



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

VICKI BEEN
Commissioner

FAPR 12 2016

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

Re: Mixed Income Program
810 River Avenue
Bronx, Community District No. 4
Council District No.: 8

Dear Madame Speaker:

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

On May 14, 2014, the Council issued a Resolution approving a full exemption from real property taxes for the Exemption Area (Council Resolution No. 237). The Resolution approved the exemption pursuant to Section 577 of the Real Property Tax Law. The reference, however, should have been to Section 577 of the Private Housing Finance Law. This submission is to request a correction to the Council Resolution No. 237, to order to correct the reference to the statutory basis for the exemption from Section 577 of the Real Property Tax Law to Section 577 of the Private Housing Finance Law ("PHFL").

The Exemption Area is owned by 810 River Ave. Housing Development Fund Corporation (the "HDFC") as legal and nominee owner and 810 River Partners LLC (the "LLC") as beneficial owner. Under the project, the LLC will construct on the Exemption Area a multiple dwelling containing approximately 133 rental dwelling units for low income families plus one unit for a superintendent, and approximately 27,858 square feet of commercial space.

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) "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 Owner enter into the Regulatory Agreement in their respective sole discretion.
 - (b) "Exemption" shall mean the exemption from real property taxation provided hereunder.
 - (c) "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 2483, Lot 5.
 - (d) "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.
 - (e) "HDC" shall mean the New York City Housing Development Corporation.
 - (f) "HDFC" shall mean 810 River Ave. Housing Development Fund Corporation.
 - (g) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - (h) "LLC" shall mean 810 River Partners LLC.
 - (i) "Owner" shall mean the HDFC and the LLC or any future owner of the Exemption Area.
 - (j) "Project" shall mean the construction of a multiple dwelling on the Exemption Area containing approximately 133 rental dwelling units plus one unit for a superintendent, and approximately 27,858 square feet of commercial space.
 - (k) "Regulatory Agreement" shall mean the regulatory agreement between HPD, HDC and the 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, or (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 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 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 (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



