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CARLINA RIVERA
COUNCIL MEMBER, 2ND DISTRICT
CITY OF NEW YORK

June 19, 2018

**Testimony regarding 20185417 HAM, 20185418 HAM, 20185436 HAM, 20185419
HAM, 20185420 HAM, and 20185423 HAM
East Village I and East Village II Article XI Tax Exemption
at the Hearing of the Committee on Planning, Dispositions, and Concessions**

Acting Chair Deutsch and Committee Members,

Thank you for granting me the opportunity to speak in support of the proposed application for the Article XI Tax Exemption and associated actions and conveyances for the preservation of 243, Section 8-subsidized units and the development of 23 additional units on East 10th Street. Located in the East Village, in my district, these affordable housing units are home to hundreds of families many of whom struggle with income under 20% of AMI. Compare this to the surrounding neighborhood, which averages over 200% AMI. The preservation of these affordable units, therefore, would prevent the displacement of these lower-income tenants.

The items also include the construction of 23 new units on a vacant lot, 43% of which will be affordable under a deeper-affordability 421-a model, codified in a restrictive declaration. As opposed to maintaining a fenced-in, vacant lot, this model enforces that at least 10 units will be made affordable, with rents below a 70% AMI bracket. Again, these target income levels are significantly less than the neighborhood average.

We support all portions of the HPD's application for both the modification of the previous plan and application of a new one. As areas in the East Village continue to see upward pressures on rents due to real estate speculation and gentrification, these housing units represent an opportunity for longtime residents to remain in a neighborhood that many of them have known their entire lives. For the preservation of affordability for hundreds of tenants who will otherwise be displaced, as well as the use of unused land for new, affordable homes, I ask that you approve these conveyances and tax exemptions.

Thank you.

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**THE COUNCIL
OF
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ANTONIO REYNOSO

COUNCIL MEMBER, 34TH DISTRICT, BROOKLYN & QUEENS

Williamsburg has changed drastically in the last two decades and is hardly recognizable to those of us who grew up there. It is not just the physical character that has changed though – long-term residents, particularly low-income folks, are increasingly being pushed out of the neighborhood. La Cabana represents one of the last havens for low-income residents in my district. When I was approached by the owners of La Cabana and HPD with an opportunity to preserve the affordability for another 20 years, it was a no brainer – I will always do whatever I can to protect existing deeply affordable housing in my district. The appeal of Williamsburg has always been its diversity and the preservation of the 167 units at La Cabana will ensure we have a reservoir of deeply affordable housing in Williamsburg for years to come.

As part of the preservation of La Cabana, the two parking lots will be split off from the existing development for potential new development in the future. The owners have agreed to a restrictive declaration being put on the property which contains a number of provisions regarding future development. Within two years of the approval of this tax exemption, the owners will submit a viable development plan to HPD, which will outline an affordability program with 25% of the units at 40% AMI, 10% of units at 80% AMI, 10% of units at 100% AMI, and 5% of units at 135% AMI. If the owner does not submit a good faith proposal within two years, the restrictive declaration will be extended for the period of time in which the owner is noncompliant. When HPD and the owner agree to terms regarding future development, HPD will come back to this committee to resize the tax exemption to aid in subsidizing the affordable component of the project. The restrictive declaration will run with the land for a period of ten years. I want to be clear, future development of the parking lots will in no way impact the affordability of La Cabana. Furthermore, I will be in close communication with HPD in the coming months to ensure the owners are complying with the terms of the agreement.

I am very pleased we are preserving the long-term affordability at La Cabana and providing further opportunities for the creation of new affordable housing. However, I am deeply uncomfortable with the process that was conducted to reach an agreement. At no point were the residents of La Cabana engaged on this proposal – I was approached about this deal weeks before the hearing to approve the Article XI. I would strongly advise HPD and the ownership to reconsider the way they go about engaging residents and elected officials around these types of projects. This process lacked the democracy and

transparency that I always strive to incorporate into my decision making. We as elected officials should never be put in the position of having to decide between an objective win for our constituents and an open and transparent decision making process. My office will be engaging with residents at La Cabana in the coming months to ensure folks understand all the details outlined in this agreement and address any concerns they may have. It is my expectation that HPD and the ownership at Cabana will join me in this effort and put forth a good faith effort to ensure the existing residents are meaningfully included in the process moving forward. I want to thank the committee for taking the time to examine this proposal and I encourage my colleagues on the committee to vote in favor of the Article XI exemption at La Cabana.

