



Department of
Housing Preservation
& Development

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MARIA TORRES-SPRINGER
Commissioner

Office of the Commissioner
100 Gold Street
New York, NY 10038

APR 23 2018

Honorable Corey Johnson
Speaker of the Council
City Hall
New York, New York 10007
Attention: Jonathan Etricks

Re: Rockaway Village Phase 1
Block 15537, p/o Lot 1
Queens, Community District No. 14
Council District No. 31

Dear Mr. Speaker:

The referenced property ("Exemption Area") will contain two multiple dwellings known as Rockaway Village Phase 1 which will provide rental housing for low income families.

Under the proposed project, Rockaway Village Housing Development Fund Corporation ("HDFC") will acquire the Exemption Area and FRV Phase 1 LIHTC LLC and FRV Phase 1 Moderate LLC ("Companies"), limited liability companies, will be the beneficial owners and will operate the Exemption Area. The HDFC and the Companies (collectively, "Owner") will finance the acquisition and rehabilitation of the Exemption Area with loans from the New York City Housing Development Corporation ("HDC") and the Department of Housing Preservation and Development ("HPD"), and low income housing tax credits. The Owner, HDC and HPD will enter into a regulatory agreement providing that all units must be rented to families whose incomes do not exceed 100% of area median income.

The Exemption Area currently does not receive any exemption from real property taxation. 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. "Companies" shall mean FRV Phase 1 LIHTC LLC and FRV Phase 1 Moderate LLC or a limited liability company that acquires all or a portion of the beneficial interests in the Exemption Area with the approval of HPD.
 - b. "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, or (ii) the date that HDC, HPD and the Owner enter into the Regulatory Agreement.
 - c. "Exemption" shall mean the exemption from real property taxation provided hereunder.
 - d. "Exemption Area" shall mean the real property located in the Borough of Queens, City and State of New York, identified as Block 15537, p/o Lot 1 on the Tax Map of the City of New York.
 - e. "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.
 - f. "HDC" shall mean the New York City Housing Development Corporation.



- g. "HDFC" shall mean Rockaway Village Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - h. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - i. "Owner" shall mean, collectively, the HDFC and the Companies.
 - j. "Regulatory Agreement" shall mean the regulatory agreement between HDC, HPD and the Owner providing that, for a term of 40 years, all dwelling units in the Exemption Area must be rented to families whose incomes do not exceed 100% of area median income.
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, 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.
3. Notwithstanding any provision hereof to the contrary:
- a. 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) 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 Exemption shall prospectively terminate.
 - b. The Exemption shall apply to all land in the Exemption Area, but shall only apply to buildings on the Exemption Area that have a permanent certificate of occupancy or a temporary certificate of occupancy for all of the residential areas on or before five years from 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.
4. In consideration of the Exemption, the owner of the Exemption Area, 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,


Maria Torres-Springer

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