

Chairperson, Martha Taylor

The City of New York Borough of Queens

Community Board 8

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District Manager, Marie Adam-Ovide

PUBLIC HEARING: Residential Building

> 157-01 72nd Avenue Flushing, NY 11367 BBL - 04-793-231

DATE: Wednesday, April 21, 2021

PLACE: Virtual Public Hearing - Via Zoom Webinar

Steven Konigsberg, Zoning Committee Chair **ATTENDANCE:**

> Martha Taylor, Chairperson Dilip Nath, Board Member

Solomon Davydov, Board Member **Kevin Forrestal, Board Member** Mary Maggio, Board Member James Gallagher Jr., Board Member Jesse Rosenbaum, Board Member

Others in attendance: Joshua Asherian, Managing Director

> Nori Asherian, Senior Partner Kami Rehanian, Senior Partner

Izabela Szczepanska, CB8 Staff Member

Purpose of Informational Hearing

Development of an 8-story building comprised of 94 residential dwelling units. Twenty-four (24) of these units will be designated for low-income tenants at 80% Area Median Income (AMI), pursuant to Privately Financed Affordable Senior Housing (PFASH) Program. Additional five (5) units will be designated for moderate-income tenants at 130% AMI, pursuant to Option C of the 421a (16) Tax Exemption Program.

The building will have a total floor area of approximately 74,000 sq. ft. with 7,000 sq. ft. allotted for Community Facility and 67,000 sq. ft. Residential use. Four percent (4%) of the PFASH floor area will be designated for Accessory social and welfare facilities. Construction is anticipated to start in July of 2021. The building is expected to be fully occupied by the end of 2023.

Zoning Chairperson Steven Konigsberg called this Informational Hearing to order at 7:30 p.m. He introduced himself and informed everyone that this is an informational hearing which will be discussing and learning more about a residential building that is to be constructed. He introduced the applicant and informed everyone that some of his associates may be joining later. If they do, an introduction will be

made. The committee and the community are both interested in learning more about the project. Since this is an informational hearing a vote will not be taken.

Zoning Chairperson Steven Konigsberg introduced the applicant and asked him to begin the presentation.

Presentation by Joshua Asherian, Managing Director:

About 25 years ago his father and his uncle started a development company. They started small and slowly the business began to grow. They have a very capable team working on this development. It will be their 10th residential development. They have a few in Jamaica that are already built. All their developments are available on their website. They act as the general contractor along with owner and manager of the finished buildings. They put a lot of time and effort into the planning and finishes of the project. They make sure they are building quality products that tenants and the community will be happy about. They do not build for other owners and make sure that residents are happy and comfortable. They are highly rated in Queens as one of the best management teams. The project is about 95,000 sq. ft. It is an 8-story building and is a mix of studios, one, and two bedrooms. There will be about 7,000 sq. ft. allotted for community facilities on the ground level. The community facility can either be a school, nursery, and a few others. The development will also have 43 parking spaces and different amenities within the building that will be provided to the tenants.

During the presentation Mr. Nori Asherian and Mr. Kami Rehanian joined the meeting and introduced themselves.

Zoning Chairperson Konigsberg thanked Mr. Asherian for his presentation. He asked if the attendees had any questions to the applicant to put their questions into the chat. Zoning Chairperson Konigsberg opened the floor to questions from the Board Members.

Questions by the Board Members:

<u>James Gallagher Jr.</u> – I was looking at schedule A, it was interesting when you said only 40 parking spaces. It will have about 90 residents in the building. Is that enough for everyone? It is very hard to find parking around there.

Answer: [Mr. Asherian] – Yes, the parking was something that we looked into very deeply. Unfortunately, with the zoning the only option that we had was a stack system parking with an attendant and doubling the depth of the basement, but it didn't pan out.

[Mr. Nori Asherian] – That is the zoning requirement.

[Mr. Asherian] – We are meeting the zoning requirement. We did look into it. It did not work out with our plans.

<u>Kevin Forrestal</u> – Just to clarify, you are meeting the zoning requirements based on senior housing. Which was recently passed the historic zoning called for substantially more. If it was a regular R6 you would have to have at least 50-70% of the apartments. You are right, you are meeting the new requirements based on the changes recently enacted by the City Council and Mayor.

