



City of New York
DEPARTMENT OF
HOUSING PRESERVATION AND DEVELOPMENT
100 GOLD STREET, NEW YORK, N.Y. 10038
nyc.gov/hpd

VICKI BEEN
Commissioner

DEC 10 2014

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

Re: Low Income Program
3160 Park Avenue
Block 2419, part of Lot 28 (to be known as Lot 1001)
Bronx, Community District No. 3
Council District No. 17

Dear Madame Speaker:

The referenced property ("Exemption Area") is the site for the proposed development of an affordable housing project under HPD's Low Income Program. The property will be developed as a condominium in which one unit, to be known as Unit 1 of the 3160 Park Avenue Condominium and as Block 2419, Lot 1001 on the tax map of the City ("Unit 1" or the "Exemption Area"), will contain 94 residential apartments for low income families (the "Project") plus one superintendent unit.

Under HPD's Low Income Program, sponsors construct or rehabilitate multifamily buildings in order to create affordable rental housing. Construction and permanent financing is provided through loans from private institutional lenders and from public sources including HPD, the New York City Housing Development Corporation, the State of New York, and the federal government. Additional funding may also be provided from the syndication of low-income housing tax credits. The newly constructed or rehabilitated buildings provide rental housing to low-income families. Subject to project underwriting, up to 20% of the units may be rented to formerly homeless families.

The Exemption Area is currently a vacant lot owned by 3160 Park Ave, LLC ("Lessor"), a New York limited liability company. Under the proposed project, Lessor will create 3160 Park Avenue Condominium (the "Condominium") and thereafter lease Unit 1 in the Condominium to HP Park Ave Affordable Housing Development Fund Company, Inc. ("HDFC") as lessee of record, and Trinity Park Ave Affordable LLC (the "LLC"), as beneficial lessee, under a lease with a term of 99 years. The LLC and the HDFC (collectively, the "Lessee") and will thereafter construct and operate the Project.



Lessee will finance the acquisition and construction with funds provided by HPD, New York City Housing Development Corporation ("HDC") and low income housing tax credits. In addition, Lessor and Lessee will enter into a regulatory agreement with HPD and HDC providing that, for a period of at least thirty (30) years, 19 apartments will be leased to families whose incomes do not exceed 40% of area median income and 75 apartments will be leased to families whose incomes do not exceed 60% of area median income.

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:

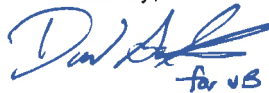
1. For the purposes hereof, the following terms shall have the following meanings:
 - a) "Exemption" shall mean the exemption from real property taxation provided hereunder.
 - b) "Effective Date" shall mean the later of (i) the date of the Lease, and (ii) the date that HPD, HDC and the Lessee enter into the Regulatory Agreement.
 - c) "Exemption Area" shall mean the real property located in the Borough of Bronx, City and State of New York, currently identified as Block 2419, p/o Lot 28, and to be known as Unit 1 in the 3160 Park Avenue Condominium and identified as Block 2419, Lot 1001 on the Tax Map of the City of New York.
 - d) "Expiration Date" shall mean the earliest 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 is neither leased to nor owned by either a housing development fund company or an entity controlled by a housing development fund company.
 - e) "HDC" shall mean New York City Housing Development Corporation.
 - f) "HDFC" shall mean HP Park Ave Affordable Housing Development Fund Company, Inc.
 - g) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - h) "Lease" shall mean the lease of the Exemption Area from Lessor to Lessee.
 - i) "Lessee" shall mean, collectively, the HDFC and the LLC or any future lessee of the Exemption Area permitted hereunder.
 - h) "LLC" shall mean Trinity Park Ave Affordable LLC.
 - f) "Lessor" shall mean 3160 Park Avenue, LLC, the current owner of the Exemption Area.
 - g) "Regulatory Agreement" shall mean the regulatory agreement among HPD, Lessor and Lessee establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.
2. All of the value of the property, including both the land and the 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. (a) Notwithstanding any provision hereof to the contrary, the exemption from real property taxation provided hereunder ("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 Lease is assigned by Lessee or the Exemption Area is leased to a lessee other than Lessee without the prior written consent of HPD, or (v) the demolition or construction 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 Lessee 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 Lessee or Lessee 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) In consideration of the Exemption, the (i) Lessee shall execute and record the Regulatory Agreement, and (ii) for so long as the Exemption shall remain in effect, the Lessor and Lessee shall each 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

