



Department of
Housing Preservation
& Development

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MARIA TORRES-SPRINGER
Commissioner

Office of Commissioner
100 Gold Street
New York, NY 10038

APR 09 2018

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

Re: Livonia Regina
Block 6927, Lot 60
Brooklyn, Community District No.11
Council District No. 43

Dear Mr. Speaker:

The referenced property ("Exemption Area") contains one multiple dwelling to be known as Livonia Regina which provides rental housing for low income families. The Exemption Area is currently owned by Regina Pacis Housing Corp. ("Current Owner"), a State-aided company incorporated pursuant to the not-for-profit corporation law and to Article II of the Private Housing Finance Law ("PHFL").

Under the proposed project, the Livonia Regina Housing Development Fund Corporation ("HDFC") will acquire the Exemption Area and Regina Pacis Owner, LP ("Partnership"), a limited partnership, will be the beneficial owner and will operate the Exemption Area. The Current Owner will dissolve in accordance with PHFL Section 35 and Part 1750 of Title 9 of the New York Code, Rules and Regulations very soon after such conveyance. The HDFC and the Partnership (collectively, "Owner") will finance the acquisition and rehabilitation of the Exemption Area with a loan and bonds from the New York State Housing Finance Agency and low income housing tax credits. 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 real property taxation pursuant to Section 33 of the PHFL ("Prior Exemption"). The Prior Exemption will terminate upon the conveyance of the Exemption Area to the HDFC. In order to further support the proposed acquisition and rehabilitation, the Exemption Area needs a new tax exemption pursuant to Section 577 of Article XI of the PHFL that is coterminous with the 40-year term of the new regulatory agreement.

HPD respectfully requests that the Council approve, pursuant to Section 577 of the PHFL, an exemption from real property taxation as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
 - a. "Community Facility Space" shall mean those portions of the Exemption Area which the Regulatory Agreement requires to be devoted solely to community facility uses.
 - b. "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, or (ii) the date that HPD and the Owner enter into the Regulatory Agreement.



- c. "Exemption Area" shall mean the real property located in the Borough of Brooklyn, City and State of New York, identified as Block 6927, Lot 60 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. "Gross Rent" shall mean the gross potential rents from all residential and commercial units (both occupied and vacant) of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8, rent supplements, and rental assistance).
 - f. "Gross Rent Tax" shall mean an amount equal to six and one-half percent (6.50%) of the Gross Rent in the tax year in which such real property tax payment is made.
 - g. "HDFC" shall mean Livonia Regina Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - h. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - i. "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - j. "Nominal Tax" shall mean an amount of one-hundred dollars (\$100).
 - k. "Owner" shall mean, collectively, the HDFC and the Partnership.
 - l. "Partnership" shall mean Regina Pacis Owner, LP or a limited partnership that acquires the beneficial interest in the Exemption Area with the approval of HPD.
 - m. "Prior Exemption" shall mean the existing tax exemption for the Exemption Area pursuant to Section 33 of the Private Housing Finance Law.
 - n. "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 New Exemption.
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 or commercial use other than the Community Facility Space); 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. Commencing upon the Effective Date, during each year thereafter until the eighteenth anniversary of the Effective Date, the Owner shall make real property tax payments in the sum of the Nominal Tax. Commencing upon the eighteenth anniversary of the Effective Date, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of the Gross 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 any existing or future local, state, or federal law, rule or regulation.



5. 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 a building on the Exemption Area that exists 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 the Effective Date.
6. 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.

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,



Maria Torres-Springer

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