



Department of
Housing Preservation
& Development
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Maria Torres-Springer
Commissioner

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

SEP 06 2017

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

Re: Noonan Plaza
Block 2518, Lot 1
Bronx, Community Board No. 4
Council District No. 16

Dear Madame Speaker:

The referenced property ("Exemption Area") contains one multiple dwelling known as Noonan Plaza that provides rental housing for persons and families of low income. HP Noonan Plaza Housing Development Fund Company, Inc., ("HDFC"), a housing development fund company organized pursuant to Article XI of the Private Housing Finance Law ("PHFL"), currently is the fee owner of the Exemption Area. Noonan Plaza Housing LLC, a New York limited liability company ("Company"), holds the beneficial interest and operates the Exemption Area.

Under the proposed project, the HDFC and the Company (collectively, "Owner") will finance the rehabilitation of the Exemption Area with a private loan, private equity, and additional loans from the New York City Department of Housing Preservation and Development ("HPD") and the New York State Housing Finance Agency. The Owner and HPD will enter into a regulatory agreement establishing certain controls upon the operation of the Exemption Area. Eligible tenants will receive Section 8 rental assistance.

In order to ensure the continued affordability of the Exemption Area, HPD is requesting an Article XI exemption for the Exemption Area that is coterminous with a 40 year term of the new regulatory agreement.

HPD respectfully requests that the Council approve, pursuant to Section 577 of the PHFL, an exemption from real property taxation as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
 - (a) "Company" shall mean Noonan Plaza Housing LLC.
 - (b) "Effective Date" shall mean the date that HPD and the Owner enter into the Regulatory Agreement.
 - (c) "Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.



- (d) "Exemption Area" shall mean the real property located in the Borough of Bronx City and State of New York, identified as Block 2518, 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, (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) "HDFC" shall mean HP Noonan Plaza Housing Development Fund Company, Inc. or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - (g) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - (h) "Owner" shall mean, collectively, the HDFC and the Company.
 - (i) "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 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, 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. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments as follows: (a) commencing upon the Effective Date and during each year thereafter until the second anniversary of the Effective Date, in the amount of \$1,000; and (b) commencing upon the second anniversary of the Effective Date and during each year thereafter until the Expiration Date, in the sum of (i) \$1,000 plus (ii) an additional amount equal to twenty-five percent (25%) of the amount by which the total contract rents applicable to the housing project for that year (as adjusted and established pursuant to Section 8 of the United States Housing Act of 1937, as amended) exceed the total contract rents which are authorized as of the second anniversary of the Effective Date. 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 an existing or future local, state, or federal law, rule, or regulation.
 4. 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 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.

- (b) The 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 HDPC, 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 Exemption, the owner of the Exemption Area, for so long as the Exemption shall remain in effect, shall waive the benefits, if any, 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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