



Department of
Housing Preservation
& Development

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MARIA TORRES-SPRINGER
Commissioner

Office of the Commissioner
100 Gold Street
New York, NY 10038

FEB 26 2018

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

Re: Red Hook Gardens
Block 524, Lots 1 and 10
Block 531, Lots 13, 18, and 22
Block 587, Lots 41 and 145
Brooklyn, Community District No. 6
Council District No. 38

Dear Mr. Speaker:

The referenced property ("Exemption Area") contains thirty-one multiple dwellings known as Red Hook Gardens which provide rental housing for low income families.

Red Hook Gardens Housing Development Fund Corporation ("HDFC") has been the fee owner of the Exemption Area since 2002 and Red Hook Gardens Limited Partnership ("Partnership"), a limited partnership, has been the beneficial owner and operator of the Exemption Area (collectively, "Owner"). The Exemption Area has been subject to a low-income housing tax credit regulatory agreement with New York State Homes & Community Renewal since July 31, 2003, as such agreement was amended as of December 20, 2007. The Owner and the Department of Housing Preservation and Development ("HPD") will enter into a regulatory agreement establishing certain controls upon the operation of the Exemption Area.

The Exemption Area currently receives an exemption from and/or abatement of real property taxation pursuant to Section 489 of the Real Property Tax Law ("J-51 Benefits"). In order to ensure the continued affordability of the Exemption Area, HPD is requesting an Article XI exemption for the Exemption Area that will be reduced by an amount equal to any concurrent J-51 Benefits.

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 September 27, 2002.
 - b. "Exemption Area" shall mean the real property located in the Borough of Brooklyn, City and State of New York, identified as Block 524, Lots 1 and 10, Block 531, Lots 13, 18, and 22, and Block 587, Lots 41 and 145 on the Tax Map of the City of New York.
 - c. "Expiration Date" shall mean the earlier to occur of (i) December 31, 2021, (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 Red Hook Gardens Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.

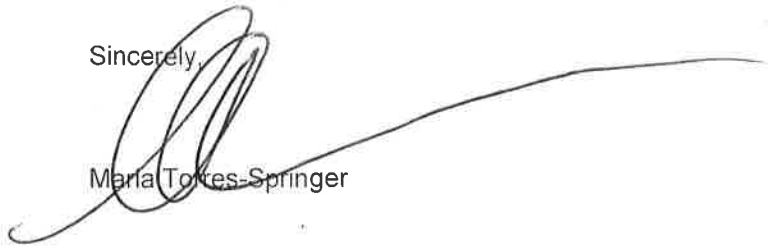


- e. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - f. "J-51 Benefits" shall mean any tax benefits pursuant to Section 489 of the Real Property Tax Law which are in effect on or after the Effective Date.
 - g. "New Exemption" shall mean the exemption from real property taxation provided hereunder.
 - h. "Owner" shall mean, collectively, the HDFC and the Partnership.
 - i. "Partnership" shall mean Red Hook Gardens Limited Partnership.
 - j. "Prior Exemption" shall mean the exemption from real property taxation for the Exemption Area approved by the Board of Estimate of the City of New York on April 22, 1971 (Cal. No. 11).
 - k. "Regulatory Agreement" shall mean the regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area on or after the date such Regulatory Agreement is executed.
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. 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 past owner to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to April 1, 2011.
 5. 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. Notwithstanding the foregoing, the J-51 Benefits shall remain in effect, but the New Exemption shall be reduced by the amount of such J-51 Benefits.



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