Answer: [Mr. Asherian] – For the R6 zoning we are meeting the requirements.

R6 for seniors.

Answer: [Mr. Asherian] – Just to clarify, R6 gives us an FAR 3. That is three times the lot size which is 17,000 sq. ft. times three is around 53,000 sq. ft. dividing that by standard of 680, is I think in change 72

17,000 sq. ft. times three is around 53,000 sq. ft. dividing that by standard of 680, is I think in change 72 apartments. We are meeting that 50% requirement for those apartments. We are getting another 22 apartments that are going to be affordable senior housing program. For those units parking is not required.

That is what I meant because of the senior housing they are accepted in. Therefore, you are required less zoning.

<u>Steve Konigsberg</u> – I appreciate that. That is very good that it led us into the other aspect of the project. How certain housing is reserved for median income, low income, and senior housing. Can you expand a little on that Josh?

Answer: [Mr. Asherian] – Yes, 24 apartments are reserved for affordable senior housing. This is a relatively new program. This allows additional FAR and to build additional units in the buildings. 24 units will be for affordable senior housing. We thought this would be a good fit for the area. We know the area. My father, and his partner have owned the site for nine years. They own other real estate in the area. We know it is a family-oriented location and we thought it would be a good fit for the area.

Zoning Chairperson Steven Konigsberg will ask two questions from the public.

Steve Konigsberg – I don't know to what extent you have already planned the project.

Q&A Question: Will the apartments have terraces?

Answer: [Mr. Asherian] – Yes, they will. Balconies or terraces. There are about 94 units in the building and all of them, except 8 have a balcony or a terrace.

<u>Steve Konigsberg</u> – That is only a projection at this point. We You do not have any approved plans if I understand this correctly.

Answer: [Mr. Asherian] – Not yet.

Things may change. Things may go influx.

Answer: [Mr. Asherian] – It will not reduce, that is for sure. If it increases that is one thing but it will not be reduced.

I am just saying with regard to certain design features those aren't laid down in stone yet.

Answer: [Mr. Asherian] – No we are still working on it.

Q&A Question – Are these going to be rentals, co-ops, condos?

Answer: [Mr. Asherian] – It will be a rental building.

<u>Steve Konigsberg</u> – Straight rental, okay. You did mention a website could you repeat what that is.

Answer: [Mr. Asherian] – ARproperties.com

The other properties that are owned and managed by the company are all there? If someone wanted to look and see what you have done in the past, they could look at that and get an idea.

Answer: [Mr. Asherian] – Yes, and if anyone wants to inquire about any of these units or be put on a mailing list when they are first available, they can reach out to us. On our website at the top right tab has a link that asks if you are looking for an apartment. You click there and get in touch with us. We do the rentals and the housing as well. When you are renting through us you are renting with the same team that will manage the building. We can answer a lot of your questions.

You did mention, how it is the same principles involved in many different aspects, both from ownership, construction, managing, rental. Are all these separate LLC's, separate corporations that work under an umbrella or is it one corporate structure?

Answer: [Mr. Asherian] – For purposes of purchasing a property every property has a different LLC but within those LLC's it is the same members.

Right, same principles and members, but the owner can be one company, LLC, or corporation. The construction and the managing for the construction, can be another. The rental can be another. The property manager can be another and so on.

Answer: [Mr. Asherian] – Yes.

I do not want someone to get the impression that one big company does everything. There are smaller companies who work together in tandem because it is all the same principles.

Answer: [Mr. Asherian] – Yes, but essentially, we are all under one umbrella. We have a management company that has its own name and we have a development company that has its own name as well.

You also mentioned that the building will have amenities? Could you be a little more expansive on what that might include?

Answer: [Mr. Asherian] – Yes, there will be parking, a laundry room, terrace on the second floor, gym, and a resident lounge on the top floor. The resident lounge will have couches or working spaces.

Very nice. You did say that you have a good track record and you were among the best rated, but you did not say best rated by who.

Answer: [Mr. Asherian] – That is something that I have heard in the office. I would have to ask where it is written. We have gotten an award for best management company in Queens.

I was just looking for some clarification. Thank you so much.

Steve Konigsberg asked if any of the Board Members had any questions for the applicant.

