



Department of
Housing Preservation
& Development
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VICKI BEEN
Commissioner

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

MAR 13 2015

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

Re: Lands End I
Block 246, Lot 1
Manhattan, Community Board No. 3
Council District No. 1

Dear Madame Speaker:

The referenced property ("Exemption Area") contains one multiple dwelling known as Lands End I that provides rental housing for low income families. On February 9, 2015, HP Two Bridges Housing Development Fund Company, Inc. ("HDFC"), a housing development fund company organized pursuant to Article XI of the PHFL, acquired the Exemption Area and LE I NYAH II Holdings LLC ("Company"), a New York limited liability company, became the beneficial owner and will operate the Exemption Area. The HDFC and the Company (collectively, "Owner") financed the acquisition and rehabilitation of the Exemption Area with private funds. 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.

On December 17, 2014, the City Council approved Resolution No. 521-2014 ("Prior Resolution"), which authorized a new tax exemption pursuant to PHFL Section 577 for the Exemption Area. The new tax exemption will be coterminous with the 40-year term of the new regulatory agreement and will commence upon the execution of the new regulatory agreement.

To achieve deeper affordability of rent and income restrictions, we are requesting that the allowance for tax relief in the Prior Resolution be amended to give the Exemption Area a full real property tax exemption during the first 5 years. Thereafter, the Owner would be responsible for a partial real property tax payment equal to the Shelter Rent Tax.

Accordingly, HPD respectfully requests that the Council amend the Prior Resolution by replacing paragraph 3 contained therein, to read, respectively, as follows:

3. Commencing upon the fifth anniversary of the Effective Date, and during each year thereafter until the Expiration Date, the Owner shall make real property tax



payments in the sum of the Shelter Rent Tax. Notwithstanding the foregoing, the total annual real property tax payment by the Owner shall not at any time exceed the amount of real property taxes that would otherwise be due in the absence of any form of exemption from or abatement of real property taxation provided by 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

