

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

L.U. 221, 222

Hunter's Point South Amendment  
Article XI Tax Exemption

October 3, 2018

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{**Van Bramer**} **Land Use Nos. 221 and 222** consist of a proposed amendment to the **Hunter's Point South Project**, a multi-phase initiative in Queens Council District 26. On November 13, 2008, (Resolution No. 1695), City Council approved the Hunter's Point South project, which included approximately 5,000 units, approximately 126,500 square feet of retail space, approximately 45,000 square feet of community facility space, one 180,000-square foot middle school / high school, and 10 acres of public parkland, as well as other public and private open spaces. The project also included new public streets and utilities.

The project was envisioned as a middle income housing project with income targets above 80 % AMI. It was to include 60% permanently affordable housing units at moderate and middle incomes and 40% market-rate units. The housing developments were to pay for the operations and maintenance of the 10-acre park, including public restrooms and a kayak launch.

Since the 2008 approvals, approximately 16,676 square feet of commercial space has been created. Additionally, construction of 924 units on Parcels A and B was completed in 2015. Parcel B also contains a 1,100 seat school that was completed

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in 2013. Furthermore, 10 acres of public parkland completed construction in two phases; one in 2013 and the other 2018.

Under the proposed amendment for the Hunter's Point South project, the project has been updated to include two new public schools in response to the local community, and to include deeper affordability than was planned previously. One or more sponsors will acquire disposition areas for one dollar per tax lot and each sponsor will deliver an enforcement note and mortgage for the remainder of the appraised value ("Land Debt"). The Sponsors will construct approximately 4,076 units, of which approximately 2,446 units will be rented or sold to households with incomes ranging from up to 30% AMI to up to 165% AMI. The balance will be market rate units (1,630 units), constructed in phases. Additionally, the sponsors will create approximately 109,824 square feet of retail space, approximately 45,000 square feet of community facility space, and accessory parking on the City-owned sites.

**Land Use No. 222** relates specifically to the development of 8 vacant city-owned lots located at **Block 6, Lots 20, 30, 40, 50, 60, 130, 160, and 165** slated for the construction of new mixed-use development as just described, by a selected

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developer and two new schools by the School Construction Authority, which will yield 572 seats on Parcel C and 612 seats on Parcel F. L. U. 221 is related to a request for an Article XI tax exemption for the residential building to be constructed on **Block 6, Lot 60.**

Upon conveyance, the residential building will be 55 stories, comprised of approximately 800 units with a mixture of unit types, including 174 studios, 145 one-bedroom and 480 two-bedroom apartments, plus one 2-bedroom apartment for a superintendent. 534 units will be permanently affordable to individuals and/or families with incomes of 40%, 50%, 130% and 165% of AMI, with rents at 37%, 47%, 115% and 130% AMI. There will be 265 market rate units, one superintendent's unit and approximately 8,071 square feet of ground floor retail space.

HPD is before the Subcommittee seeking an amendment to the project and tax benefits under Article XI in order to facilitate affordability for the housing units to be constructed in the long term. The cumulative value of the tax exemption is approximately 4402,258,316 and net present value is approximately \$112,379,404.

# THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

L. U. Nos. 226, 227, 228, 229

Sunset Park Portfolio Amendment

October 3, 2018

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{Menchaca} L.U. Nos. 226, 227, 228 and 229 consist of amendments to Council resolutions nos. 1554, 1555, 1556 and 1557, which were approved on June 6, 2017.

Located within Brooklyn Council District no. 38, the four clusters are referred to as the Sunset Park Portfolio. Together, the portfolio contains 42 buildings with 408 units originally approved for disposition and development by the Board of Estimate in the early 1980s as Section 8 HUD Multifamily rental housing for low-income families.

The resolutions approved on June 6, 2017 provided new tax benefits for the portfolio, as well as conversion from Article V housing status to Article XI HDFCs with 30-year regulatory agreements. On June 13, 2017, the buildings were conveyed to new HDFC entities under Article XI of the Private Housing Finance Law.

