



COMMUNITY ASSISTED TENANT
CONTROLLED HOUSING, INC.

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October 16, 2015

Darlene Mealy
New York City Council
250 Broadway, Suite 1778
New York, N.Y. 10007

Re: 270 Rochester Avenue, #10, homeless set aside

Dear Council Member Mealy,

This letter supersedes the one I sent you yesterday.

I am writing regarding the affordable housing renovation project at 270 Rochester Avenue in Brooklyn. As we have discussed this project is funded by the City of New York for the purpose of preserving affordable housing.

Per the commitment letter signed by HPD and CATCH, all 16 apartments in this building will remain affordable for at least the duration of the HPD funding. The letter sent to the Speaker on June 22 of this year (attached) cites a 35 year period. This term was submitted to make sure affordability restrictions were in place to cover both the 2-year construction period and the 30-year permanent loan. (My previous communications referenced the 30 year loan which will commence when construction is finished.)

Part of the restrictions include the designation of #10 as "homeless set aside". If/when this apartment becomes vacant, it will be marketed through the city and state agencies listed on that attached excerpt from the commitment letter. (#10 is currently occupied. That tenant will not be displaced in order to make way for a homeless applicant.)

CATCH very much appreciates your office's support and interest in this project. We will notify you if/when #10 becomes vacant.

Thank you.

Sincerely,

Matthew Shurtleff
Program Director CATCH
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Cc: Central Harlem MHA HDFC Board
Wavecrest Management

6. **Annual Cash Flow Debt Service Payments.** Annually, the building's financials will be reviewed by the loan servicer to determine if there is net cash flow after operating expenses and required debt service ("Net Cash Flow"). Annually, 50% of Net Cash Flow will be available to make an additional lump-sum payment on the Co-Lender Permanent Loan and the Subordinate Notes ("Cash Flow Debt Service Payments"). The first \$22,226 of available Cash Flow Debt Service Payments will be paid on the Co-Lender Permanent Loan; the next \$4,223 of available Cash Flow Debt Service Payment will be paid on the HPD subordinate debt described in Special Condition A.4.; any additional Cash Flow Debt Service Payments may be made on the subordinate notes described in Special Condition A.5.
7. **Intentionally Omitted**
8. **Homeless Set-Aside.** During the restriction period, Owner shall designate no less than ten (10) units in the Premises ("Eligible Homeless Units") to tenants who are referred by the New York City Department of Health and Mental Hygiene ("DHMH") New York City Department of Homeless Services ("DHS"), the New York State Office of Mental Health ("OMH and together with DHS and DHMH, the "Subsidizing Agencies"), HPD, or an alternate referral source acceptable to HPD ("Eligible Homeless Tenants"). If at any time during the restricted period, a lease is terminated for any one of the eligible homeless units and the tenant(s) in occupancy vacate that unit, the Owner shall lease the vacated eligible homeless unit to an eligible homeless tenant. All units occupied by Eligible Homeless Tenants and their families at any time (whether currently or prospectively) shall be re-rented to Eligible Homeless Tenants and their families upon vacancy. For good cause demonstrated to HPD's satisfaction, HPD may at any time or times in writing reduce the required percentage or waive the foregoing requirement, provided that if thereafter HPD determines that the reason(s) for the reduction or waiver have diminished or no longer exist, HPD shall have the right to increase or re-impose the percentage up to the percentage stated herein.
9. **Second Construction Loan Closing to Rebalance Subsidy Amounts.** Three months prior to Construction Completion, HPD in its sole discretion will determine if there are sufficient Excess Rents to justify a restructuring of the Permanent Loans (See Special Condition C.12.). Provided CPC approves the increase to the CPC Permanent Loan and a corresponding increase to the CPC Construction Lender Loan, there will be a Second Construction Loan Closing to rebalance the public and private debt. Proceeds from the new CPC Construction Lender Loan must be sufficient to cover all transaction costs related to the Second Construction Loan Closing.