

Area pursuant to Section 577 of the Private Housing Finance Law as follows:

The introductory paragraph of section 7 of the Prior Resolution is deleted and replaced with the following:

7. That the Board of Estimate hereby approves the exemption from local and municipal taxes, other than assessments for local improvements, of all of the value of the property, including both the land and any improvements, for the period commencing with the closing of the mortgage and delivery of the deed, and terminating forty (40) years from the date upon which the benefits of the aforementioned tax exemption first become available and effective; provided:

Except as specifically amended above, all other terms, conditions, provisions and requirements of the Prior Resolution remain in full force and effect.

Office of the City Clerk, }
The City of New York } ss.:

I hereby certify that the foregoing is a true copy of a Resolution passed by The Council of the City of New York on June 13, 2019, on file in this office.

City Clerk, Clerk of Council

Exhibit A

The exception has been requested in the extent of all of the value of the completed project, including both land and improvements, which exemption will be approximately \$1,000,000 annually or a total of \$19,700,000 over the maximum period of 20 years which is 20 years. This subsidy per dwelling unit is based on the fact that the property to be developed under the present project includes not only the residential portion of the development but also the commercial facilities and the community facilities.

For the portion of the Pilot Block that is to be financed by selling a bond, the City will provide per dwelling unit a subsidy of \$2,500. The total subsidy for a Capital Budget project per dwelling unit is \$4,500. The City will provide per dwelling unit a subsidy of \$4,500 for a project which is financed by a mortgage loan under the provisions of Section 236 of the National Housing Act. In the present case, the City will provide per dwelling unit a subsidy of \$2,500 for a project which is financed by a mortgage loan under the provisions of Section 236 of the National Housing Act. In the present case, the City will provide per dwelling unit a subsidy of \$2,500 for a project which is financed by a mortgage loan under the provisions of Section 236 of the National Housing Act.

In the case of the Pilot Block, the total subsidy will be \$4,500 per dwelling unit. The City will provide per dwelling unit a subsidy of \$2,500 for a project which is financed by a mortgage loan under the provisions of Section 236 of the National Housing Act. In the present case, the City will provide per dwelling unit a subsidy of \$2,500 for a project which is financed by a mortgage loan under the provisions of Section 236 of the National Housing Act.

It should be noted that approval of this request will mark the first time approval has been granted of a project where the purchase of a reversionary interest will exceed \$1,000,000. The City will also be the first time that a project which contains a reversionary interest will be approved. The City will also be the first time that a project which contains a reversionary interest will be approved.

A large amount of the present requirements of the Housing and Development Administration Urban Development Corporation with the State Division of Housing and Community Renewal which total \$15,000,000 with the current allocation of \$9,000,000 to the City and its suburban counties raises the question as to whether the City should be asked to contribute to the development of the project. The City should be asked to contribute to the development of the project.

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2. That the City is authorized to purchase an interest in the projects of East Harlem Pilot Block Building 2 Housing Development Fund Company, Inc. pursuant to Section 204 of the Private Housing Finance Law, in accordance with the terms set forth in the aforementioned Agreement; and

3. That the City is authorized to purchase an interest in the projects of East Harlem Pilot Block Building 2 Housing Development Fund Company, Inc. pursuant to Section 204 of the Private Housing Finance Law, in accordance with the terms set forth in the aforementioned Agreement.

Which was adopted by the following vote:
Ayes: 32
Noes: 1
Abstentions: 1
The Acting Mayor, the Acting Comptroller, the President of the Council, the Acting President of the Borough of Manhattan, the President of the Borough of Brooklyn, the Acting President of the Borough of The Bronx, the President of the Borough of Queens and the Acting President of the Borough of Richmond—22.

Note—This resolution was adopted subject to a favorable report of the Corporation Committee.
(See Cal. No. 7.)

Cal. No. 9
Public Hearing in Matter of Approval of Land Disposition Agreement with East Harlem Pilot Block Building 2 Housing Development Fund Company, Inc. for Sale and Reversionary Interest in the Project.
Purchased by City of Reversionary Interest in Housing Project.
(Second Call)

(Note—Calendar Nos. 7 and 10, inclusive, were considered together.)
The Secretary presented an affidavit of publication showing that the matter has been duly advertised in accordance with a resolution adopted October 23, 1971 (Cal. No. 116).
The Secretary also presented a communication dated October 22, 1971, from the Housing and Development Administration, transmitting a reversionary interest agreement, a disposition agreement and two proposed resolutions.

