



Department of
Housing Preservation
& Development

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MARIA TORRES-SPRINGER
Commissioner

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

APR 23 2018

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

Re: Inwood House
Block 2220, Lot 43
Manhattan, Community District No. 12
Council District No.10

Dear Mr. Speaker:

The referenced property ("Exemption Area") contains one multiple dwelling known as Inwood House which provides rental housing for low income families.

Under the proposed project, Inwood House Housing Development Fund Corporation ("HDFC") will acquire the fee interest in the Exemption Area and Inwood Associates L.P., a limited partnership ("Partnership"), will be the beneficial owner and will operate the Exemption Area. The HDFC and the Partnership (collectively, "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. Eligible tenants will receive Section 8 rental assistance.

The Exemption Area currently does not receive any exemption from real property taxation. In order to ensure the continued affordability of the Exemption Area, HPD is requesting an exemption from real property taxation 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 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 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.
 - b. "Exemption" shall mean the exemption from real property taxation provided hereunder.
 - c. "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 2220, Lot 43 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. "HDFC" shall mean Inwood House Housing Development Fund Corporation or a housing development fund company that acquires the fee interest in 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. "Owner" shall mean, collectively, the HDFC and the Partnership.
 - h. "Partnership" shall mean Inwood Associates L.P. or a limited partnership that acquires the beneficial interest in the Exemption Area with the approval of HPD.
 - 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.
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, 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.
3. 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) \$200,524, 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 in the applicable year.
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) 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 Exemption shall prospectively terminate.
 - b. The 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 Partnership, the Owner, any past owner of the Exemption Area, or any other party 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, consisting of several loops and a long horizontal tail extending to the right.

Maria Torres-Springer

