



Department of
Housing Preservation
& Development
nyc.gov/hpd

MARIA SPRINGER-TORRES
Commissioner

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

OCT 20 2017

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

Re: Two Bridges
Block 248, Lot 15
Manhattan, Community District No. 3
Council District No. 1

Dear Madam Speaker:

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

2BT Housing Development Fund Corporation ("HDFC") is the fee owner of the Exemption Area and Two Bridgeset Associates, L.P. ("Partnership"), a limited partnership, is the beneficial owner and operates the Exemption Area. The HDFC and the Partnership (collectively, "Owner") will finance the rehabilitation of the property with City capital funds, a Green Reserve loan, and a reserve loan from the New York City Housing Development Corporation. The Owner and the City of New York Department of Housing Preservation and Development ("HPD") will enter into a regulatory agreement establishing certain controls upon the operation of the Exemption Area.

The Exemption Area currently receives an exemption from real property taxation pursuant to Real Property Tax Law Section 421-a ("RPTL Section 421-a") that will expire in 2018 ("Prior Exemption"). In accordance with RPTL Section 421-a(2)(j) and in order to facilitate the project, HPD will authorize the termination of the Prior Exemption so that it may be replaced with a new exemption from real property taxation pursuant to the Private Housing Finance Law.

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:

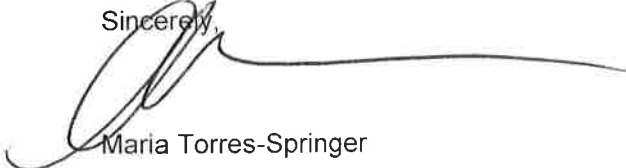
1. For the purposes hereof, the following terms shall have the following meanings:
 - a. "Effective Date" shall mean June 10, 2016.
 - b. "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 248, Lot 15 on the Tax Map of the City of New York.
 - c. "Expiration Date" shall mean the earlier to occur of (i) a date which is forty (40) years from the Effective Date, (ii) the date of 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 2BT Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - 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 with respect to the Exemption Area.
 - g. "Owner" shall mean, collectively, the HDFC and the Partnership.
 - h. "Partnership" shall mean Two Bridgeset Associates, L.P.
 - i. "Prior Exemption" shall mean the existing tax exemption for the Exemption Area pursuant to Section 421-a of the Real Property Tax 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 New Exemption.
2. As approved by HPD pursuant to Real Property Tax Law Section 421-a, 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 (excluding those portions, if any, devoted to business, commercial or community facility 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 the Expiration Date.
 4. 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) any interest in the Exemption Area is conveyed or transferred to a new owner without the prior written approval of HPD, or (v) 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 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 a building on the Exemption Area that exists on the Effective Date.
 - c. Nothing herein shall entitle the HDFC, the Owner, or any past 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.
 5. 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,



Maria Torres-Springer

NYC