In advance of these approvals, HPD and the sponsor worked together to determine the best approach to maintaining the units as low-income rental housing, given a number of potential threats to the portfolio's continued affordability, including:

- HUD mortgages having been satisfied a number of years ago;

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L. U. Nos. 226, 227, 228, 229

Sunset Park Portfolio Amendment

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- Land Disposition Agreements that were set to expire in 2022;
- The fact that the buildings' Housing Assistance Program (HAP) contracts were set to begin expiring in 2017, and these contracts were the only regulating documents that restricted rents up to 30% of household income.

Therefore, the Sponsor obtained Council approval to voluntarily terminate their Article V housing status and obtain new tax exemptions under Article XI.

Currently, the owner is refinancing the existing loan and is requesting to amend the prior resolutions and extend the tax exemptions to 40 years from the current 30 year term.

**L.U. No. 229** covers 21 multiple dwellings with 185 units, plus 2 superintendent's units, and is now owned by HP Sunset Park I HDFC (*Reso. No. 1554*). These are located at Block 764, Lot 36; Block 792, Lot 56; Block 799, Lot 25; Block 809, Lots 2, 3, 4, 5, 6, 7; Block 816, Lots 36, 37; Block 817, Lots 1,5; Block 821, Lot 12; Block 830, Lots 33, 35; Block 832, Lot 51; and Block 839, Lot 6.

**L. U. No. 228** covers thirteen buildings with 146 units, plus 2 superintendent's units, and is now owned by HP Sunset Park II HDFC (*Reso. No. 1555*). These are

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located at Block 723, Lot 67; Block 774, Lot 59; Block 775 Lots 65 and 80; Block 783, Lot 21; Block 784, Lots 38, 39, 45, 47; and Block 814, Lot 20.

**L. U. No. 227** covers two buildings with 45 units, and is now owned by HP Sunset Park III HDFC (*Reso No. 1556*). These are located at Block 816, Lot 42.

**L. U. No. 226** covers three buildings with 28 units, now owned by HP Sunset Park IV HDFC (*Reso No. 1557*). These are located at Block 792, Lot 24 and Block 821, Lots 71 and 72.

The unit breakdown across the portfolio includes 4 superintendent units as well as 17 studios, 159 one-bedroom, 197 two-bedroom and 35 three-bedroom apartments with no vacancies. Household AMIs at initial occupancy are capped at 50% AMI as per the HAP contract, and tenants pay 30% of adjusted gross household income. The buildings will undergo a moderate rehab, including new kitchens and baths, low-flow fixtures, energy efficient lighting, in-unit electrical panels, new closet doors, and custom shelving. There will be upgrades to common areas and the community room, as well as roof, boiler, and window replacements. The work will address any outstanding HPD violations.

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The projects are privately owned and have existing HAP contracts. The HDFCs have retained fee ownership and have conveyed beneficial ownership to four LLCs. In June 2017, the current owners financed the acquisition of the developments with a private loan and investor equity. There is no City subsidy in the project.

As indicated, the HDFCs and the LLCs entered into a 30-year HPD regulatory agreement restricting the use of the development to low-income rental housing. Now, HPD will extend the regulatory agreement to be conterminous to the new 40-year exemption term. HPD is requesting that the four prior resolutions be amended by replacing paragraph (V) with language regarding the Expiration Date of the Article XI pursuant to Section 577 of the Private Housing Finance Law.

The estimated cumulative value of the tax exemption for the portfolio over the 40 year term is \$27,390,671 with a net present value of \$9,810,936.

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L. U. No. 233

Hopkinson Park Place Amendment

October 3, 2018

**{Ampry-Samuel} Land Use No. 233** consists of an amendment to a project located at **1900A & B Park Place**, (Block 1468, Lot 56) and **416 Thomas S. Boyland Street**, (Block 1468, Lot 63) in Brooklyn Council District 41, known as **Hopkinson Park Place**.

The ULURP approval for the Hopkinson Park Place project originally occurred on December 21, 2009 (Resolution No. 2315), allowing for the area designation, disposition of City-owned property, and project approval for new construction of 25 homeownership units without tax benefits under the New Foundations Program. However, the project did not advance beyond award to the selected development team because of the downturn in the housing market. Over time, as the housing market began to rebound, HPD began looking at other ways to bring former New Foundations projects online, and one strategy HPD is utilizing for this is the New Infill Homeownership Opportunities Program (NIHOP).

