

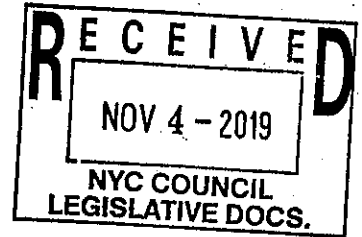


Department of
Housing Preservation
& Development
nyc.gov/hpd

LOUISE CARROLL
Commissioner

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

OCT 28 2019



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

Re: Carroll Gardens Portfolio
Block 332, Lot 52
Block 435, Lot 1
Block 449, Lot 12
Brooklyn, Community District No. 6
Council District No. 39

Dear Mr. Speaker:

The referenced property ("Exemption Area") contains three multiple dwellings known as Carroll Gardens Portfolio which provide rental housing for low income families.

Court Carroll Sackett Housing Development Fund Corporation ("HDFC") acquired the Exemption Area in 2019. CG Trio, LLC ("Company") is the beneficial owner and operates the Exemption Area. The HDFC and the Company (collectively, "Owner") will finance the rehabilitation of the Exemption Area with loans from HPD and a private lending institution. The Owner, the New York City Housing Development Corporation and HPD will enter into a regulatory agreement 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, the Exemption Area needs an exemption from real property taxation.

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 CG Trio, LLC or any other entity that acquires the beneficial interest in the Exemption Area with the prior written consent of HPD.
 - b. "Effective Date" shall mean August 14, 2019.
 - 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 332, Lot 52, Block 435, Lot 1, and Block 449, Lot 12 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. "HDC" shall mean the New York City Housing Development Corporation.



- g. "HDFC" shall mean Court Carroll Sackett Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
- h. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.

i. "Owner" shall mean, collectively, the HDFC and the Company.

j. "Regulatory Agreement" shall mean the regulatory agreement between HDC, HPD and the Owner executed on or after October 1, 2019 establishing certain controls upon the operation of the Exemption Area on or after the date such Regulatory Agreement is executed.

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 buildings on the Exemption Area that exist on the Effective Date.
- c. Nothing herein shall entitle the HDFC, the Owner, or any other person or entity 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 (a) execute and record the Regulatory Agreement, and (b) 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. Notwithstanding the foregoing, nothing herein shall prohibit the granting of any real property tax abatement pursuant to Sections 467-b or 467-c of the Real Property Tax Law to real property occupied by senior citizens or person with disabilities.

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

