

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

L.U. 184, 185

640, 644 Riverside Drive

September 5, 2018

{Levine} Land Use #s 184 and 185 consists of exemption areas related to 640 and 644 Riverside Drive in Manhattan Council District 7. These two buildings were part of an in rem foreclosure action initiated by the City and transferred to Neighborhood Restore HDFC in 2003 under the Third Party Transfer Program (TPT), Round 2. In 2004, Neighborhood Restore conveyed the buildings to SHUHAB Housing Development Fund Corporation, which is a not-for-profit organization created by Settlement Housing Fund Inc. (SHF), working with Urban Homesteading Assistance Board (U-HAB), Inc (UHAB). Both of these entities are not-for-profit affordable housing organizations. The two buildings together were to be developed during the same timeframe and converted to cooperative homeownership.

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Land Use No. 184 is related to **640 Riverside Drive** (Block 2088, Lot 74) and is known as **TMN209G2**. It is a 12 twelve story elevator building with 133 residential units of which 99 are occupied and 34 are vacant. The unit mixture comprises 6 studios, 56 one-bedroom, 50 two-bedroom, 20 three-bedroom and 1 four-bedroom apartments. Household income for existing occupants' averages 41% of AMI and rents are restricted to 55% of AMI.

Land Use No. 185 is related to **644 Riverside Drive** (Block 2088, 114) and is known as **TMN209G**. This building is also a 12 story elevator building with 93 units of which 76 are occupied and 17 are vacant. The unit types comprise 9 one-bedroom, 27 two bedroom, 33 three-bedroom, 21 four-bedroom and 3 five-bedroom apartments. Household incomes for

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existing occupants' average 69% of AMI with maintenance charges at 60% of AMI.

Currently, 644 Riverside Drive has been rehabilitated, while work has not started at 640 Riverside Drive due to a number of issues, including tenant relocation and work scopes, which affected timing. Therefore, HPD has determined that the project should be bifurcated into two stand-alone projects with SHF as Sponsor for 644 Riverside Drive and UHAB as the Sponsor for 640 Riverside Drive.

As mentioned, 644 Riverside Drive has been rehabilitated and now has new elevators, plumbing, boiler, water heater, electrical upgrades, new roof, new kitchens and bathrooms, façade work, lobby doors, laundry room, windows and compactor. The

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development cost through the Participation Loan Program totaled approximately \$15,800,339.

640 Riverside Drive will undergo construction by a different general contractor with a new participation loan. The Scope of Work has been finalized and is similar to the Scope developed for 644 Riverside Drive. Tenants at 640 Riverside Drive will temporarily relocate in phases throughout the construction period and relocations resources will be within the building as well as at 644 Riverside Drive.

The estimated development cost for 640 Riverside Drive is anticipated to be \$25,732,879 and no other subsidies are contemplated for this project. The property is slated for

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cooperative ownership conversion upon construction completion if tenants meet all of the TPT milestones and responsibilities.

644 Riverside Drive is currently undergoing permanent loan and cooperative homeownership conversion and marketing of the vacant units will commence shortly through Housing Connect and under TPT program guidelines. Projected household income targets for the vacant units will be approximately 71% of AMI.

As it currently stands, the buildings together have an existing Article XI tax exemption that started in 2003. However, a new construction loan closed on June 29, 2018 with a 30 year regulatory agreement. Given the current financing cannot support a shorter amortization period for private debt to coincide

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with the current tax benefit obtained in 2003, new Article XI exemptions are being requested for each building.

In an effort to facilitate long term affordability, HPD is before the Planning Subcommittee seeking approval of Article XI tax exemptions for a period of 40 years that will coincide with the term of amended regulatory agreements.

The approximate cumulative value of the Article XI tax exemption for 640 Riverside Drive is \$31,529,912 with a net present value of \$8,808,551 and for 644 Riverside Drive, the cumulative value is \$21,573,854 with a net present value of \$6,027,114.

**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: _____

(PLEASE PRINT)

Name: Anya Irons UHAB

Address: 640 RSD

I represent: _____

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**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: 9/5/18

(PLEASE PRINT)

Name: LEE WARSZAVSKY

Address: 247 W 37th STREET NYC 10018

I represent: SETTLEMENT HOLDING FUND INC.

Address: _____

Please complete this card and return to the Sergeant-at-Arms

14-184-185

THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 14-184/185 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Genevieve Mirel, HPD

Address: _____

I represent: _____

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 14-184-185 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Nelson Chan, HPD

Address: _____

I represent: _____

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