



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

VICKI BEEN
Commissioner

AUG 24 2015

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

Re: Mixed Income Program: Mix and Match
Tremont Renaissance
Block 3027, Lot 1
Bronx, Community District No. 6
Council District No. 15

Dear Madame Speaker:

The referenced property ("Exemption Area") is the site for the proposed development of an affordable housing project under HPD's Mixed Income Program: Mix & Match.

Under HPD's Mixed Income Program: Mix & Match, sponsors construct or rehabilitate multifamily buildings in order to create affordable rental housing. Construction and permanent financing is provided through loans from private institutional lenders and from public sources including New York City Housing Development Corporation ("HDC") and HPD. Additional funding may also be provided from the syndication of low-income housing tax credits. The newly constructed or rehabilitated buildings provide rental projects affordable to households earning up to 165% of area median income. Projects may have a range of affordability tiers.

The referenced property ("Exemption Area") contains five vacant buildings and vacant land currently owned by Mastermind Development LLC. Under the proposed project, Tremont Renaissance Housing Development Fund Company, Inc. ("HDFC"), a not-for-profit corporation organized pursuant to Article 11 of the Private Housing Finance Law, will acquire the Exemption Area and Tremont Renaissance LLC, a New York limited liability company, or an affiliate (the "LLC"), will be the beneficial owner and will operate the Exemption Area. The HDFC and the LLC (collectively, the "New Owner") will demolish the vacant buildings and construct a multiple dwelling known as Tremont Renaissance consisting of 255 units of housing for low income families plus one superintendent unit and approximately 39,725 square feet of commercial space.

(212) 863-6100

FAX (212) 863-6302

TTY (212) 863-8508



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The HDFC will finance the acquisition and construction with funds provided by HPD and HDC and low income housing tax credits. The New Owner will enter into a regulatory agreement with HPD and HDC providing that, for a term of at least 40 years, approximately 50% of the units will be rented to families and individuals whose incomes do not exceed approximately 60% of area median income, approximately 35% of the units will be rented to families and individuals whose incomes do not exceed approximately 100% of area median income, and the remainder of the units will be rented to families and individuals whose incomes do not exceed approximately up to 120% of area median income.

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) "HDFC" shall mean Tremont Renaissance Housing Development Fund Company, Inc.
 - (b) "HDC" shall mean New York City Housing Development Corporation.
 - (c) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - (d) "LLC" shall mean Tremont Renaissance LLC or an affiliate.
 - (e) "New Owner" shall mean the HDFC and the LLC or any future owner of the Exemption Area.
 - (f) "Exemption" shall mean the exemption from real property taxation provided hereunder.
 - (g) "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, and (ii) the date that HPD, HDC and the New Owner enter into the Regulatory Agreement in their respective sole discretion.
 - (h) "Exemption Area" shall mean the real property located on the Tax Map of the City of New York in the Borough of the Bronx, City and State of New York, identified as Block 3027, Lot 1.
 - (i) "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 or leased by either a housing development fund company or an entity wholly controlled by a housing development fund company.
 - (j) "Project" shall mean the construction of one multiple dwelling building on the Exemption Area containing approximately 255 rental dwelling units plus one unit for a superintendent and approximately 39,725 square feet of commercial space.
 - (k) "Regulatory Agreement" shall mean the regulatory agreement between HPD, HDC and the New Owner 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 Expiration Date.



3. (a) Notwithstanding any provision hereof to the contrary, the exemption from real property taxation provided hereunder ("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 consent of HPD, or (v) the demolition or construction 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 New 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) Nothing herein shall entitle the New 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.
- (c) The Exemption shall not apply to any building constructed on the Exemption Area which does not have a permanent or temporary certificate of occupancy by May 31, 2018, as such date may be extended in writing by HPD.
4. In consideration of the Exemption, the New Owner (i) shall execute and record the Regulatory Agreement, and (ii) 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,



Vicki Been

Enclosures

