



Department of
Housing Preservation
& Development
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LOUISE CARROLL
Commissioner

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

SEP 12 2019

Honorable Corey Johnson
Speaker of the Council
City Hall
New York, New York 10007
Attention: Jonathan Ettricks

Re: Block 1433, Lot 35
Brooklyn, Community District No. 16
Council District No. 41

Dear Mr. Speaker:

The referenced property ("Exemption Area") contains one multiple dwelling known as 2178 Atlantic Avenue which provides rental housing for low income families.

On November 16, 2016 the Council approved Resolution No. 1276 ("Prior Resolution"), which authorized a partial tax exemption for the Exemption Area to help alleviate financial hardships. Through no fault of the housing company, the period for executing a regulatory agreement as required by the Prior Resolution has expired.

Accordingly, HPD respectfully requests that the Council amend the Prior Resolution by deleting paragraphs (1)(k), (2), and (3) and (4)(a) thereof and replacing them with the following:

1. (k) "Tax payment" shall mean an annual real property tax payment on an assessed valuation equal to an amount calculated by multiplying \$3,500 times the number of residential units included in the Exemption Area and increasing such product by three and seven-tenths percent (3.7%) on July 1, 2021 and on July 1 of each successive year until the Expiration Date.
2. All of the value of the Exemption Area shall be exempt from real property taxation, including both the land and any improvements (excluding those portions, if any, devoted to business, commercial, or community facility use), other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon June 30, 2020.
3. Commencing upon July 1, 2020 and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of the Tax Payment. Notwithstanding the foregoing, (i) the total annual real property tax payment by the Owner shall not at any time exceed the amount of real estate taxes that would otherwise be due in the absence of any form of tax exemption or abatement provided by an existing or future local, state, or federal law, rule or regulation, and (ii) the J-51 Benefits shall not reduce the Tax Payment below zero dollars.
4. (a) The Exemption shall terminate if HPD determines 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 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.

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,



Louise Carroll

NYC

