 68,000  
9 square feet.

10 CHAIRPERSON KALLOS: And I imagine some  
11 are along 15,000 to 20,000 square feet?

12 GENE SCHNEUR: Yes, that's the plan.

13 CHAIRPERSON KALLOS: Fair enough, okay. I  
14 want to thank you for your testimony, do we have  
15 anyone else who wishes to testify on this project? I...  
16 so I have Bryant Brown from 32BJ... I'll, I'll excuse  
17 this panel, I have Bryant Brown from 32BJ and then I  
18 also have... perfect, I, I have somebody else from HPD  
19 who signed up to speak. Okay, so this will be our  
20 last panel of the day. You have five minutes, but you  
21 do not need to use all five.

22 BRYANT: I'm just... thank you. Hello, good  
23 afternoon. My name is Bryant Brown and I'm here  
24 speaking on behalf of the 80,000 building service  
25 workers represented by 32BJ in New York City and in

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2 particular the 35,000 residential building service  
3 workers. As was said earlier all over the city our  
4 members work in buildings like the residential  
5 building that will be developed at 9233 168<sup>th</sup> Street.  
6 According to press reports and as was said earlier  
7 the Archer Green development will bring 387  
8 affordable apartments to downtown Jamaica along with  
9 69,000 square feet of retail space and 15,000 square  
10 feet of community space. This important project  
11 should also create good jobs for the local community.  
12 Omni development won the RFP to develop the site on  
13 168<sup>th</sup> Street in early 2017, the project is part of  
14 the Jamaica Now neighborhood action plan one of the  
15 goals of which is to create a "robust economy" in  
16 quotation marks providing good jobs for residents. In  
17 recognition of this goal the RFP for the 168<sup>th</sup> Street  
18 site included a preference for project proposals that  
19 included plans to pay building service workers the  
20 prevailing wage, a wage and benefit package that  
21 allows building service workers to raise families in  
22 New York City. When the Archer Green project is  
23 complete we estimate it will employ roughly nine full  
24 time building service workers and we're here to urge  
25 the council to ensure that Omni is fully committed to

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2 making these jobs high quality jobs that serve the  
3 community. As far as I understand from my team from  
4 earlier today we have been in conversation with Omni  
5 about this project and again this... as the message was  
6 relayed to me earlier today they have yet to make a,  
7 a formal commitment to good jobs and we're happy to  
8 keep the council updated as those conversations  
9 continue. Thank you.

10 CHAIRPERSON KALLOS: Thank you, is there  
11 anyone else who's here to testify on this item?  
12 Seeing none I will now close the public hearing on  
13 this application. All the items we held hearings on  
14 today as well as Land Use 68 will be laid over. I  
15 would like to thank the council and land use staff  
16 for preparing today's hearing and the members of the  
17 public and my colleagues for attending. This meeting  
18 is hereby adjourned.

19 [gavel]

20

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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

May 8, 2018