

Honorable Melissa Mark-Viverito
Speaker of the Council
City Hall
New York, New York 10007
Attention: Gary Altman

Re: 305 East 171st Street Project
Block 2784, Lot 39
Bronx, Community District No. 4
Council District No. 16

Dear Madame Speaker:

The referenced property ("Exemption Area") contains one multiple dwelling known as the 305 East 171st Street project, which provides cooperative homeownership for low income families.

Under the proposed project, 305 East 171st Street Housing Development Fund Corporation ("HDFC"), which owns and operates the Exemption Area, will finance the Exemption Area's rehabilitation with a loan from the City of New York Department of Housing Preservation and Development ("HPD") and project reserves. 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 that will expire in 2029 ("Prior Exemption"). In order to facilitate the project, the Prior Exemption must be terminated and replaced with a new Article XI exemption ("New Exemption") from real property taxation that is coterminous with the 30-year term of the new HPD mortgage loan.

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. "Effective Date" shall mean the date that HPD and the Owner enter into the Regulatory Agreement.
 - b. "Exemption Area" shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 2784, Lot 39 on the Tax Map of the City of New York.
 - c. "Expiration Date" shall mean the earlier to occur of (i) a date which is thirty (30) 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.
 - d. "HDFC" shall mean 305 East 171st Street Housing Development Fund Corporation.
 - e. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - f. "New Exemption" shall mean the Article XI exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - g. "Owner" shall mean the HDFC or any future owner of the Exemption Area.
 - h. "Prior Exemption" shall mean the exemption from real property taxation for the Exemption Area approved by the Board of Estimate on July 1, 1989 (Cal. No. 95).

- i. "Regulatory Agreement" shall mean the regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.
2. The Prior Exemption shall terminate 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), 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) the Exemption Area is conveyed 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 a building on the Exemption Area that exists on the Effective Date.
 - c. Nothing herein shall entitle the HDPC 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.
6. In consideration of the New Exemption, the owner of the Exemption Area, for so long as the New Exemption shall remain in effect, shall 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.

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,

Vicki Been