The Secretary also presented the following report of the Director of the Budget:
November 6, 1971.

To the Board of Estimate:
On October 23, 1971, (Calendar No. 116), the Board of Estimate referred to the Director of the Budget the matters of disposition of Site 3 of the Harlem-East Harlem Pilot Block Building 2 Housing Development Fund Company, Inc. for sale and reversionary interest in the project, both land and improvements included in the completed project and purchase of a reversionary interest in the completed project.

The East Harlem Pilot Block is within the Harlem-East Harlem Urban Renewal Area and is located on East 124th Street, between Avenue C and Avenue D. The project consists of a 12-story building an 88-foot frontage on Second Avenue and 209-foot frontage on 124th Street. It is to be sold for the development of building 2 and related community and commercial facilities. The completed project block will consist of four residential buildings, community center, and other facilities.

In their order of the said project to be developed by the Building 2 Housing Development Fund Company there will be one 28-story building containing 64 43 and one-half room four-bedroom apartments and 28 eight and one-half room six-bedroom apartments. Rental charges per unit will be \$238.65 and \$288.13 for the 4 and six-bedroom units, respectively. It will also include commercial space and a 100 Training Center.

The maximum mortgage commitment by the Federal Government allocated to subject project is \$9,028,000. The City is therefore requested to provide, by purchasing a reversionary interest in the project, the required additional equity now estimated at \$6,800,000. If the City does not purchase the reversionary interest, the City will be required to purchase the reversionary interest in an amount not to exceed \$3,000,000. At the lowest and highest amounts, the City's supply will be at the rate of \$28,000 and \$32,600 per dwelling unit of the total project.

Phrasing Commission has reported that the total subsidy for the entire pilot block of \$1,150 per dwelling unit. The City land subsidy for the Building 2 portion of the project will therefore be \$36,724.

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November 11, 1971

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to purchase the reversionary interest in an amount not to exceed \$100,000. At the lowest and highest amounts, the City's subsidy will be at the rate of \$3,000 and \$4,500 per dwelling unit, respectively.

Disposition of the land is proposed at \$200 per dwelling unit or \$104,000. The City Planning Commission has reported that the land subsidy is \$2,072,000 for the entire plot area or \$3,100 per dwelling unit. The City had subsidy for the building 4 of the project, including both land and improvements, which exceeds the amount of \$446,000 annually or a total of \$17,848,000 over the maximum period of abatement which is forty years. This subsidy per dwelling unit for tax exemption is \$2,140 per year and \$83,600 over the year maximum period. It should be noted that the property to be abated is the portion of the project which is to be developed as a part of the development that also includes commercial facilities and the community facilities.

For this portion of the Plot Block that is to be financed as the Building 4 project the City will provide per dwelling unit subsidies of approximately \$2,250 to \$2,570 for capital funds and a tax exemption per dwelling unit subsidy of \$2,140 annually for a maximum period of 40 years.

Construction of the project is to be financed by a mortgage insured under the provisions of Section 236 of the National Housing Act. Normally the financing rate of a mortgage insured under this Section is subsidized down to 1 per cent. In the present instance the Federal Government has made a land subsidy of \$2,400 per dwelling unit which is to be used to finance the project.

In the case of Plot Block, the land subsidy will be \$2,072,000. The maximum capital subsidy for purchase of a reversionary interest, \$3,600,000, approximate annual tax for interest, \$1,231,000. The total development subsidy per dwelling unit will therefore be \$12,000 and the annual tax subsidy per dwelling unit \$2,675. Additional costs can be financed by the Federal Government Model Cities supplemental funds which will be used to fund \$1,000,000 of the required capital subsidies and City funds included in Capital Project ES-35 will be used to fund the balance of \$2,600,000 and the land subsidy of \$2,072,000.

It should be noted that approval of these requests will mark the first time approval has been granted for a reversionary interest in a project which will be used to fund \$4,200 per dwelling unit. The value of the reversionary interest in this project can be as high as \$4,000 per dwelling unit. It will also be the first time that a project which contemplates receiving more than 50 percent of its income from non-residential sources will be granted a 100 percent tax exemption with that exemption extending to all aspects of the project.

