



Department of
Housing Preservation
& Development
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VICKI BEEN
Commissioner

Office of the Commissioner
100 Gold Street
New York, N.Y. 10038

DEC 19 2014

Honorable Melissa Mark-Viverito
Speaker of the Council
City Hall
New York, New York 10007
Attention: Gary Altman

Re: Tweemill House
Block 1775, Lot 20
Manhattan, Community District No. 11
Council District No. 8

Dear Madame Speaker:

The referenced property ("Exemption Area") contains one multiple dwelling known as Tweemill House which provides rental housing for low income seniors.

On November 26, 2013, the City Council approved Resolution No. 2050 ("Prior Resolution"), which authorized a new tax exemption pursuant to PHFL Section 577 for the Exemption Area. The Prior Resolution contained some technical errors that must be corrected. Furthermore, the Prior Resolution predicated the new tax exemption upon the execution of a regulatory agreement within one hundred twenty (120) days after the Council's approval. Through no fault of the HDFC, this deadline has not been met.

Accordingly, HPD respectfully requests that the Council amend the Prior Resolution by deleting paragraphs numbered 1, 4, (6) (a), (6) (b) and 7 thereof and replacing them with the following:

1. For the purposes hereof, the following terms shall have the following meanings:
 - (a) "Effective Date" shall mean January 1, 1997.
 - (b) "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1775, Lot 20 on the Tax Map of the City of New York.
 - (c) "Expiration Date" shall mean the earlier to occur of (i) a date which is thirty (30) years from the Effective Date, (ii) the date of the expiration or termination of the Regulatory Agreement, or (iii) the date upon which the Exemption Area ceases to be owned by either a housing development fund company or an entity wholly controlled by a housing development fund company.
 - (d) "HDFC" shall mean Milltwee Housing Development Fund Company, Inc.
 - (e) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - (f) "New Exemption" shall mean the exemption from real property taxation provided hereunder.



- (g) "Owner" shall mean the HDFC or any future owner of the Exemption Area that is a housing development fund company.
 - (h) "Prior Exemption" shall mean the exemption from real property taxation for the Exemption Area approved by the Board of Estimate on April 3, 1986 (Cal. No. 6).
 - (i) "Regulatory Agreement" shall mean the regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area on and after the execution of such Regulatory Agreement.
 - (j) "Shelter Rent Tax" shall mean the sum of (i) \$61,020, plus (ii) an additional amount equal to twenty-five percent (25%) of the amount by which the total contract rents applicable to the Exemption Area for that year (as adjusted and established pursuant to Section 8 of the United States Housing Act of 1937, as amended) exceed the total contract rents which are authorized as of December 31, 2013.
4. Commencing upon July 1, 2013, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of the Shelter Rent Tax.
6. a. The New Exemption shall terminate if HPD determines at any time that (i) the Exemption Area is not being operated in accordance with the requirements of Article XI of the Private Housing Finance Law, (ii) the owner of the Exemption Area has failed to execute the Regulatory Agreement by June 30, 2015, (iii) the Exemption Area is not being operated in accordance with the requirements of the Regulatory Agreement, (iv) the Exemption Area is not being operated in accordance with the requirements of any other agreement with, or for the benefit of, the City of New York, (v) the Exemption Area is conveyed to a new owner without the prior written approval of HPD, or (vi) the demolition of any private or multiple dwelling on the Exemption Area has commenced without the prior written consent of HPD. HPD shall deliver written notice of any such determination to Owner and all mortgagees of record, which notice shall provide for an opportunity to cure of not less than sixty (60) days. If the noncompliance specified in such notice is not cured within the time period specified therein, the New Exemption shall prospectively terminate.
- b. The New Exemption shall not apply to any building constructed on the Exemption Area which did not have a permanent certificate of occupancy or an equivalent document satisfactory to HPD recording the occupancy and configuration of the building on the Effective Date.
7. In consideration of the New Exemption, the owner of the Exemption Area, for so long as the New Exemption shall remain in effect, shall waive the benefits of any additional or concurrent exemption from or abatement of real property taxation, which may be authorized under any existing or future local, state or federal law, rule or regulation.



HPD recommends approval of this matter and requests that it be referred to the appropriate committee at the next scheduled meeting of the Council.

Sincerely,



Vicki Been

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