



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

VICKI BEEN
Commissioner

DEC 02 2014

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

Re: Greenpoint Landing – Site E3
31 Eagle Street
Brooklyn, Community District No.1
Council District No. 33

Dear Madame Speaker:

The referenced property ("Exemption Area") contains a privately-owned lot that is proposed to be developed as affordable rental housing.

The Exemption Area will be owned by HP E3 Housing Development Fund Company, Inc. ("HDFC") as legal and nominee owner and E3 Owner LLC ("LLC") as beneficial owner. Under the proposed project, the HDC and the LLC (collectively, "Owner") will construct a seven-story residential building with approximately 98 permanently affordable rental units on the Exemption Area. The Owner will finance the construction with loans from the Department of Housing Preservation and Development ("HPD") and the New York City Housing Development Corporation's New Housing Opportunities Program.

This submission is a proposed amendment to a resolution previously approved by the City Council on June 11, 2014 (Resolution No. 285). This amendment indicates that the units in the Exemption Area shall be rented to tenants earning up to 130% of Area Median Income, rather than rented to tenants earning up to 120% of Area Median Income. This amendment is required to facilitate the financial viability of this project.

HPD respectfully requests that the City 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 date that HPD and Sponsor enter into the Regulatory Agreement.
 - (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 Brooklyn, City and State of New York, identified as Block 2494, p/o Lot 1 on the Tax Map of the City of New York, also known as 31 Eagle Street.
- (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 the HDFC or, with the prior written approval of HPD, another housing development fund company or entity wholly controlled by a housing development fund company.
- (e) "HDFC" shall mean HP E3 Housing Development Fund Company, Inc.
- (f) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
- (g) "LLC" shall mean E3 Owner LLC.
- (h) "Owner" shall mean, collectively, the HDFC and the LLC or any future owner of the Exemption Area.
- (i) "Regulatory Agreement" shall mean the regulatory agreement between HPD and Owner providing that all units in the Exemption Area be rented to tenants earning up to 130% of Area Median Income 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 the Expiration Date.

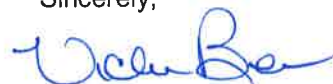
3. The Exemption shall terminate if HPD determines at any time that (i) the Exemption Area is not being operated in accordance with the requirements of Article XI of the Private Housing Finance Law, (ii) the Exemption Area is not being operated in accordance with the requirements of the Regulatory Agreement, (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 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.

4. In consideration of the Exemption, the 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.

5. The Exemption shall only apply to a building on the Exemption Area that has a permanent certificate of occupancy on or before three (3) years from the Effective Date.

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