

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

February 10, 2021

Re: Los Sures SIP HDFC.GHPP.FY21
Block 2394, Lot 20
Block 2395, Lot 25
Block 2419, Lots 7, 9, and 12
Block 2432, Lot 25
Brooklyn, Community District No. 1
Council District No. 34

Dear Mr. Speaker:

The referenced property ("Exemption Area") contains six multiple dwellings known as Los Sures SIP HDFC.GHPP.FY21 which provide rental housing for low income families.

Los Sures SIP Housing Development Fund Corporation ("Owner"), the owner and operator, acquired a portion of the Exemption Area in 1992 and another portion in 1996. The Owner will finance the rehabilitation of the Exemption Area with loans from HPD and the New York City Housing Development Corporation. The Owner and 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 577 of the Private Housing Finance Law ("Prior Exemption"). In order to facilitate the project, the Prior Exemption must be terminated and replaced with a new exemption from real property taxation that is coterminous with the 40-year term of the new HPD 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. "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 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 2394, Lot 20, Block 2395, Lot 25, Block 2419, Lots 7, 9, and 12, and Block 2432, Lot 25 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.



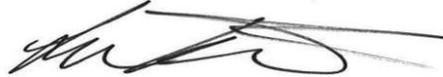
- e. "HDFC" shall mean Los Sures SIP Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - f. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - g. "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - h. "Owner" shall mean the HDFC.
 - i. "Prior Exemption" shall mean the exemption from real property taxation for a portion of the Exemption Area approved by the New York City Council on April 6, 2011 (Resolution No. 769) and the exemption from real property taxation for a portion of the Exemption Area approved by the New York City Council on April 6, 2011 (Resolution No. 770) and on June 14, 2011 (Resolution No. 877).
 - j. "Regulatory Agreement" shall mean the regulatory agreement between HPD and the Owner that is executed on or after September 1, 2020 and that establishes certain controls upon the operation of the Exemption Area during the term of the New Exemption.
2. The Prior Exemption shall terminate with respect to the Exemption Area 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. 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 buildings on the Exemption Area that exist on the Effective Date.
 - c. Nothing herein shall entitle the HDFC, the Owner, or any other person or entity to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.
 - d. All previous resolutions, if any, providing an exemption from or abatement of real property taxation with respect to the Exemption Area are hereby revoked as of the Effective Date.



5. In consideration of the New Exemption, the owner of the Exemption Area shall, for so long as the New Exemption shall remain in effect, 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. Notwithstanding the foregoing, nothing herein shall prohibit the granting of any real property tax abatement pursuant to Sections 467-b or 467-c of the Real Property Tax Law to real property occupied by senior citizens or persons with disabilities.

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,



Louise Carroll

