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The City of New York
Manhattan Community Board 8

Brick Presbyterian Church
62 East 92nd Street (Park-Madison)
Carnegie Room
Thursday, September 14, 2017
6:30 PM

Minutes

Attendance: Loraine Brown [Co-Chair], * Alexandria Harrington*, Lorraine Johnson,* Rebecca Lamorte,* Rita Popper,* Kimberley Selway,* Marco Tamayo*, and Adam Wald*

Excused Absence: Barbara Chocky* and Ed Hartzog [Co-Chair]*

Unexcused Absence: Posie White [public member]

*Housing Committee Member

NOTE: There was a strong presence of community members at the meeting. All were concerned with the issues presented. Specifically, how could public land be leased to a private developer and to assure that Asphalt Green provide more than four hours per day for recreation to the residents?

Meeting convened at 6:46 PM

Fetner Properties – Next Generation NYCHA – Holmes Towers

Presentation included all information available at the time of the meeting. Hal Fetner provided handouts to coincide with his 20-minute presentation on Fetner and Asphalt Green's vision, long-term perspective, design, proposed development plan for the approximately 338 apartments [50% affordable and 50% market].

Preliminary Affordable Unit Mix [% of total affordable units]

% Studio	25%
% one-bedroom	45%
% two-bedroom	15%
% three-bedroom	<u>15%</u>
TOTAL	100%

Set asides with incomes at or below 30% of 2017 AMI [studios to 3 bedrooms monthly rents range would be \$446 - \$669]

Set asides with incomes at or below 40% of 2017 AMI [studios to 3 bedrooms monthly rents range would be \$613 - \$917]

Set asides with incomes at or below 50% of 2017 AMI [studios to 3 bedrooms monthly rents range would be \$780 - \$1,165]

Set asides with incomes at or below 60% of 2017 AMI [studios to 3 bedrooms monthly rents range would be \$947 - \$1,413]

Asphalt Green

Preliminary Plan and Operational Budget

- One-third [1/3] of paid programming spaces will be reserved for NYCHA residents free of charge
- Fifty percent [50%] discount to residents of the new affordable housing
- Annual budget for revenue and expenses equal [approximately \$250,000]

Summary of Asphalt Green Annex

- 18,000 sf of community space to include high school regulation indoor basketball court, indoor fitness studio and rooftop turf field
- Commitment to hire NYCHA residents to fill appropriate jobs in the Annex
- Youth Institutional programs to include: one-third of sports programs free to Holmes/Isaacs residents, discounts [50%] to residents living in the affordable units
- Facility opened from 8AM to 10PM, seven days per week. At least four hours/day are open play for Holmes/Isaacs residents.

Permanent Jobs

- Fetner will hire NYCHA residents for **at least 50%** of all permanent jobs in the new building; hopefully eight jobs.

Construction Jobs

- Section 3 does not apply as no federal funds are used on this project**
- Fetner is working with NYCHA's REES to maximize the number of jobs for NYCHA residents and other local hires.
- Employment projections for the construction phase are in the process of being determined.

Site Safety Plan – Fetner agreed to abide by all safety regulations as prescribed by law.

Hal Fetner stated that we [Fetner Properties] welcome all ideas, thoughts and criticism because we are in the preliminary stages. We listened to the comments from the residents with regard to services for the seniors and youth. Committees are being formed with the

NYCHA community to direct how the landscape and playground should be done. Fetner has lead way to play with the finishers that would be equally, maybe not exact.

Maggie Siegel of Asphalt Green repeated the Summary as listed above. There would be a full-time person to check in the NYCHA residents [hopefully, the new hire would be a NYCHA resident]. Asphalt stated that they want to hear from the community and provided services that “they” want. Further, if they could justify later opening, of course, Asphalt Green would accommodate the residents.

Q and A followed Fetner’s presentation

Senior designation units – cannot do that under fair housing act unless it is a designated senior building, but a senior could apply.

We’re working on Community preference with NYCHA.

Increase access to the field- four hours are not enough - Maggie Siegel asked that the questions be put in writing and addressed to her. She agreed to increase the hours and more accessibility to all residents.

Does Fetner Properties plan on obtaining a zoning waiver? NYCHA rep stated that were in the preliminary stages and its very early in the process and, therefore, unable to answer the question at this time

Is there going to be retail? NYCHA Kathy Soroka stated not at this time—waiting for final design. Pushing for a closing of the final design by June of 2018

Fetner donated \$39k to Mayor de Blasio’s campaign, and, is this basis for receiving the Holmes contract?

Could Fetner commit to pledge, if you will 50% FAR for affordable units – Fetner would work NYCHA.