A large amount of Section 236 subsidy funds are required to make this project feasible. Comparison of the present requirements of the Housing and Development Administration, Urban Development Corporation and the State Division of Housing and Community Renewal, which total \$15,500,000 with the current allocation of \$9,000,000 available under the Federal Government Model Cities program indicates that the subsidy to be available would exceed for the Plot Block Project, Nobolia in the abatement indicated that any alternate plan for additional funding has been investigated should the Section 236 funds not be available or if the estimated costs should fall short of actual costs. It appears clear from the feasibility study of the Department of Housing and Urban Development that the Section 236 purchase have been provided in Capital Project ES-35. Use of these funds to finance the urban renewal program is proper. Bureau of the Budget and the Housing and Development Administration has replied in the determination that the project would remain feasible if it were to pay taxes in an amount not to exceed 5 percent of the annual shelter rent. Approval of the project as presented but with exemption from real estate taxes of all of the units of the completed project of 5 percent of the annual shelter rent would increase the average monthly per room residential rent by approximately \$30 for each 1 per cent of taxes paid.

Exemption of the tax exemption to the non-residential portions of the project should remain an effect only for the period during which those portions are used for the purposes enumerated in the project plan. The disposition of the land subsidy to be provided for the project should be subject to approval by the Housing and Development Administration, and that agency is charged with determining the propriety of continued tax exemption should usage of the premises change.

and the City Clerk is hereby directed to attest the same and affix the seal of the City thereon, and

2. That the City is authorized to purchase an interest in the project of East Harlem Plot Block Building 3 Housing Development Fund Company, Inc., pursuant to Section 236 of the Private Housing Finance Law, in accordance with the terms set forth in the attached report.

3. That the Comptroller be and he hereby is authorized and directed to make assignment and interest in the project of East Harlem Plot Block Building 3 Housing Development Fund Company, Inc., in accordance with the terms and conditions contained in said assignment.

Which was adopted by the following vote:

Affirmative—This Special Assistant to the Mayor, the Acting Comptroller, the President of the Board of Estimate and the Acting President of the Borough of Manhattan, the President of the Borough of Queens and the Acting President of the Borough of The Bronx, the President of the Borough of Richmond and the Acting President of the Borough of Richmond.

None—This resolution was adopted subject to a favorable report of the Corporation Counsel.

(See Cal. No 7.)

Cal. No. 10
Public Hearing in Matter of Approval of Land Disposition Agreement with East Harlem Plot Block Building 3 Housing Development Fund Company, Inc., for Sale and Block Subsidy of Site 4 of East Harlem Plot Block, Manhattan, Approval of Contract for Purchase by City of Reversionary Interest in Housing Project.

(Second Call)

(Note—Calendar Nos. 7 to 10, inclusive, were considered together.)
The Secretary presented as item of publication showing that the matter has been duly advertised in accordance with a resolution adopted on March 2, 1971 (Cal. No. 117).
The Secretary also presented a communication dated October 2, 1971, from the Housing and Development Administration, transmitting a reversionary interest agreement, a disposition agreement and two proposed resolutions.

The Secretary also presented the following report of the Deputy and Acting Director of the Budget of Estimate:

November 3, 1971.

Comptroller—On October 28, 1971 (Calendar No. 117), the Board of Estimate referred to the Director of the Budget the matters of disposition of Site 4 of the Harlem-East Harlem Plot Block Building 3 Housing Development Fund Company, Inc., for sale and block subsidy, tax exemption to the completed project and purchase of a reversionary interest in the completed project.

The East Harlem Plot Block is within the Harlem-East Harlem Urban Renewal Area and is bounded by Third Avenue, East 124th Street, Second Avenue and East 122nd Street. The project block contains 115 foot frontage on Second Avenue and 400 feet frontage on 122nd Street. The project block will consist of four residential buildings, community facilities and commercial structures, that non-residential portion of the project block comprises approximately 49 per cent of the total project.

In that portion of the total project to be developed by the Building 4 Housing Development Fund Company, there will be one 35-story building containing 28 one-bedroom apartment units, 34 two and one-half room efficiency apartments, 74 three and one-half room one-bedroom apartments, 26 four and one-half room one-bedroom apartments and 46 five room one-bedroom apartments. Total project cost is estimated to be \$102,741,123.18 and \$226,581 for the 1971-72 fiscal year. In addition, there will be allocated parking for 95 cars, commercial space and a job training education center.

It is estimated that the replacement cost of this portion of the project will be \$10,231. The one-third mortgage commitment by the Federal Government allocated to the project is \$27,200. The project is to be provided, by purchasing a reversionary interest in the project, the required additional contribution of \$642,331 if construction starts prior to December 1, 1973. If construction does not start prior to March 1, 1972, it is estimated that the equity required from the City will increase to \$969,918. To provide for this contingency the submission requests approval of authority