April 28, 2022

TO: Hon. Justin Brannan

 Chair, Finance Committee

Members of the Finance Committee

FROM: Noah Brick, Assistant Counsel, Finance Division

 Malcom Butehorn, Senior Counsel, Legislative Division

RE: Finance Committee Agenda of April 28, 2022 – Resolution approving a tax exemption for one Land Use item (Council District 31)

**13-12 Beach Channel Drive**

13-12 Beach Channel Drive, located in Far Rockaway, is a proposed development which would consist of a single eight-story building including a 100-bed shelter and 147 units of supportive housing. The residential units would consists of 126 studio units, eight one-bedroom units, and 13 two-bedroom units (one unit reserved as a superintendent unit).

Currently, the exemption area contains three structures which includes two single story commercial buildings and a three-story residential building. Prior to construction of the proposed development, the existing structures will be demolished and the new development will be constructed to include a single building consisting of a shelter space, a residential space, and a rentable community facility space.

The Beach Channel Drive Housing Development Fund Corporation (HDFC) would acquire the property, and Beach Channel Drive Owner LLC (Company) would operate the property. The HDFC and the Company (collectively, Owners) would finance the rehabilitation of the building with loans obtained from a private lending institution and the New York City Department of Housing Preservation and Development (HPD), a debt service subsidy from the New York City Department of Homeless Services, equity from a Brownfield tax credit, and equity from a proposed Article XI tax exemption.

Developers Camber Property Group (CPG) and Bowery Residents’ Committee (BRC) have memorialized their commitment to make good faith efforts to hire M/WBE subcontractors and local construction workers, to engage local businesses of the project schedule, and to work with HPD and the Department of Homeless Services (DHS) to achieve a local community preference for half of the low-income residential units and establish a senior preference for half of the supportive residential units.

DHS has also memorialized its commitment to close 200 beds of hotel shelter capacity in Far Rockaway by the end of calendar year 2022 and pause on further shelter siting in your district pending a review of shelter siting policy citywide.

HPD is requesting that the Council approve a 40-year full Article XI property tax exemption. HPD and Owners would enter into a regulatory agreement that would require that 58 residential units be available for households making 60% of the Area Median Income (AMI), and 88 studio units be set aside as supportive housing for formerly homeless households supported by NYC 15/15 rental subsidy.

Summary:

* Borough – Queens
* Block 15528, Lots 5, 6, and 9
* Council District – 31
* Council Member – Brooks-Powers
* Council Member approval – Yes
* Number of buildings – 1
* Number of units – 147
* Type of exemption – Article XI, full 40-years
* Population – affordable rental housing
* Sponsor – Camber Property Group, BCD Owner LLC; BCD HDFC
* Purpose – new construction
* Cost to the City – $7.2 million
* AMI target – 58 units at 60% of AMI; 88 units at 60% of AMI (NYC 15/15 rental subsidy)