

APR 11 2017

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

Re: Block 386, Lot 1
Manhattan, Community District No. 3
Council District No. 2

Dear Madame Speaker:

The referenced property ("Exemption Area") contains one multiple dwelling known as 37 Avenue B which provides rental housing for low income families.

The Exemption Area is owned by the Tenants of 37 Avenue B Housing Development Fund Corporation ("Owner"), a housing development company organized pursuant to Article XI of the Private Housing Finance Law ("PHFL"). The Exemption Area currently does not receive any exemption from real property taxation and has experienced financial hardship. In order to facilitate the project, the City of New York, Department of Housing Preservation and Development ("HPD") is requesting an exemption from real property taxation for the Exemption Area pursuant to PHFL Section 577 commencing retroactively on July 1, 2016. The Owner and HPD will enter into a regulatory agreement establishing certain controls upon the operation of the Exemption Area.

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 July 1, 2016.
 - (b) "Exemption" shall mean the exemption from real property taxation provided hereunder.
 - (c) "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 386, Lot 1 on the Tax Map of the City of New York.
 - (d) "Expiration Date" shall mean the earlier to occur of (i) a date which is forty (40) 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.
 - (e) "HDFC" shall mean Tenants of 37 Avenue B Housing Development Fund Corporation.
 - (f) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - (g) "Owner" shall mean the HDFC or any future owner of the Exemption Area.




- (h) "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 date such Regulatory Agreement is executed.
 - (i) "Tax Payment" shall mean an annual real property tax payment based on an assessed valuation equal to an amount calculated by multiplying \$3,500 times the number of residential units included in the Exemption Area and increasing such product by three and seven tenths percent (3.7%) on July 1, 2017 and on July 1 of each successive year until the Expiration Date.
2. All of the value of the Exemption Area shall be exempt from real property taxation, including both the land and any improvements (excluding those portions, if any, devoted to business, commercial or community facility use), other than assessments for local improvements, for a period commencing on the Effective Date and terminating on the Expiration Date.
 3. Commencing upon July 1, 2016 and during each year thereafter until the Expiration date, the Owner shall make real property tax payments in the sum of the Tax Payment. Notwithstanding the foregoing, the total annual real property tax payment by the Owner shall not at any time exceed the amount of real estate 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.
 4. Notwithstanding any provision hereof to the contrary:
 - a. The Exemption shall terminate if HPD determines 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 within three hundred sixty-five (365) days after the date of approval of the Exemption, (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 by HPD, or (vi) the construction or 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 the 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 Exemption shall prospectively terminate.
 - b. The Exemption shall apply to all land in the Exemption Area, but shall only apply to a building in the Exemption Area that exists on the Effective Date.
 5. In consideration of the Exemption, the owner of the Exemption Area shall (i) execute and record the Regulatory Agreement, and (ii) for so long as the Exemption shall remain in effect, waive the benefits, if any, 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,

A handwritten signature in black ink, appearing to read 'Maria Torres-Springer', with a long horizontal line extending to the right.

Maria Torres-Springer

NYC



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