

MAY 10 2015

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

Re: 321 East 60<sup>th</sup> Street  
Block 1435, Lot 15  
Manhattan  
Community District No. 8  
Council District No. 5

Dear Madame Speaker:

The referenced property ("Exemption Area") will contain one multiple dwelling known as 321 East 60<sup>th</sup> Street, which will contain rental units for low-income families.

ADHP Housing Development Fund Company, Inc. ("HDFC") acquired title to the Exemption Area on June 30, 2015. 321 East 60<sup>th</sup> Street LLC ("Company") is the beneficial owner of the Exemption Area. The HDFC and the Company (collectively, "Owner") entered into an Inclusionary Housing Regulatory Agreement ("Regulatory Agreement") with the City of New York Department of Housing Preservation and Development ("HPD") dated June 30, 2015. The Regulatory Agreement establishes certain controls upon the operation of the Exemption Area.

In order to ensure the affordability of the Exemption Area, HPD respectfully requests 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 321 East 60<sup>th</sup> Street LLC.
  - (b) "Effective Date" shall mean June 30, 2015.
  - (c) "Exemption" shall mean the exemption from real property taxation for the Exemption Area 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 1435, Lot 15 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 forty (40) 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 ADHP Housing Development Fund Company, Inc.
  - (g) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
  - (h) "Owner" shall mean, collectively, the HDFC and the Company.
  - (i) "Regulatory Agreement" shall mean the Inclusionary Housing Regulatory Agreement dated June 30, 2015 between the Owner and HPD, recorded and filed on July 20, 2015, CRFN no. 2015000249950.
  - (j) "Shelter Rent" shall mean the total rents received from the commercial and residential occupants of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8, rent supplements, and rental assistance), less the cost of providing to such occupants electricity, gas, heat and other utilities.
  - (k) "Shelter Rent Tax" shall mean an amount equal to twenty percent (20%) of Shelter Rent.
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, commercial or community facility 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. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of the Shelter Rent Tax. Notwithstanding the foregoing, 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.
4. 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, (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 Exemption shall prospectively terminate.
  - (b) The Exemption shall apply to all land in the Exemption Area, but shall only apply to a building in the Exemption Area that has a temporary certificate of occupancy for all of the residential areas on or before June 30, 2018.



- (c) Nothing herein shall entitle the HDFC to a refund of any real property taxes which accrued and were paid by or on behalf of the HDFC or any other owner of 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.
5. In consideration of the Exemption, the HDFC, for so long as the 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,

  
Maria Torres-Springer

