



Department of  
Housing Preservation  
& Development  
nyc.gov/hpd

VICKI BEEN  
Commissioner

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

JUN 15 2016

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

Re: Block 1037, Lot 1001  
Manhattan  
Community District No. 4  
Council District No. 3

Dear Madame Speaker:

The referenced property ("Exemption Area") contains one multiple dwelling known as 301 West 46th Street, which provides rental housing for low income families.

Under the proposed project, 301 Housing Development Fund Corporation ("HDFC") will acquire the Exemption Area from 301 West 46<sup>th</sup> Street Owners, LLC ("Current Owner"). The HDFC, the Current Owner and the City of New York Department of Housing Preservation and Development ("HPD") entered into a Regulatory Agreement ("Inclusionary Agreement") on May 20, 2013 regarding two of the twelve units in the Exemption Area. The HDFC, HPD and the Current Owner also entered into an Amended and Restated Cure Agreement ("Cure Agreement") on June 12, 2013 regarding ten of the twelve units in the Exemption Area. Both the Cure Agreement and the Inclusionary Agreement establish certain controls upon the operation of the Exemption Area.

The Exemption Area currently does not receive any exemption from real property taxation. In order to ensure the affordability of the Exemption Area once it is transferred to the HDFC, HPD respectfully requests 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) "Cure Agreement" shall mean the Amended and Restated Cure Agreement dated June 12, 2013, between Current Owner, HPD and the HDFC, recorded and filed on July 1, 2013, CRFN no. 2013000259973.
  - (b) "Current Owner" shall mean 301 West 46<sup>th</sup> Street Owners, LLC.
  - (c) "Effective Date" shall mean the date of conveyance of the Exemption Area to the HDFC.
  - (d) "Exemption" shall mean the exemption from real property taxation for the Exemption Area provided hereunder.
  - (e) "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1037, Lot 1001 on the Tax Map of the City of New York.
  - (f) "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 Inclusionary Agreement, (iii) the date of the expiration or termination of the Cure Agreement, or (iv) 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.



- (g) "HDFC" shall mean 301 Housing Development Fund Corporation.
  - (h) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
  - (i) "Inclusionary Agreement" shall mean the Regulatory Agreement dated May 20, 2013, between the Current Owner, HPD and the HDFC, recorded and filed on May 28, 2013, CRFN no. 2013000212282.
  - (j) "New Owner" shall mean the HDFC or any future owner of the Exemption Area.
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. 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 Cure Agreement, (iii) the Exemption Area is not being operated in accordance with the requirements of the Inclusionary Agreement, (iv) 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, (v) the Exemption Area is conveyed to a new owner without the prior written approval of HPD, or (vi) 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 New 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 the building in the Exemption Area that had a temporary certificate of occupancy for all of the residential areas on April 22, 2016.
  - (c) Nothing herein shall entitle the HDFC to a refund of any real property taxes which accrued and were paid by or on behalf of the HDFC or any other owner of the Exemption Area prior to the Effective Date.
4. In consideration of the Exemption, the HDFC, 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