Could the room configurations be changed and have less three bedrooms and more studios and one bedrooms to increase the affordable housing units? NYCHA stated that room configurations are set by HUD guidelines – trying to generate capital for NYCHA because our capital debt is very high.

After calculating the numbers, Fetner is only paying \$85 per square foot. How is this fair? The public is losing on this deal.

Has NYCHA received the \$25 million dollars from Fetner? Kathy Soroka of NYCHA stated that NYCHA has not received any money from FETNER as of this date; monies should be received at closing [June of 2018].

Hal Fetner stated that the rent that comes out of the affordable housing does not cover the land – competing rents with Glenwood; decided to take a risk because of long-term – mixed

use projects - \$25m for this land – 50% land is negative – How many bids were submitted – five? Kathy Soroka stated that she is not allowed to provide an answer to this question.

What happens after 40 years? We would have lost of 120,000 units. We need to protect the next generation, we're back at square one – problem in taking city land – how is asphalt getting money – Maggie Siegel stated that the annex is going to be a break-even venture – goal to get more seniors fit –

What would be the distribution of market units? How much would they cost? Fetner stated that he was not sure and would know in January of 2018.

Would Asphalt Green increase their hours? Maggie Siegel said yes, and asked that specific questions be submitted, in writing, to her.

Support affordable housing in our community – RFP stated that the developer's fee is not to exceed 15%. Is this firm? Kathy Soroka is unsure.

To increase affordable housing, a solution is to have less FAR and increase more affordable housing – limit 3 bedroom units. NYCHA's Soroka stated that it would be a fair housing violation if we have all the affordable housing in one area and/or level. We would face a fair housing challenge if we put all affordable housing in one area/level. We understand your desire/concern but may be in conflict with fair housing regulations.

What are the projections for market rates? Fetner stated that he does not know, at this time; design must be completed. Fetner stated that there would be no side or poor doors an update would be provided in January of 2018. Our goal is to hit this aggressively. Our schedule is June of 2018 and by January of 2018 we should have a unit mix. Fetner stated that he wants feedback, us to give and share ideas. Fetner stated that he would meet with CB8 in January to provide an update.

Are the amenities going to be opened to affordable units? Yes.

Are the finishers going to be the same, granite for example? No granite in the affordable units.

NYCHA has been a bad landlord in handling taxpayers' money – we have to make sure that it stops here- residents must benefit – whole building should be affordable. Would you consider building all affordable units? No.

What is your timeline? Would you have shovels in the ground prior to June? No.

Asphalt Green's Fees - The fees would be lower than Equinox but more than 92nd Street Y.

Bonuses – is NYCHA going to retain the bonuses as stated in the RFP – Kathy Soroka stated that she is not sure even though it is stated in the RFP that NYCHA has the right to retain bonuses.

Fetner and NYCHA stated that they were not subjected to Section 3 regulations. It was pointed out that in the RFP – page 5 paragraph 7 clearly states that this project is subject to

HUD's Section 3 regulations although the exclusion clause is listed on page 17. It was stated that you cannot remove the requirement and the Holmes project triggers Section 3. It was stated that developer and NYCHA would be challenged if Section 3 regulations were not followed; Section 3 was explained. It was decided that Kathy Soroka would discuss Section 3 regulations offline.

The RFP states that the development would be only 33 floors. How did Fetner increase the height to 45-47 stories?

Does Fetner have a noise abatement and safety plan? Hal Fetner stated yes. They would have a plan that would comply with City code. The plan would include CPR training.

What is the percentage of local hires that Fetner has used for its previous projects? Fetner stated that his company has not kept statistics.

Why only eight jobs for the Holmes project? Fetner stated that we would be working with REES.

Do you have projected salaries [handymen]? Fetner stated that he does not know salaries.

Are you going to use union workers? Fetner stated that union and non-union workers would be used on the project. Everyone would be provided safety training.

What is the security plan? After the building is opened there would be 24/7 concierge services and resident manager.

Are you going to operate the building with 32BJ members? Fetner stated, yes. Why would you maintained the building with union workers and not use the same process in building the development? – Fetner stated because we can.

Board member stated that we want you to succeed – affordable has gone from this neighborhood – if you have problems OSHA would kill you. Further, CB8 does not want to see buildings more than 20 stories or 210 feet.

That concludes the Q&A – now we must discuss and prepare a resolution, which would address the issues listed above and in the presentation. It was suggested that we wait until January when Fetner's plans are ready for us to discuss.

Meeting adjourned: 8:39 pm

Minutes transcribed and submitted by Loraine Brown, Co-Chair Housing Committee

Loraine Brown Co-Chair, Housing Committee