



Department of  
Housing Preservation  
& Development  
nyc.gov/hpd

VICKI BEEN  
Commissioner

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

SEP 05 2014

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

Re: Phipps Plaza South/KB 25  
Block 931, Lot 17  
Manhattan, Community District No. 6  
Council District No. 2

Dear Madame Speaker:

The referenced property ("Exemption Area") will contain one building, which will provide housing for low income families.

Under the proposed project, KB25 Housing Development Fund Corporation ("HDFC") will acquire the Exemption Area. The HDFC will finance the construction of a multiple dwelling on the Exemption Area through equity provided by Phipps Houses which is the sole member of the HDFC. The HDFC and HPD will enter into a regulatory agreement establishing certain controls upon the operation of the Exemption Area.

In order to facilitate the project, HPD respectfully requests that the Council approve, pursuant to Section 577 of the Private Housing Finance Law, an exemption from real property taxation as follows:

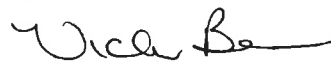
1. For the purposes hereof, the following terms shall have the following meanings:
  - (a) "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, and (ii) the date that HPD and the HDFC, in their respective sole discretion, enter into the Regulatory Agreement.
  - (b) "Exemption" shall mean the exemption from real property taxation provided hereunder.
  - (c) "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 931, Lot 17 on the Tax Map of the City of New York.
  - (d) "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.
  - (e) "HDFC" shall mean KB25 Housing Development Fund Corporation.
  - (f) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.



- (g) "Regulatory Agreement" shall mean the regulatory agreement between HPD and the HDFC 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 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 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) the Exemption Area is conveyed to a new owner without the prior written approval of HPD, or (v) the 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 Exemption shall prospectively terminate.
- b. Nothing herein shall entitle the HDFC to a refund of any real property taxes, which accrued and were paid with respect to the Exemption Area prior to the Effective Date.
- c. The Exemption shall terminate with respect to any building constructed on the Exemption Area which does not have a temporary certificate of occupancy for all dwelling units in the building by three years from the date that HPD and the HDFC enter into the Regulatory Agreement, or within such later period as may be determined by HPD in its sole discretion.
4. 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 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

**NYC**



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