



City of New York  
DEPARTMENT OF  
HOUSING PRESERVATION AND DEVELOPMENT  
100 GOLD STREET, NEW YORK, N.Y. 10038  
nyc.gov/hpd

VICKI BEEN  
Commissioner

MAY 06 2015

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

Re: St. Augustine Apartments  
Block 2611, Lot 1 (formerly Lots 1, 13, 52)  
Bronx, Community District No. 3  
Council District No. 16

Dear Madame Speaker:

The referenced property ("Exemption Area") is the site for the proposed development of an affordable housing project under HPD's Extremely Low and Low Income Affordability Program.

Under HPD's Extremely Low and Low Income Affordability Program, sponsors construct or rehabilitate multifamily buildings in order to create affordable rental housing. Construction and permanent financing is provided through loans from private institutional lenders and from public sources including HPD and the State of New York. Additional funding may also be provided from the syndication of low-income housing tax credits. The newly constructed or rehabilitated buildings provide rental housing to low-income families. Subject to project underwriting, up to 35% of the units may be rented to formerly homeless families.

The referenced property ("Exemption Area") contains a vacant lot currently owned by The Church of St. Augustine. Under the proposed project, Fulton Franklin Housing Development Fund Corporation ("HDFC"), a not-for-profit corporation organized pursuant to Article 11 of the Private Housing Finance Law, will acquire the Exemption Area and St. Augustine Apartments LLC (the "LLC"), a New York limited liability company, will be the beneficial owner. The HDFC and the LLC (collectively, the "New Owner") will construct a multiple dwelling known as St. Augustine Apartments consisting of 112 units of housing for low income families and persons with special needs.

The HDFC will finance the acquisition and construction with funds provided by HPD, the New York State Housing Financing Agency, the New York State Office of Mental Health and low income housing tax credits. The New Owner will enter into a regulatory agreement with HPD providing that, for a term of at



least 40 years, all of the units will be rented to families and individual whose incomes do not exceed 60% of area median income.

In order to facilitate the project, 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) "Exemption" shall mean the exemption from real property taxation provided hereunder.
  - (b) "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 in their respective sole discretion.
  - (c) "Exemption Area" shall mean the real property located on the Tax Map of the City of New York in the Borough of the Bronx, City and State of New York, identified as Block 2611, Lot 1 (formerly lots 1, 13, and 52).
  - (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 or leased by either a housing development fund company or an entity wholly controlled by a housing development fund company.
  - (e) "HDFC" shall mean Fulton Franklin Housing Development Fund Corporation.
  - (f) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
  - (g) "LLC" shall mean St. Augustine Apartments LLC.
  - (h) "New Owner" shall mean the HDFC and the LLC or any future owner of the Exemption Area.
  - (i) "Project" shall mean the construction of one multiple dwelling building on the Exemption Area containing approximately 111 rental dwelling units plus one unit for a superintendent.
  - (j) "Regulatory Agreement" shall mean the regulatory agreement between HPD and the New Owner establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.
2. All of the value of the property in the Exemption Area, including both the land and any improvements (excluding those portions, if any devoted to business or commercial use) shall be exempt from real property taxation, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon Expiration Date.
3. (a) Notwithstanding any provision hereof to the contrary, the exemption from real property taxation provided hereunder ("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, or (iv) the Exemption Area is conveyed to a new owner without the prior written consent of HPD, or (v) the demolition or construction 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) Nothing herein shall entitle the Owner to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.
- (c) The Exemption shall not apply to any building constructed on the Exemption Area which does not have a permanent or temporary certificate of occupancy by June 30, 2018, as such date may be extended in writing by HPD.

4. In consideration of the Exemption, the New Owner of the Exemption Area (i) shall execute and record the Regulatory Agreement, and (ii) for so long as the 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

Enclosures