Sincerely,

A handwritten signature in black ink, appearing to read 'Antonio Reynoso', with a horizontal line extending to the right.

Antonio Reynoso
Council Member, 34th District

**DEPARTMENT OF HOUSING PRESERVATION AND
DEVELOPMENT**

L.U. Nos.

EAST VILLAGE I

JUNE 19, 2018

(Rivera) **East Village I** consists of three pre-considered Land Use items related to property located at **Block 392, Lots 17, 19, 20, 21, 27, 28, 29, 30, and 40, and Block 393, Lots 12, 14, 15, 56, 57, and 58** in Manhattan Council District 2. The development is a low income Section 8 HUD Multi Family complex currently owned by an Article V Housing Redevelopment Company that was approved for disposition on December 15, 1977 by the Board of Estimate. Originally known as Lower East Side I Associates, the original project completed construction in 1983 and comprises 152 apartments. The buildings are fully occupied and no tenant pays more than 30% of their adjusted household income. Currently, the Sponsor is proposing to convert a portion of the project area to an Article XI HDFC, convey underutilized vacant land for the construction of a new building, and in order to facilitate such conveyance, amend the Plan and Project.

The first pre-considered item associated with No. **20185417 HAM** (*Article XI*) is in reference to four multiple dwellings located within the Exemption Area located at **Block 392, Lots 17, 19, 20, 21, 27, 28, 29, 30, and 40, and Block 393, Lots 12, 14, 15, 56, 57, and 58**. The buildings comprise 152 units, as mentioned above and the unit mixture includes Forty-five (45) 1-bedrooms, Fifth (50) 2-bedrooms and

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L.U. Nos.

EAST VILLAGE I

JUNE 19, 2018

Fifty-five (55) 3-bedrooms apartments. Under federal guidelines for the housing assistance contract, the maximum household incomes are up to 50% of AMI for the East Village I development. This Land Use item seeks to help preserve affordability of the low income rental units by allowing the Sponsor to voluntarily dissolve their status as an Article V Redevelopment Housing Company and convert to an Article XI HDFC requiring them to enter into a regulatory agreement restricting the use of the development to low income rental housing. They will also enter into a new HAP contract for 20 years. The Sponsor also seeks to terminate their current tax exemption and enter into a new partial Article XI tax exemption for a period of 40 years that will coincide with the term of the regulatory agreement.

The second pre-considered item associated with No. 20185418 HAM

(*Conveyance*) will allow for the conveyance of **Block 392, Lot 40**, also known as

645 East 9th Street, to an affiliate of the sponsor who will construct the new

building. The new owner will comply with a restrictive covenant placed on **Block**

392, Lot 40 that stipulates 30% of the total unit count be set aside for households

with the following AMIs: 10% of the units will be affordable to households at or

**DEPARTMENT OF HOUSING PRESERVATION AND
DEVELOPMENT**

L.U. Nos.

EAST VILLAGE I

JUNE 19, 2018

below 70% of AMI and 20% of the units be affordable to households at or below 130% of AMI. The balance of the units will be rented at market rates. Ten percent (10%) of the Units shall be leased to 70% AMI Tenants (“70% AMI Units”) and an additional twenty percent (20%) of the Units shall be leased to 130% AMI Tenants (“130% AMI Units”).

The third pre-considered item associated with No. **20185436 HAM** (*Plan and Project*) will revise the original Plan and Project comprised of Block 392, Lots 17, 19, 20, 21, 27, 28, 29, 30, and 40, and Block 393, Lots 12, 14, 15, 56, 57, and 58.

The Plan and Project is now proposed to be modified by deleting from the areas described in the Plan and Project to exclude **Block 392, Lot 40** in order to facilitate the new construction of one new building with 11 units.

