



Department of
Housing Preservation
& Development
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VICKI BEEN
Commissioner

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

MAY 05 2015

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

Re: Atlantic Plaza Towers
Block 1434, Lot 1
Brooklyn, Community District No. 16
Council District No. 41

Dear Madame Speaker:

The referenced property ("Exemption Area") contains two multiple dwellings known as Atlantic Plaza Towers, which provide rental housing for low and moderate income families.

The Exemption Area is currently owned and operated as a City-aided Mitchell-Lama limited profit housing company development ("Mitchell-Lama Program"). Under the proposed project, the Exemption Area will leave the Mitchell-Lama program and HP Atlantic Plaza Towers Housing Development Fund Company, Inc. ("HDFC") will acquire the Exemption Area. Atlantic Towers Associates, L.P. ("Partnership") will be the beneficial owner and will operate the Exemption Area. The HDFC and the Partnership (collectively, "Owner") will enter into a regulatory agreement with the City of New York Department of Housing Preservation and Development ("HPD") establishing certain controls upon the operation of the Exemption Area.

The Exemption Area currently receives an exemption from real property taxation pursuant to Section 33 of the Private Housing Finance Law that will expire upon conveyance of the Exemption Area to the HDFC. In order to ensure the continued affordability of the Exemption Area, the Exemption Area requires a new tax exemption pursuant to Article XI of the Private Housing Finance Law that is coterminous with the thirty-five (35) year term of the new regulatory agreement.

HPD respectfully requests that the Council approve, pursuant to Section 577 of the Private Housing Finance Law, an exemption from real property taxation as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
 - (a) "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, and (ii) the date that HPD and the Owner enter into the Regulatory Agreement.
 - (b) "Exemption Area" shall mean the real property located in the Borough of Brooklyn, City and State of New York, identified as Block 1434, Lot 1 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-five (35) 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 HP Atlantic Plaza Towers 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, collectively, the HDFC and the Partnership.
 - (h) "Partnership" shall mean Atlantic Tower Associates, L.P.
 - (i) "Prior Exemption" shall mean the exemption from real property taxation for the Exemption Area pursuant to Section 33 of the Private Housing Finance Law.
 - (j) "Regulatory Agreement" shall mean the regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area during the term of the New Exemption.
 - (k) "Shelter Rent" shall mean the total rents received from the commercial and residential occupants of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8, rent supplements, and rental assistance), less the cost of providing to such occupants electricity, gas, heat and other utilities.
 - (l) "Shelter Rent Tax" shall mean an amount equal to 4 percent (4%) of Shelter Rent.
2. The Prior Exemption shall terminate upon the Effective Date.
 3. All of the value of the property in the Exemption Area, including both the land and any improvements, shall be exempt from real property taxation, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon the Expiration Date.
 4. Commencing upon the Effective Date, 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. Notwithstanding the foregoing, the total annual real property tax payment by the Owner shall not at any time exceed the amount of real property taxes that would otherwise be due in the absence of any form of exemption from or abatement of real property taxation provided by an existing or future local, state, or federal law, rule or regulation.
 5. Notwithstanding any provision hereof to the contrary:



- (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 Exemption Area is not being operated in accordance with the requirements of the Regulatory Agreement, (iii) 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, (iv) the Exemption Area is conveyed to a new owner without the prior written approval of HPD, or (v) 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 apply to all land in the Exemption Area, but shall only apply to buildings on the Exemption Area that exist on the Effective Date.
 - (c) Nothing herein shall entitle the HDFC to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.
 - (d) All previous resolutions, if any, providing for an exemption from or abatement of real property taxation with respect to the Exemption Area, are hereby revoked as of the Effective Date.
6. 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.

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