<u>Mary Maggio</u> – What would the second-floor terrace be used for since you said the apartments are going to have some balconies?

Answer: [Mr. Asherian] – It will be public outdoor space for all the tenants. To use either on their own or with a larger group if their balcony is not large enough. It will be an outdoor space with tables and chairs. Would they need to reserve this in advance?

Answer: [Mr. Asherian] – That may come up as an option. We would limit reservations to the second-floor outdoor space because it is behind other people's apartments. We do not want to have large gatherings behind other people's apartments.

Zoning Chairperson Steven Konigsberg asked if anyone else had any other questions for the applicant.

<u>Kevin Forrestal</u> – The community facility, are you going to build that out or the community facility will have to finish off?

Answer: [Mr. Asherian] – It will essentially be a white box. Until we know what kind of usage will be going in there, a lot of things can change.

That would be built by the agency, school or whatever after they came in as a community facility.

Answer: [Mr. Asherian] – Usually.

Steve Konigsberg – That would be customized for their purposes.

Answer: [Mr. Asherian] – Yes.

Zoning Chairperson Steven Konigsberg stated that there are questions from the public in the chat.

<u>Q&A Question:</u> How much will the parking cost be? Providing it does not mean it will be used. There is already very little parking in the area.

Steve Konigsberg - I will assume it is fee-based parking.

Answer: [Mr. Asherian] – It will probably be included with the apartments. Either its part of the price for the apartment or a separate fee for each unit. We don't have this information yet. We do not have prices yet. Right now, it is at least 18 months out.

[Mr. Nori Asherian] - Parking is exclusively for tenants only.

Right, not public parking. That is great. Although sometimes if you do not fill out all the spots from the people in the building that may be something that may be adjusted in the future.

Answer: [Mr. Nori Asherian] - It would only be exclusive for the tenants of the building. If anything, it would be for the guests of the tenants. It would not be open to the public.

<u>Q&A Question</u>: CB8 told me the lots were zoned R6 in 1962. At that time the new building on Parsons and 72nd did not exist. Does that affect the zoning since there is now a higher density in the neighborhood? Also, the houses on that lot were in existence for decades after 1962. I don't understand how zoning came about in 1962. Thank you.

<u>Steve Konigsberg</u> – This is a very technical nature of a question. If that is something that you can address. I am not sure what they are asking. What is the related zoning to the construction of the building? I am not sure what this is. At this junction we are just dealing with an informational hearing for public information and dissemination of information about what the planned project is. I am going to rule that question out of order.

Answer: [Mr. Asherian] – Just to clarify everything we are planning and doing is by code, as of right. We are not asking for any variance in the code. In terms of the zoning question my architect would answer that.

I do not think it is a proper issue to discuss tonight.

Zoning Chairperson Steven Konigsberg asked if Dilip Nath had a question for the applicant.

<u>Dilip Nath</u> – Yes, I have two questions. You mentioned that you built something in Jamaica. Would you please share that information a little bit more? What were the challenges that you have faced in that development? My second question is...

<u>Steve Konigsberg</u> – Lets take it with that question so far. Could you identify some of your properties and if you had challenges, how you overcame them.

Answer: [Mr. Asherian] – We have three buildings on Wexford Terrace. The addresses are 177-30, 177-18, 177-16 Wexford Terrace. In total there are 108 apartments and community facilities in three separate buildings. In terms of challenges that we faced; every construction site has its own challenges that must be overcome. What we do is improve every day, learn more and work with more professional teams, subcontractors, and legal professionals to get our projects complete. There are always many challenges in development.

Are you able to tell us what the nature of the financing on the project is?

Answer: [Mr. Asherian] – It is private financing.

Private funds as well as bank financing.

Answer: [Mr. Asherian] – Yes.

<u>Dilip Nath</u> – In terms of qualifying for the affordable housing. What are the median incomes you are using? Is it citywide or neighbor specific and how are you outreach the community?

Answer: [Mr. Asherian] – For the AIRS (Affordable Independent Residences for Seniors) unit there is an average income of 80%. Then there is a portion of the units that are affordable which can be up to 130% AMI (Area Median Income). I do not know if we are going to go up to that level. That is a decision that will be made later when the process is closer to completion. The rents that go with those AMI's I do not have in front of me. It is public information on HPD's website. In terms of reaching out we work with an independent third part company that does the affordable marketing and vetting of applications for the affordable units. We are not involved with the vetting of affordable units.

