

SEP 05 2014

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

Re: Crotona IV
Block 3010, Lots 12 and 17
Bronx, Community District No. 3
Council District No. 17

Dear Madame Speaker:

The referenced property ("Exemption Area") contains two multiple dwellings known as Crotona IV which provide rental housing for low income families.

Longfellow Avenue Housing Development Fund Company, Inc. ("HDFC") developed the project using a federally-aided mortgage and tax exemption from the City of New York. On April 25, 1974 (Cal. No. 299), the Board of Estimate approved a tax exemption pursuant to Section 577 of the Private Housing Finance Law for the Exemption Area for a 40 year period ("Prior Exemption"). The Prior Exemption, which expired on December 21, 2013, was retroactively amended by the City Council on April 29, 2014 (Cal. No. 214).

The HDFC is now seeking a new federally-aided mortgage in order to make necessary capital improvements in the Exemption Area, and/or an extended-term housing assistance payments contract to preserve the Exemption Area as affordable housing.

In order to facilitate the project and enable it to continue to provide rental housing for low income families, HPD is requesting that the Council approve, pursuant to Section 577 of the Private Housing Finance Law, a new 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 December 21, 2013.
 - (b) "Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.



- (c) "Exemption Area" shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 3010, Lots 12 and 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 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) "Execution Date" shall mean the earliest date upon which the HDFC executes either (1) a mortgage made by the HDFC after the Effective Date which is insured by the United States Federal Housing Administration, or (2) a renewal Section 8 Housing Assistance Payments Contract for a term of more than twelve months that is entered into between the HDFC and the United States Department of Housing and Urban Development after the Effective Date.
- (f) "HDFC" shall mean Longfellow Avenue Housing Development Fund Company, Inc.
- (g) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
- (h) "Owner" shall mean the HDFC or any future owner of the Exemption Area.
- (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.
- (j) "Shelter Rent" shall mean the total rents received from the commercial and residential occupants of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8, rent supplements, and rental assistance), less the cost of providing to such occupants electricity, gas, heat and other utilities.



- (k) "Shelter Rent Tax" shall mean an amount equal to 10% of Shelter Rent.
 - (l) "Shelter Rent Commencement Date" shall mean the July 1st following the Execution Date.
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. Commencing upon the Shelter Rent Commencement Date, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of the Shelter Rent 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 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) 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 in 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. The Exemption shall not apply to any building constructed in the Exemption Area that did not exist on the Effective Date.
 - c. 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.



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 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, appearing to read "Vicki Been", with a long horizontal flourish extending to the right.

Vicki Been

NYC



Printed on paper containing 30% post-consumer material.