



Department of
Housing Preservation
& Development
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MARIA TORRES-SPRINGER
Commissioner

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

FEB 26 2018

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

Re: Aquinas Housing for the Elderly
Block 3118, Lots 42, 44
Deacon Juan Santos Plaza II
Block 3130, Lot 2
Bronx, Community Board No. 6
Council District No. 17

Dear Mister Speaker:

The referenced property ("Exemption Area") contains two multiple dwellings known, respectively, as Aquinas Housing for the Elderly and Deacon Juan Santos Plaza II, that both provide rental housing for elderly persons of low income. Currently, Aquinas Deacon Juan Santos Housing Development Fund Corporation is the fee owner and Aquinas Deacon Juan Santos LLC is the beneficial owner and operates the Exemption Area.

On May 14, 2015, the City Council approved Resolution No. 703 ("Prior Resolution"), which authorized a new tax exemption pursuant to Private Housing Finance Law Section 577 for the Exemption Area. The Prior Resolution contained some technical errors that must be corrected.

Accordingly, HPD respectfully requests that the Council amend the Prior Resolution by deleting paragraphs numbered 1 and 4 thereof and replacing them with the following:

1. For the purposes hereof, the following terms shall have the following meanings:
 - (a) "Company" shall mean Aquinas Deacon Juan Santos LLC.
 - (b) "Effective Date" shall mean the date of repayment or refinancing of the HUD Mortgage.
 - (c) "Exemption Area" shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 3118, Lots 42 and 44, and Block 3130, Lot 2, 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 thirty-five (35) 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 Aquinas Deacon Juan Santos Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - (f) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.



- (g) "HUD" shall mean the Department of Housing and Urban Development of the United States of America.
- (h) "HUD Mortgage" shall mean the original loan made by HUD to the Exemption Area in connection with the Section 202 Supportive Housing Program for the Elderly, which loan was secured by a mortgage on the Exemption Area.
- (i) "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
- (j) "Owner" shall mean, collectively, the HDFC and the Company.
- (k) "Prior Exemption" shall mean the exemption from real property taxation for a portion of the Exemption Area approved by the Board of Estimate on August 15, 1985 (Cal. No. 70) and for another portion of the Exemption Area approved by the Council of the City of New York on August 15, 1991 (Resolution No. 1213).
- (l) "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.
- (m) "Use Agreement" shall mean the use agreement by and between the Owner and HUD which commences on or before the Effective Date, runs with the land, binds all subsequent owners and creditors of the Exemption Area, and requires that the housing project on the Exemption Area continue to operate on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement or any Section 8 rental assistance payments contract or any other rental housing assistance contract and all applicable federal regulations.

4. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of (i) \$77,044, plus (ii) an additional amount equal to twenty-five percent (25%) of the amount by which the total contract rents applicable to the Exemption Area for that year (as adjusted and established pursuant to Section 8 of the United States Housing Act of 1937, as amended) exceed the total contract rents which are authorized as of the Effective Date. Notwithstanding the foregoing, the total annual real property tax payment by the Owner shall not at any time exceed the lesser of either (a) 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, or (b) seventeen percent (17%) of the contract rents, including any federal subsidy (including, but not limited to, Section 8, rent supplements, and rental assistance), in the applicable year.

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