<u>Steve Konigsberg</u> – There are going to be some open market rate apartments as well? Is that right? Answer: [Mr. Asherian] – Yes.

Is there going to be any rent stabilization associated with any of those rents? Or are they going to be totally free market rents?

Answer: [Mr. Asherian] – I think they are going to be rent stabilized.

I do not know if this is still a tax related benefit package that could be tied into rents. But is J51 something that applies to any of this?

Answer: [Mr. Kami Rehanian]—No. J51 is for older building improvements. This is a brand-new building.

[Mr. Nori Asherian] – This is 421A. 421A, based on the expenses of the building how much you would spend including the price of the land to develop this property. The finance office gives you a maximum that you can charge for the rent. Most of the times that is even way above what the area can take. When the first rent is set to any apartment then it becomes rent stabilized. If it is \$2,000 from now on it is \$2,000. We are following the rules and regulations that the finance office and HPD gives us.

Zoning Chairperson Steven Konigsberg asked if any other members have any other questions. He asked if Solomon Davydov has any questions for the applicant.

<u>Solomon Davydov</u> – The questions that I wanted to ask were already answered.

Zoning Chairperson Steven Konigsberg announced that he will ask questions that the members of the public had for the applicant.

Steve Konigsberg - With not knowing too much about how the design features of the building are. Q&A Question: In terms of central air conditioning and ventilation. Do you know how that would impact the neighboring structures and the community might be minimized?

Answer: [Mr. Asherian] – For heating and cooling the building will have PTAC (a packaged terminal air conditioner). We visited the company that we are probably going to be purchasing from. We visited two different companies to look at their units and specifically for noise. There is no noise. It is very minimal.

What is PTAC?

Answer: [Mr. Asherian] – PTAC, is a raw package unit. It is those units that are under the window and are sitting under the window in the apartment.

For the public areas, you are going to provide some HVAC, I assume.

Answer: [Mr. Asherian] – Of course, the public corridors have some ventilation and that is central.

Units that will power that. Where in the property may it be located? How the impact on the community might be minimized from the units for the larger area?

Answer: [Mr. Kami Rehanian]— These are high efficiency units and they are very compact and there will be probably two or three. Most of the other units are individual. There is no impact on the neighbors.

[Mr. Asherian] – The central ones are going to be placed on the roof. That will not affect the neighbors. [Mr. Nori Asherian] – Everything by code of course.

Could you provide some contact information? Other than the website you said you could be contacted. Through the website is there a professional office or phone number? In case people have questions or inquiries and they want to contact someone.

Answer: [Mr. Asherian] – Of course. You can reach us anytime at <u>info@arproperties.com</u> any questions will be forwarded to the appropriate person to respond. You can also reach us by telephone at: 212-273-0794. That is our office line and you can reach any of us if you have any other questions.

Zoning Chairperson Steven Konigsberg announced that he added the contact information to the chat. He asked if anyone else had any other questions or concerns.

<u>Mary Maggio</u> – Will you be having an onsite management company, or it is going to be out of your big organization?

Answer: [Mr. Asherian] – In terms of management we are going to manage it from our main office. We will have a super in the building.

Thank you.

<u>Dilip Nath</u> – What percentage of the tenants that you had to go through the eviction process or evict them for not paying the rent?

Answer: [Mr. Asherian] – I do not have that information in front of me. We limit that as much as possible especially these days. We know that it is a difficult time and we try to work with all our tenants to work through the tough times.

<u>Steve Konigsberg</u> – I know the informational letter that went out for tonight's meeting did have additional statistics. Could you talk about the anticipated project construction start time, the length of the project, and hopefully a grand opening. Do you have a timeline for that?

Answer: [Mr. Asherian] – We are looking to start in July of this year. The length of the project will take anywhere from 18-24 months.

So, July 2021 and hopefully sooner but maybe somewhere around January 2023 or mid-year 2023. Depending on how things go.

Answer: [Mr. Asherian] – Yes.