On February 10, 2017, HPD conveyed the site to the development team to build a 25-unit condominium, construction of which is now approximately 65% complete. Subsequent to the conveyance, an amended Mayoral authorization was approved on June 21, 2017, converting the project from a condominium to a cooperative. The City Council also granted a 40-year Article XI tax exemption on February 15,



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2018 (Resolution No. 195) in order to assist with affordability for the potential cooperative homebuyers. At that time, the Agency did not realize that the project summary also required a revision, because it contains language relative to the 2009 approval stating that the land debt and City subsidy should be allotted to each homeowner.

Therefore, as a result of the oversight, HPD is currently seeking to amend the project summary to change those terms. More specifically, the change will allow HPD to maintain the City subsidy and land debt as debt secured by the HDFC cooperative's property, rather than allocating such debt among individual cooperative units following completion of construction. In addition, the change will permit HPD to forgive all or a portion of the land debt upon the conversion of the HPD construction loan to the HPD permanent loan, based on the appraised value of the cooperative units and/or if HPD determines that the forgiveness is necessary, to reduce the taxable consideration for the cooperative units. These changes provide the Agency with the flexibility to reduce the land debt if we find that purchasers cannot obtain end loan financing because the underlying coop debt is too high.

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October 3, 2018

Other aspects of the project remain the same. The sponsor for the project is Habitat for Humanity Latent Thomas Boyland Street Housing Development Fund Corporation (“Sponsor”). The project entails the creation of three 4-story buildings with a mixture of unit types, including 7 one-bedroom, 15 two-bedroom and 3 three-bedroom apartments, for a total of 25 coops. The sales prices are anticipated to range from approximately \$212,015 to \$250,522. An Article XI tax exemption was obtained on February 15, 2018 and will remain in place for a term of 40 years coinciding with the regulatory agreement. Owner occupancy is required throughout the regulatory period and resale restrictions include the original price plus 2% compounding appreciation for every year of compliance with the HPD regulatory agreement.

In order to facilitate moving the project forward, HPD is before the Subcommittee seeking the approval of the Amended Project.

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L.U. 234

21 Arden Street ANCP

October 3, 2018

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(Rodriguez) Land Use No. 234 consists of the proposed disposition of one (1) partially occupied City owned building, as well as Article XI tax benefits located at **21 Arden Street**, (Block 2174, Lot 188) in Manhattan Council District 10.

The property entered City ownership through an In Rem Foreclosure Action in 1991 and has been participating in the Tenant Interim Lease (TIL) program since 2004. As a requirement of the TIL program, tenants form Tenant Associations to manage their buildings and collect rents under a Net Lease from the City of New York. Currently, the tenants are ready to move forward with the next steps in cooperative conversion under HPD's Affordable Neighborhood Cooperative Program (ANCP).

As part of ANCP, HPD selects qualified developers to rehabilitate distressed city-owned occupied multi-family buildings managed under the TIL Program in order to create affordable cooperatives for low to moderate-income households. The buildings will be transferred to Restoring Communities HDFC, an Article XI non-profit upon construction loan closing. Restoring Communities will hold title and oversee the rehabilitation and cooperative conversion that will be undertaken by Northern Manhattan Community Corporation, Inc. (NMIC), the developer selected

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21 Arden Street ANCP

October 3, 2018

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through a Request for Qualifications (RFQ). The developer will sign a Site Development and Management Agreement with Restoring Communities that will be in effect until co-op conversion occurs when title will be transferred to the cooperative. From the date of co-op conversion, the developer will remain the property manager for at least one year. After the first year, the co-op will have the choice of keeping the developer as their property manager or hiring a new company (approved by HPD).

21 Arden Street contains a total of fifteen (15) units including six (6) one-bedroom units and nine (9) two-bedroom apartments. Of the fifteen units, three (3) units are vacant and there are no commercial spaces associated with the property. The household incomes for the existing tenants range from 10% to 131% AMI and the co-op interests attributable to occupied apartments will be sold to the existing tenants for \$2,500. Additionally, the maintenance is anticipated to be approximately 47% AMI for existing tenants, which is roughly \$944 for a one-bedroom unit to \$1,143 for a two bedroom unit. The cooperative interests attributable to vacant apartments will be sold for a price affordable to families earning no more than 165% of the area median income.

