

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

L.U. 68

Bethany Place House

May 1, 2018

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(Perkins) L. U. No. 68 consists of an Exemption Area containing one multiple dwelling located at 301 West 143 Street (Block 2047, Lot 7) and one vacant lot located at 2091 Frederick Douglass Blvd (Block 2047, Lot 10) and is known as Bethany Place. Bethany II Housing Development Fund Corporation is the owner and operates the Exemption Area which provides rental housing for low income families.

On April 14, 2003, Resolution 821, the City Council approved the disposition of three contiguous vacant and gutted City-owned tenements to the Sponsor, Bethany II Housing Development Fund Corporation. In 1996, the sponsor purchased the adjacent Lot (Lot 10) through a lien sale and together both Lots make up the project area.

The project was redeveloped under HDC's Mixed Income Program which restricts incomes between up to 130% AMI. There are Ten (10) two-bedrooms and Thirteen (13) three-bedrooms apartments for a total of Twenty-three (23) units. In accordance with program guidelines and

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the HDC regulatory agreement, of the 23 units, five units are income-restricted at 100% AMI and eighteen units income-restricted at 130% AMI.

Work on the building began in 2004, but delays in construction lead to the eventual replacement of the general contractor as well as increased costs.

In 2010, the City Council approved a 32-year Article XI tax exemption that took effect in 2012 with the closing on additional construction financing. Because of the construction delays, the final Certificate of Occupancy was not issued until 2016. The project is now fully rented.

Currently, the Sponsor is preparing for the construction loan conversion to permanent financing. HDC has agreed to provide additional financing and to extend its first position loan term to 35 years and its subordinate loans to 43 years. Given HDC requires extension of the Article XI tax exemption for the life of its first position loan, the Article XI tax

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exemption approved in 2010 needs to be terminated and replaced by a new Forty (40) year Article XI tax exemption coinciding with new Regulatory Agreements.

Additionally, the sponsor and HDC have agreed to extend the affordability restrictions for 43 years from 2018. For this reason, the existing HDC Regulatory Agreement will be amended and restated to extend to 2061 which is beyond the extended term of the first position loan and the new Article XI exemption.

The Owner has financed the acquisition and rehabilitation of the Exemption Area with loans from the New York City Housing Development Corporation, the Department of Housing Preservation and Development ("HPD") and the Community Preservation Corporation, and grants from the State of New York. The Owner and HPD will enter into a regulatory agreement establishing certain controls upon the operation of the Exemption Area.

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In order to ensure the continued affordability of the Exemption Area, HPD is before the Subcommittee seeking approval of a new Article XI tax exemption.

# The Department of Housing Preservation and Development

L.U. No. 71

Two Buildings Two Tenants

May 1, 2018

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{**Rivera**} **Land Use No. 71** consists of two fully occupied multiple dwellings located at **280 East 3<sup>rd</sup> Street** (*Block 372, Lot 12*) and **230 East 4<sup>th</sup> Street** (*Block 399, Lot 24*) known as **Two Buildings Tenants United** in Manhattan Council District 2.

The City conveyed the Disposition Area in 1991, together with seven other properties, to the People's Mutual Housing Association of the Lower East Side, Inc., which changed its corporate name in 1995 to The Lower East Side People's Mutual Housing Association, Inc. ("Current Owner"), for an affordable housing project developed under the Lower East Side Cross Subsidy Program. The program was the product of an agreement between HPD and Manhattan Community Board and was designed to maintain affordable housing which used a revolving fund that would subsidize the development of permanently affordable housing for low- and middle-income residents of the neighborhood; rehabilitating vacant multi-family buildings owned by the city, as well as constructing new multi-family buildings on the Lower East Side.

The buildings comprise 36 units with a mixture of unit types including Four (4) studios, Seven (7) one- bedroom, Nine (9) two- bedroom, Twelve (12) three- bedroom, and Three (3) four-bedroom apartments, as well as a superintendent's

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May 1, 2018

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unit. Household incomes are below 80% of AMI.

HPD provided mortgage financing for the rehabilitation of the two multiple dwellings in 1991 and the current owner entered into a regulatory agreement with HPD to provide housing for persons of low income and the homeless for 99 years. The Disposition Area was expected to receive J-51 tax exemptions, but the exemptions never took effect due to delays in obtaining permanent certificates of occupancy. As a result, significant tax arrears have accrued on the two properties thus endangering the viability of the project. In order to eliminate the arrears, the current owner will deliver deeds in lieu of foreclosure for the properties to the City. In turn, the City will convey the properties to Two Buildings Tenants United Housing Development Fund Company, Inc. free and clear of taxes.

