September 23, 2020

TO: Hon. Daniel Dromm

 Chair, Finance Committee

Members of the Finance Committee

FROM: Rebecca Chasan, Senior Counsel, Finance Division

 Noah Brick, Assistant Counsel, Finance Division

RE: Finance Committee Agenda of September 23, 2020 –resolutions approving the termination of two prior tax exemptions and consenting to the voluntary dissolution of two current owners (Council District 36).

**Albany Kingston**

There are two scattered-site Article V projects in the Bedford Stuyvesant neighborhood of Brooklyn called Albany Crossings Apartments and Kingston Heights Apartments. Together they comprise 16-buildings with 224-Project Based Section 8 units (including three superintendent units). The buildings are under a 20-year Mark to Market Housing Assistance Payments (HAP) contract through 2028, under which tenants pay no more than 30% of their income in rent, with the remainder of contract rent paid by United States Department of Housing and Urban Development (HUD).

Under the proposed project, the existing Article V entities will be dissolved, and the properties will be acquired by Albany Kingston Housing Development Fund Corporation (HDFC), along with its beneficial owner, Albany Kingston LLC and Kingston Heights Housing LLC. The HDFC and the beneficial owner are requesting their current Article V exemption be terminated as they plan to enter into an as-of-right 420-c tax exemption upon execution of a new Regulatory Agreement with the Department of Housing, Preservation and Development (HPD). The new owner will be required to enter into a 60-year regulatory agreement, be required to renew its HAP contract, and be subject to rent restrictions over the course of the 60-year regulatory period. 40% of the units will be rented to households earning up to 60% of the Area Median Income (AMI), with the remaining 60% of units rented to households earning up to 80% AMI.

HPD is requesting that the Council approve the termination of the two project’s Article V exemptions and consent to the dissolution of the existing Article V entities.

Summary:

* Borough – Brooklyn
* Block 1676, Lot 01; Block 1854, Lots 12, 14, 16, and 19; Block 1863, Lot 44; Block 1864, Lot 73; Block 1871, Lots 03 and 05; Block 1858, Lot 24 (fka Lots 24, 26, 28, 30); Block 1859, Lots 06, 10, 14, 15, and 16.
* Council District – 36
* Council Member – Cornegy
* Council Member approval – Yes
* Number of buildings – 16
* Number of units – 224
* Type of exemption – Article V (termination)
* Population – affordable rental housing
* Sponsor – Albany Kingston HDFC, Albany Kingston LLC, Kingston Heights Housing LLC, The Arker Companies
* Purpose – preservation
* Cost to the City – n/a
* Housing Code Violations
	+ Class A – 33
	+ Class B – 75
	+ Class C – 24
* AMI targets - 60% to 80% AMI