In order to facilitate the development of the East Village I HDFC, HPD is before the Council today seeking approval of the three pre-considered Land Use items associated with the project.

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre-Considered Land Use Item.

EAST VILLAGE II

JUNE 19, 2018

(Rivera) East Village II consists of three pre-considered Land Use items related to property located at Block 392, Lots 22, 48, 50, 51, and 52, Block 393, Lots 59 and 60, and Block 395, Lots 1, 3, and 5 in Manhattan Council District 2. The development is a low income Section 8 HUD Multi Family development currently owned by an Article V Housing Redevelopment Company that was approved for disposition on December 15, 1977 by the Board of Estimate. Originally known as Lower East Side II Associates, the original project completed construction in 1983 and comprises 91 apartments, including one two- two bedroom unit for the superintendent. The buildings are fully occupied and no tenant pays more than 30% of their adjusted household income. As noted in the previous testimony regarding East Village I, the Sponsor is proposing to convert a portion of the project area to an Article XI HDFC, convey underutilized vacant land for the construction of a new building, and in order to facilitate such conveyance, amend the Plan and Project.

The first pre-considered item associated with No. **20185436 HAM** (*Article XI*) is in reference to four multiple dwellings located within an Exemption Area at **Block 392, Lots 22, 48 and Block 395, Lots 1, 3**. The buildings comprise 91 units, as

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Pre-Considered Land Use Item.

EAST VILLAGE II

JUNE 19, 2018

mentioned above and the unit mixture includes eleven (11) 1-bedroom, forty- one (41) 2-bedrooms, twenty- eight (28) 3-bedroom and eleven (11) 4-bedroom apartments. Under federal guidelines for the housing assistance contract, the maximum household incomes are up to 80% of AMI. This land use item seeks to help preserve affordability of the low income rental units by allowing the Sponsor to voluntarily dissolve their status as an Article V Redevelopment Housing Company and convert to an Article XI HDFC requiring them to enter into a regulatory agreement restricting the use of the development to low income rental housing. They will also enter into a new HAP contract for 20 years. The Sponsor also seeks to terminate their current tax exemption and enter into a new partial Article XI tax exemption for a period of 40 years that will coincide with the term of the regulatory agreement.

The second pre-considered item associated with **No. 20185420 HAM**

(*Conveyance*) will allow for the conveyance of **Block 393, Lot 59**, also known as **351-353 East 10 Street**, to an affiliate of the sponsor who will construct the new building. The new owner will comply with a restrictive covenant placed on Block 393, Lot 59 that will provide affordable units at the greater of (A) 39% of all units

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Pre-Considered Land Use Item.

EAST VILLAGE II

JUNE 19, 2018

at or below 130% of AMI, which includes a portion of Units affordable to people at or below 70% of AMI, or (B) a minimum of three (3) Units will be at 130% AMI Units and an additional minimum of eight (8) Units will be at 70% AMI.

The third Pre-considered item associated with No. **20185423 HAM** (*Plan and Project*) will revise the original Plan and Project comprised of **Block 392, Lots 22, 48, 50, 51, and 52, Block 393, Lots 59 and 60, and Block 395, Lots 1, 3, and**

5. The Plan and Project is now proposed to be modified by deleting **Block 393, Lots 59** from the areas described in the Plan and Project to exclude in order to facilitate the new construction of one new building with 23 units.

In order to facilitate the development of the East Village II HDFC, HPD is before the Council today seeking approval of the three pre-considered items associated with the project.

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre. Considered Items

LA CABANA

JUNE 19, 2018

(Reynoso) La Cabana Houses consists of three Pre. Considered Land Use items related to property located at Block 3022, Lots 16 and 25 (formerly Block 3022, Lots 11, 12, 13, 14, 15, 16, 44, 45, 46, 47, and 48), and Block 3031, Lot 18 (formerly Block 3031, Lot 16) in Brooklyn Council District 34. The development is a low income Section 8 HUD Multi Family development currently owned by an Article V Housing Redevelopment Company that was approved for disposition on December 16, 1982 by the Board of Estimate. The original project provided for the construction of three buildings with 167 units, including a superintendent's units and 76 parking spaces. To date, all the rental units are occupied. However, the parking spaces have not been used in over a decade.

