



Department of
Housing Preservation
& Development
nyc.gov/hpd

MARIA TORRES-SPRINGER
Commissioner

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

JUN 25 2018

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

Re: Lakeview Apartments
Block 1612, Lot 1
Manhattan, Community District No. 9
Council District No. 11

Dear Mr. Speaker:

The referenced property ("Exemption Area") contains four multiple dwellings known as Lakeview Apartments which provide rental housing for low income families. The Exemption Area is currently owned by 106th Street Houses, Inc. ("Current Owner"), a State-aided limited profit housing company incorporated pursuant to Article II of the Private Housing Finance Law ("PHFL").

Under the proposed project, the Current Owner will dissolve in accordance with PHFL Section 35 and Part 1750 of Title 9 of New York Codes, Rules and Regulations. Upon dissolution of the Current Owner, Lakeview Apartments Housing Development Fund Corporation ("HDFC") will acquire the Exemption Area and Fifth and 106th St. Associates, L.P. ("Partnership") will be the beneficial owner and will operate the Exemption Area. The HDFC and the Partnership (collectively, "Owner") will enter into a regulatory agreement with the Department of Housing Preservation and Development ("HPD") establishing certain controls upon the operation of the Exemption Area.

The Exemption Area currently receives an exemption from real property taxation pursuant to Section 33 of the PHFL and makes annual shelter rent payments in lieu of paying full real property taxes ("Prior Exemption"). The Prior Exemption will terminate upon the dissolution of the Current Owner. 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 the forty-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. "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, or (ii) the date that HPD and the Owner enter into the Regulatory Agreement.
 - b. "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1612, Lot 1 on the Tax Map of the City of New York.
 - c. "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.

- d. "HDFC" shall mean Lakeview Apartments Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - e. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - f. "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - g. "Nominal Tax" shall mean the amount of one-thousand dollars (\$1,000).
 - h. "Owner" shall mean, collectively, the HDFC and the Partnership.
 - i. "Partnership" shall mean Fifth and 106th St. Associates, L.P. or an entity that acquires the beneficial interest in the Exemption Area with the prior written consent of HPD.
 - j. "Prior Exemption" shall mean the existing tax exemption for the Exemption Area pursuant to Section 33 of the Private Housing Finance Law.
 - k. "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 New Exemption.
2. The Prior Exemption shall terminate upon the Effective Date.
 3. 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.
 4. Commencing upon 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 Nominal 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.
 5. Notwithstanding any provision hereof to the contrary:
 - a. The New 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 New Exemption shall prospectively terminate.

- b. The New Exemption shall apply to all land in the Exemption Area, but shall only apply to buildings on the Exemption Area that exist on the Effective Date.
 - c. Nothing herein shall entitle the HDFC, the Owner, or any other person or entity to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.
6. In consideration of the New Exemption, the owner of the Exemption Area, for so long as the New 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,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Maria Torres-Springer

