



**Department of
Housing Preservation
& Development**

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MARIA TORRES-SPRINGER
Commissioner

Office of the Commissioner
100 Gold Street
New York, NY 10038

APR 10 2018

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

Re: The Astra
Block 1811, p/o Lot 19 (Tentative Lot 70)
Brooklyn, Community District No. 3
Council District No. 36

Dear Mr. Speaker:

The referenced property ("Exemption Area") will contain one multiple dwelling known as The Astra which will provide rental housing for low income families.

Under the proposed project, HP Astra Housing Development Fund Company, Inc. ("HDFC") will acquire the Exemption Area and The Astra at Gates Avenue LLC ("Company"), a limited liability company, will be the beneficial owner and will operate the Exemption Area. The HDFC and the Company (collectively, "Owner") will finance the rehabilitation of the Exemption Area with loans from the New York City Housing Development Corporation and the Department of Housing Preservation and Development ("HPD") and developer equity. The Owner and HPD will enter into a regulatory agreement establishing certain controls upon the operation of the Exemption Area.

The parent lot, which currently receives an exemption from and/or abatement of real property taxation pursuant to Section 489 of the Real Property Tax Law ("J-51 Benefits"), is improved with two residential buildings and an underutilized shared surface parking lot. Upon completion of a pending lot apportionment, the J-51 Benefits will terminate on the Exemption Area because it will be a new construction site. In order to facilitate the project, 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 The Astra at Gates Avenue LLC or a limited liability company that acquires the beneficial interest in the Exemption Area with the approval of HPD.
 - 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 HPD and the Owner 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 Brooklyn, City and State of New York, identified as Block 1811, p/o Lot 19 (Tentative Lot 70) 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 HP Astra Housing Development Fund Company, Inc. or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - 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 regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area during the term of 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, 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. 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) any interest in the Exemption Area is conveyed or transferred 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 on the Exemption Area that has a permanent certificate of occupancy or a temporary certificate of occupancy for all of the residential areas on or before five years from the Effective Date.
 - c. Nothing herein shall entitle the HDFC, the Owner, or any past owner 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, 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,

A handwritten signature in black ink, appearing to read 'Maria Torres-Springer', with a long horizontal flourish extending to the right.

Maria Torres-Springer