



Department of  
Housing Preservation  
& Development  
nyc.gov/hpd

VICKI BEEN  
Commissioner

Office of the Commissioner  
100 Gold Street  
New York, N.Y. 10038

DEC 11 2015

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

Re: Block 1760, Lots 1 and 101  
Manhattan, Community Board No. 11  
Council District No. 9

Dear Madame Speaker:

The referenced property ("Exemption Area") contains seven multiple dwellings that provide rental housing for low income families.

Under the proposed project, Riverton Square Housing Development Fund Corporation ("HDFC"), a housing development fund corporation organized pursuant to Article XI of the Private Housing Finance Law and the Not-For-Profit Corporation Law, will acquire the Exemption Area and Riverton Square, LLC ("Company"), a Delaware limited liability company will become the beneficial owner and will operate the Exemption Area. The HDFC and the Company (collectively, "Owner") will enter into a regulatory agreement with the Department of Housing Preservation and Development ("HPD") establishing certain controls upon the operation of the Exemption Area.

The Exemption Area currently does not receive any exemption from real property taxation. In order to facilitate the project, HPD is seeking an exemption from real property taxation that is coterminous with the thirty (30) year term of the new regulatory agreement.

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:

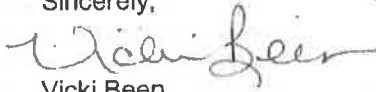
1. For the purposes hereof, the following terms shall have the following meanings:
  - a. "Company" shall mean Riverton Square, LLC.
  - b. "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, or (ii) the date that the Owner and HPD enter into the Regulatory Agreement.
  - c. "Exemption" shall mean the exemption from real property taxation provided hereunder.
  - d. "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1760, Lots 1 and 101 on the Tax Map of the City of New York.
  - e. "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.



- f. "HDFC" shall mean Riverton Square Housing Development Fund Corporation.
  - g. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
  - h. "Regulatory Agreement" shall mean the regulatory agreement between the Owner and HPD establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.
  - i. "Owner" shall mean, collectively, the HDFC and the Company.
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) there has been an event of default pursuant to the Regulatory Agreement for which such Regulatory Agreement specifies termination of the Exemption as a remedy, or (iii) the Exemption Area or the Company is transferred to a new owner in a manner not permitted by the Regulatory Agreement. 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 apply to all land in the Exemption Area, but shall only apply to a building that exists on the Effective Date.
  - 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 owner of the Exemption Area shall, 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,

  
Vicki Been

**NYC**

