April 22, 2021

TO: Hon. Daniel Dromm

Chair, Finance Committee

Members of the Finance Committee

FROM: Rebecca Chasan, Senior Counsel, Finance Division

Stephanie Ruiz, Assistant Counsel, Finance Division

RE: Finance Committee Agenda of April 22, 2021 – Resolutions approving a tax exemption for two Land Use items (Council Districts 21 and 35)

**Item 1: Astoria Towers**

Astoria Towers is comprised of 62 residential units in the North Corona neighborhood in Queens. The residential units include 13 one-bedroom units, 35 two-bedroom units, and 14 three-bedroom units (inclusive of one unit reserved for the superintendent). The building also has an adjacent surface parking lot, with 54 spaces reserved for the tenants of the building.

Under the proposed project, Astoria Towers Housing Development Fund Corporation (HDFC) will acquire the building and Astoria and 110th Street Associates L.P. (Partnership) will be the beneficial owner and will operate the building. The HDFC and the Partnership (collectively, “Owner”) will finance the rehabilitation of the building with loans from the New York City Housing Development Corporation (HDC).

The New York City Department of Housing Preservation and Development (HPD) is requesting that the Council approve a partial, 40-year tax exemption to support affordable rental housing. The Owner, HDC, and HPD would enter into a regulatory agreement that would require that 11 units be leased to households with incomes up to 50 percent of the Area Median Income (AMI), 19 units be leased to households with incomes up to 65 percent of AMI, and 31 units be leased to households with incomes up to 100 percent of AMI.

Summary:

* Borough – Queens
* Block 1704, Lots 12 and 172
* Council District – 21
* Council Member – Moya
* Council Member approval –Yes
* Number of buildings – 1
* Number of units – 62 (including one superintendent unit)
* Type of exemption – Article XI partial, 40 years
* Population – affordable rental housing
* Sponsor – Astoria Towers HDFC, Astoria and 110th Street Associates L.P.
* Purpose – preservation
* Cost to the city – $4.2 million
* Housing Code Violations
  + Class A – 0
  + Class B – 0
  + Class C – 0
* AMI target – 11 units at 50% of AMI; 19 units at 65% of AMI; 31 units at 100% of AMI.

**Item 2: Clermont Area**

Clermont Area is a 41 unit limited equity cooperative building located in the Clinton Hill neighborhood of Brooklyn. The residential units include 22 one-bedroom units, seven two-bedroom units, two three-bedroom units, and 10 four-bedroom units (inclusive of a superintendent unit). All the units, except the superintendent’s unit, are occupied by cooperative members.

The building is owned and managed by Clermont Area HDFC. The property had previously received an Article IV property tax exemption that expired in 2013 and currently there are no regulatory agreements or deed restrictions controlling the property. Under the proposed project, the HDFC will receive a loan from HPD for the moderate rehabilitation and energy and water improvements.

HPD is requesting that the Council approve a full, 40-year tax exemption to support affordable homeownership. The exemption would be retroactive to 2013, when the Article IV property tax exemption expired. The HDFC and HPD would enter into a regulatory agreement that would require that the sale of vacant units, once they become available, be restricted to households earning up to 120 percent of AMI.

Summary:

* Borough – Brooklyn
* Block 1961, Lot 27
* Council District – 35
* Council Member – Cumbo
* Council Member approval –Yes
* Number of buildings – 1
* Number of units – 41 (including one superintendent unit)
* Type of exemption – Article XI full, 40 years
* Population – affordable homeownership
* Sponsor – Clermont Area Housing Development Fund Company, Inc.
* Purpose – preservation
* Cost to the city – $2.5 million
* Housing Code Violations
  + Class A – 3
  + Class B – 4
  + Class C – 1
* AMI target –120% of AMI (income)