Do you have a track record history of using union labor versus non-union labor for different projects and projects such as this one?

Answer: [Mr. Asherian] – This is non-union. We can work with any contractor on the project.

Do you have a policy of minimum wage or minimum wage plus?

Answer: [Mr. Asherian] – We sub-contract all our work. We do not get into the calculation of the wages to the workers. We work on contract and we work on the contract price with the subcontractor, but we do not work on the wage of workers.

[Mr. Kami Rehanian]— We do not have anyone individually hired.

I understand, there is no direct relationship between your position as the general contractor (GC) and the actual labor performed in the project. Would you have a condition of requirement of contract with all the sub-contractors that they must pay their workers minimum wage?

Answer: [Mr. Asherian] – Of course. I believe that is more than fair.

<u>Dilip Nath</u> – Although you are not bound to use a union-worker it is only fair that your subcontractor does pay a prevailing wage. In the construction the wage step is number one. Are you assuring that you at least will tell your subcontractor that they must pay prevailing wage for their worker?

Answer: [Mr. Asherian] – I cannot answer that. I cannot get involved in the businesses of our subcontractors. That is a question that has never honestly come up for yes, but we would expect them to. Anyone that we work with we expect them to pay their employees a fair wage.

[Mr. Nori Asherian] – The type of job that they do I could not see that they could hire anybody less than minimum wage. The concrete guy gets \$200 to \$250. The iron, electrician, plumber minimum wage for them means nothing.

I think the construction, the prevailing wage is much more than the typical minimum wage. They are definitively comparable to union workers.

Zoning Chairperson Steven Konigsberg addressed question from the public himself. Here is a re-cap of those questions:

Q&A Question: Will there be a curfew of some kind on the outside second floor terrace?

<u>Steve Konigsberg</u> – I think you have already addressed that since it neighbors people living units.

Obviously, there will be some type of accommodation for that.

Q&A Question: Will you have commercial units?

<u>Steve Konigsberg</u> – You told us the ground floor will have some type of community facility and that is the limitation of the any type of nonresidential unit correct?

Answer: [Mr. Asherian] – Yes.

Q&A Question: Will there be any food establishment?

Answer: [Mr. Asherian] – No.

Steve Konigsberg – Those would not qualify as community facilities.

<u>Q&A Question:</u> After moving in happens and there is a noise problem who should be contacted from outside the building?

Steve Konigsberg – Call 311.

Q&A Question: What will be the size of the apartments?

Steve Konigsberg – Studio, one and two bedrooms.

Q&A Question: How many floors?

Steve Konigsberg – Eight.

O&A Ouestion: What will the non-low-income rents be?

<u>Steve Konigsberg</u> – We talked about the relationship between the expenses involved 421A, rent stabilization and so on. Whatever the base rents baring in the marketplace. I would assume fair markets rent to begin with and rent stabilized thereafter based upon the rent stabilization guidelines. Rent guideline increase thereafter.

Zoning Chairperson Steven Konigsberg stated that he covered all the questions from the public. Since Kevin Forrestal raised his hand, he asked if he had anymore questions for the applicant.

<u>Kevin Forrestal</u> – Yes, I am looking at the rendering of the property. The structure on top of the roof, did you say that is a recreational facility or gym?

Answer: [Mr. Asherian] – Yes.

It is a somewhat recess and takes majority of the roof.

Answer: [Mr. Asherian] – It is at the corner.

The rendering shows the entire length of the building. Okay.

Zoning Chairperson Steven Konigsberg asked if anyone had any other questions or concerns for the applicant. Seeing none, that concludes all the questions from the public as well as the questions by the committee. He appreciated and welcomes the applicant back from time to time as the project progresses. If there is anything, they need that the Community Board might be able to help and assist with as they proceed forward with this project to reach out to the Community Board. We always want to have good neighbors and developers and we want to be good neighbors as well.

Answer: [Mr. Asherian] – Thank you, we are looking forward to being part of the community even further. Thank you everyone for your time and feel free to reach out if you have any other questions. Thank you very much, have a good evening everybody.

Adjournment

This Informational Hearing was adjourned at 9:18 p.m.

Respectfully submitted Izabela Szczepanska, CB8 Staff May 27, 2021