August 26, 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 August 26, 2021 – Resolution approving a tax exemption for one Land Use item (Council District 2)

**Item 1: 310 East 4th Street HDFC**

310 East 4th Street HDFC is comprised of one building located in the East Village in Manhattan, containing 16 residential units. The residential units include two studios, six one-bedrooms, three two-bedrooms, and five three-bedrooms.

The building is owned and managed by 310 East 4th Street Housing Development Fund Corporation (“HDFC”). The project will support moderate rehabilitation of the building, which will include façade repair, elevator modernization, building envelope repairs, boiler replacement, elevator maintenance, baseboard repair and replacement, and common space door replacements. It is expected to receive approximately $456,315 in City capital. In addition, the building will receive approximately $72,000 through the New York City Housing Development Corporation’s Green Reserves, which will provide financing for energy efficiency and water conservation measures such as installing low flow faucets and showerheads, upgrading resident lighting to LED, and installing a solar PV system on the building’s rooftop.

The New York City Department of Housing Preservation and Development (“HPD”) is requesting that the Council approve a full, 40-year Article XI property tax exemption to support affordability. The tax exemption will be retroactive to address accumulated arrears, with an effective date of July 1, 2013. The HDFC and HPD would enter into a regulatory agreement that would require that six units be leased to households with incomes up to 45 percent of the Area Median Income (“AMI”), that six units be leased to households with incomes up to 55 percent of the AMI, that two units be leased to households with incomes up to 90 percent of the AMI, and that two units be leased to households with incomes up to 110 percent of the AMI.

Summary:

* Borough – Manhattan
* Block 373, Lot 8
* Council District – 2
* Council Member – Rivera
* Council Member approval –Yes
* Number of buildings – 1
* Number of units – 16
* Type of exemption – Article XI, full, 40 years
* Population – affordable rental housing
* Sponsor – 310 East 4th Street HDFC
* Purpose – preservation
* Cost to the city - $7.6 million
* Housing Code Violations
	+ Class A – 25
	+ Class B – 73
	+ Class C – 9
* AMI target – six units at 45% of AMI; six units at 55% of AMI; two units at 90% of AMI; two units at 110% of AMI.