Currently, the Sponsor is proposing to convert a portion of the project area to an Article XI HDFC, convey the underutilized parking lot for the construction of a new building, and in order to facilitate such conveyance, amend the Plan and Project.

The first pre-considered Item associated with No. 20185415 HAK consists of the three original multiple dwellings located within an Exemption Area at **Block 3022, Part of Lot 16 (tentative lot 16), Lot 25; Block 3031, part of Lot 18 (tentative**

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Pre. Considered Items

LA CABANA

JUNE 19, 2018

lot 18). The buildings comprise 167 units, as mentioned above and the unit mixture includes 53 one-bedroom, 34 two-bedrooms and 80 three –bedroom. Under federal guidelines for the housing assistance contract, the maximum household incomes are up to 50% of AMI. This land use item seeks to help preserve affordability of the low income rental units by allowing the Sponsor to voluntarily dissolve their status as an Article V Redevelopment Housing Company and convert to an Article XI HDFC requiring them to enter into a regulatory agreement restricting the use of the development to low income rental housing. They will also enter into a new HAP contract for 20 years. The Sponsor also seeks to terminate their current tax exemption and enter into a new partial Article XI tax exemption for a period of 35 years that will coincide with the term of the regulatory agreement.

The next pre-considered item related to # **20185416 HAK** will allow for the conveyance of **Development Parcel A** (*Block 3022, part of Lot 16 (Tentative Lot 116)*) and **Development Parcel B** (*Block 3031, part of Lot 18 (Tentative Lot 118)*), to two separate affiliates of the sponsor who will construct the new building. The new owners will comply with a restrictive covenant placed on the

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre. Considered Items

LA CABANA

JUNE 19, 2018

development parcels requiring in the new project 25% of the dwelling units be affordable to persons at or below 40% of AMI, 10% of the dwelling be affordable to persons at or below 80% of AMI, 10% of the dwelling units affordable to persons at or below 100% of AMI, and 5% of the dwelling units be affordable to persons at or below 135% of AMI. That amounts to 50% of the total unit count be affordable at or below 135% of AMI. The balance of the units will be market rate. The unit types have yet to be determined.

The third pre-considered land use item related to # **20185435 HAK** seeks to modify the original Plan and Project by deleting from the area described in such Plan and Project those portions of **Block 3022, part of Lot 16 (Tentative Lot 116)** and **Block 3031, part of Lot 18 (Tentative Lot 118)**, a/k/a as **Development Parcel A (Block 3022, part of Lot 16 (Tentative Lot 116))** and **Development Parcel B (Block 3031, part of Lot 18 (Tentative Lot 118))**, in order to facilitate the new construction of one new building with 60 units across both lots. Development Parcel A and Development Parcel B will no longer be part of the Plan and Project.

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre. Considered Items

LA CABANA

JUNE 19, 2018

In order to facilitate the development of the new housing units and continued affordability at La Cabana Houses, HPD is before the Council today seeking approval of all three pre-considered land use items described above.

East Village
#2

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: Carolyn Williams (PLEASE PRINT)

Address: 100 Gold St

I represent: HPD

Address: _____

East Village
~~ESI~~

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: Carolyn Williams (PLEASE PRINT)

Address: _____

I represent: _____

Address: _____

La Cabana

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: Carolyn Williams (PLEASE PRINT)

Address: 100 Gold

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 20185418b
 in favor in opposition 2018 5418

Date: _____

(PLEASE PRINT)

Name: Mary Bruch

Address: 55 E 46th St. NYC

I represent: Nixon Peabody, Counsel to Owner East Village I

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 20188494
 in favor in opposition 20

Date: _____

(PLEASE PRINT)

Name: Mary Bruch

Address: _____

I represent: Nixon Peabody, Counsel to Owner East Village II

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 20185415-16
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Mary Bruch

Address: _____

I represent: Nixon Peabody, Counsel to Owner, La Cabana

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. East Village 1 Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Lacey Tauber

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. East Village 2 Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Lacey Tauber

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. La Bana Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Lacey Tauber

Address: _____

I represent: HPD

Address: _____