The Two Buildings Tenants United HDHC will convey the Exemption area, but not the improvements (the buildings) to Cooper Square Housing Development Fund Company Community Land Trust (CLT).

The Two Buildings Tenants United will assume a portion of the City's 1991 mortgage and together with the Cooper Square Housing Development Fund Company Community Land Trust, Inc. will enter into a new regulatory agreement establishing certain controls upon the operation of the Disposition Area.

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Two Buildings Two Tenants

May 1, 2018

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The buildings are in fair-to-good shape and will only need general maintenance upon transfer of ownership. In order to help preserve long term affordability of the low income rental units HPD is before the Planning Subcommittee seeking approval of Article XI tax benefits for a period of 40 years that will coincide with the term of the regulatory agreement.

**(Ambry-Samuel) L. U. No. 72** consists of an exemption area containing two fully occupied buildings located at 752 Macdonough Street (Block 1502, Lot 18) and 1638 Broadway (Block 1499, Lot 13) in Brooklyn Council district 41 and is known as CSH (Community Services Housing Development Corporation).

The two buildings were originally conveyed to the owner in 1996 upon approval by the City Council to Mamie Wiggins LP under HPD's Neighborhood Redevelopment Program. As part of a Year 15 refinancing/repositioning, Mamie Wiggins Limited Partnership buildings were consolidated in a portfolio of 33 buildings and 4 vacant lots and the closing occurred on December 30, 2015.

At that time, the buildings in the portfolio were owned by 5 separate partnership entities, all of which are affiliates of CSH and are now under one ownership structure.

A full 420c residential tax benefit was expected to run coterminous with the new financing but it was discovered during the tax credit application



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CSH Article XI

May 1, 2018

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process that two subject buildings did not receive tax credits as part of their prior financing and were not eligible to receive the 420c exemption.

In order to ensure the continued financial sustainability and extended affordability of this project HPD is seeking a full Article XI tax exemption for L. U. No. 72, retroactive from 2015. The owner will enter into a regulatory agreement that will be coterminous with a 35 year Article XI tax exemption.

THE COUNCIL  
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 2018533 Res. No. 71

in favor  in opposition

Date: 05/01/2018

(PLEASE PRINT)

Name: Niki Tsismenaki

Address: 80 Boral Street Ste 303, NY, NY 10004

I represent: Gudstein Hall LLC / Two Buildings Tenants Union

Address: 59-01 E-4 St. NY, NY

THE COUNCIL  
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. 71

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Valerio Orselli

Address: 16 2nd Ave, NY 10002

I represent: Cooper Square Comm. Land

Address: Trust 61 E 4 St, NY 10002

THE COUNCIL  
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: #3 5/1/18

(PLEASE PRINT)

Name: Steven Robinson

Address: Bethany Baptist Chh

I represent: Bethany Place, B.H.D.F.C II

Address: 303 W 153rd St. NYC

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: DEVON NEARY

Address: 100 GOLD ST, 9<sup>th</sup> FLOOR

I represent: HPD

Address: 100 GOLD ST

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 71 Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: James Leyba

Address: 100 Gold St #9510

I represent: HPD

Address: 100 Gold St #9510

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 72 Res. No. \_\_\_\_\_

in favor  in opposition

Date: 5/1/18

(PLEASE PRINT)

Name: Seth Bynum

Address: ~~24-25 27th St~~ HPD

I represent: HPD

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

**Appearance Card**

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. 71

in favor  in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: WALTER SOROMON

Address: HPD

I represent: THE NEW YORK TOUR & TRAVEL

Address: 6 SP / E 17th

*Please complete this card and return to the Sergeant-at-Arms*

**THE COUNCIL  
THE CITY OF NEW YORK**

**Appearance Card**

I intend to appear and speak on Int. No. 68, 71, 72 Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Lacey Tauber

Address: \_\_\_\_\_

I represent: HPD

Address: \_\_\_\_\_

*Please complete this card and return to the Sergeant-at-Arms*

**THE COUNCIL  
THE CITY OF NEW YORK**

**Appearance Card**

I intend to appear and speak on Int. No. 42 Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: JEREMY HOFFMAN

Address: 307 W 11th St #2F, Brooklyn

I represent: UDD

Address: 100 Canal Street

**Please complete this card and return to the Sergeant-at-Arms**

**THE COUNCIL  
THE CITY OF NEW YORK**

**Appearance Card**

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: MARSHALL H. JACO

Address: 271-14 79th Ave, Bklyn

I represent: 26th Ward

Address: 271-14 79th Ave, Bklyn

**Please complete this card and return to the Sergeant-at-Arms**