



City of New York
DEPARTMENT OF
HOUSING PRESERVATION AND DEVELOPMENT
100 GOLD STREET, NEW YORK, N.Y. 10038
nyc.gov/hpd

MATHEW M. WAMBUA
Commissioner

MAY 28 2013

Honorable Christine C. Quinn
Speaker of the Council
City Hall
New York, New York 10007
Attention: Gary Altman

Re: 74 West 105 Street
Block 1840, Lot 60
("Exemption Area")
Manhattan, Community District No. 7
Council District No. 8

Dear Madame Speaker:

The referenced property ("Exemption Area") consists of one multiple dwelling that contains 10 units of rental housing for persons and families of low income. The Exemption Area is owned by 74 West 105th Street Housing Development Fund Corporation (the "HDFC"), which acquired it on September 21, 1982. A combination of rising operating expenses and low rents has now created a financial hardship that endangers the continued operation of the building as an affordable housing project. HPD is therefore requesting a tax exemption for the Exemption Area pursuant to Section 577 of the Private Housing Finance Law in order to ensure that the building may remain affordable to low income families. The HDFC will enter into a regulatory agreement with HPD providing that, upon vacancy, dwelling units must be rented to families whose incomes do not exceed 120% of area median income

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 January 1, 2007, by which date the project began experiencing financial hardship due to limited income and rising expenses, as determined by HPD.
 - (b) "Exemption" shall mean the exemption from real property taxation provided hereunder.



- (c) "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1840, Lot 60 on the Tax Map of the City of New York.
 - (d) "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.
 - (e) "HDFC" shall mean 74 West 105th Street Housing Development Fund Corporation.
 - (f) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - (g) "Owner" shall mean the HDFC or any future owner of the Exemption Area.
 - (h) "Regulatory Agreement" shall mean the regulatory agreement between HPD and the HDFC, as amended, establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.
2. 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.
3. Notwithstanding any provision hereof to the contrary,
- (a) The 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, or (iii) the 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 the 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 Exemption shall prospectively terminate.
 - (b) The Exemption shall not apply to any building constructed on the Exemption Area which did not have a permanent certificate of occupancy on the Effective Date or an equivalent document satisfactory to HPD recording the occupancy and configuration of the building.
 - (c) Nothing herein shall entitle the HDFC to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.



4. In consideration of the Exemption, the HDFC (i) shall execute and record the Regulatory Agreement, and (ii) for so long as the Exemption shall remain in effect, 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,



Mathew M. Wambua

