December 17, 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 December 17, 2020 – Resolutions approving tax exemption for two Land Use items (Council Districts 34, 37, and 48)

**Item 1: Ridgewood Bushwick 203K**

Ridgewood Bushwick 203K is a project involving the conversion of 83 units in 17 scattered-site buildings in Bushwick from affordable rentals into limited-equity affordable cooperative units, upon a petition by existing rental tenants, and subject to an offering plan pending approval by the New York State Attorney General.

Ridgewood Bushwick Homesteading Assistance Housing Development Fund Corporation (“HDFC”) has owned the 17 buildings since 2006 and completed a moderate rehabilitation of the properties. Under the proposed project, the buildings will be transferred to a new HDFC, the Bushwick Community Residents HDFC, which in turn will execute a 40-year regulatory agreement with the Department of Housing Preservation and Development (“HPD”) requiring that the units be sold only to households with incomes up to 80% of the Area Median Income (“AMI”). To improve oversight of the scattered-site cooperative, and as a requirement of the Attorney General’s sign-off on the offering plan, the land under the buildings will be granted to the Interboro Community Land Trust, which in turn would execute a 99-year lease to the new HDFC.

HPD is requesting that the Council approve a full 40-year Article XI property tax exemption.

Summary:

* Borough – Brooklyn
* Block 3173, Lots 1 and 22; Block 3177, Lots 12 and 13; Block 3186, Lot 47; Block 3197, Lot 11; Block 3217, Lot 18; Block 3219, Lots 21 and 47; Block 3246, Lot 16; Block 3257, Lot 43; Block 3289, Lot 19; Block 3297, Lot 51; Block 3301, Lot 5; Block 3326, Lot 34; Block 3393, Lot 43; Block 3441, Lot 5
* Council Districts – 34 and 37
* Council Members – Reynoso and Diaz
* Council Member approval – yes
* Number of buildings – 17
* Number of units – 83
* Type of exemption – Article XI, full, 40-year
* Population – affordable homeownership
* Sponsors – Urban Homesteading Assistance Board and Riseboro Community Partnership
* Purpose – preservation
* Cost to the city – $3 Million
* Housing Code Violations
  + Class A – 15
  + Class B – 17
  + Class C – 1
* AMI target – 80% AMI

**Item 2: Scheuer House of Brighton Beach**

Scheuer House of Brighton Beach is a senior housing development located at 3161 Brighton 6th Street in Brighton Beach, Brooklyn. Its 154 units include one studio and 153 one-bedroom apartment (inclusive of a single superintendent unit).

Brighton Beach HDFC, an affiliate of Jewish Association Serving the Aging, has been the owner and operator since 1981. The project has an existing Article XI property tax exemption and is also under a federal Housing Assistance Payments (HAP) Section 8 contract.

The HDFC proposes to refinance the project, and pay for moderate renovation, with a loan from the U.S. Department of Housing and Urban Development (“HUD”). At closing, the HDFC would also renew its Section 8 HAP contract for 20 years, and thereby obtain a mark-up-to-market rent increase from HUD, although tenants would continue to pay only 30% of their incomes in rent.

HPD is requesting that the Council approve a new partial 40-year Article XI property tax exemption. The HDFC and HPD would enter into a new regulatory agreement restricting the use of the development to rental housing for seniors with incomes up to 50% AMI.

Summary:

* Borough – Brooklyn
* Block 8693, Lot 12
* Council Districts – 48
* Council Members – Deutsch
* Council Member approval – yes
* Number of buildings – 1
* Number of units – 154
* Type of exemption – Article XI, partial, 40-year
* Population – affordable senior rental housing
* Sponsors – Brighton Beach HDFC, Jewish Association Serving the Aging
* Purpose – preservation
* Cost to the city – $2.8 million
* Housing Code Violations – none
* AMI target – 50% AMI