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October 3, 2018

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The building will undergo a substantial rehabilitation. The work will consist of structural joist replacement work, electrical upgrades, and replacement of building systems including new windows, a new roof, plumbing upgrades and installation of a new boiler. The scope of work also includes new bathrooms, kitchens, entry doors, masonry work, flooring, mailboxes, hallway upgrades with bi-level lighting, painting, foundation stabilization, and asbestos and lead removal. The estimated development cost is approximately \$6,686,793.

Tenants have been temporarily relocated since 2009 due to structural issues and will remain relocated during the rehabilitation of the building. All relocated tenants have signed relocation agreements, which are legally binding, giving them the right to return to their original units. Any existing tenant requesting to return to a different unit based on physical limitations may be accommodated upon written consent by HPD.

HPD is before the Subcommittee seeking disposition approval and Article XI tax benefits for a term of Forty (40) years coinciding with the Regulatory Agreement in order to facilitate continued affordability of the cooperative. The cumulative

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L.U. 234

21 Arden Street ANCP

October 3, 2018

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value of the tax exemption is approximately \$2,886,289 with a net present value of 806,346.

**DISTRICT OFFICE**  
ADAM CLAYTON POWELL JR  
SIXTH OFFICE BUILDING,  
164 WEST 125TH STREET, SUITE 729  
NEW YORK, NY 10027  
(212) 678-4505  
FAX: (212) 864-4379

**LEGISLATIVE OFFICE**  
250 BROADWAY, SUITE 1821  
NEW YORK, NY 10007  
(212) 788-7397  
FAX: (212) 442-2732



THE COUNCIL OF  
THE CITY OF NEW YORK  
**BILL PERKINS**  
COUNCIL MEMBER  
9<sup>th</sup> DISTRICT, MANHATTAN

**FOR THE RECORD**

**COMMITTEES**  
LABOR AND HUMAN RIGHTS  
CONTRACTS  
GOVERNMENT OPERATIONS  
HOUSING AND BUILDING  
JUVENILE JUSTICE  
SMALL BUSINESS

October 1, 2018

Councilman Corey Johnson, Speaker  
NYC Council  
City Hall, NY 10007

RE: 95 Lenox Avenue - Block 1824, Lots 16 and 155

Dear Mr. Speaker


I write this letter to support the tax exemption at Block 1824 Lot 16 (aka 95 Lenox, a 160 unit Section 8 building), the modification to the Plan and Project, and conveyance approval for Block 1824 Lot 155 to L+M Development Partners. I support the redevelopment plans as represented in the attached commitment letter, which aims to:

1. Preserve 160 units of Section 8, affordable housing at Canaan IV
2. Develop a mixed income 288 unit building with 10% of units income restricted at 50% AMI, 10% of units at 90% AMI, and 20% of units at 130% AMI
3. Develop a 210 unit affordable building with 20% of units at 80% AMI, 20% of unit at 70% AMI, 20% of units at 50% AMI, 20% of units at 40% AMI, 10% of units at 30% AMI, and 10% of units set aside for formerly homeless families.

As part of this development effort, L+M and HPD will submit a follow-up application to rezone Lots 16, 19, 20, 21, and 155, as well as disposition approval for City Owned lots 19, 20, and 21. Although, I would like to see "deeper" affordability in the entire development, I recognized the efforts of those who have come to the table to provide and preserve housing in my district. I, therefore, give my support to this development effort, including the 3 items currently before the Council (20195047 HAM - conveyance approval, 20195048 HAM - modification of the previous Plan and Project, and 20195049 HAM - Article XI Tax Exemption on Lot 16), as well as the future rezoning and disposition of City-Owned property for Lots 19, 20, and 21.

Therefore, I support these efforts that will preserve Section 8 housing, create 100% income-restricted building with ELLA term sheet, and ensure that Harlem continues to be a neighborhood where people of diverse incomes and backgrounds can thrive.

Sincerely,

  
Bill Perkins | Councilmember 9<sup>th</sup> District

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. <sup>0226</sup> 0227 Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Victoria Gousse

Address: 250 West 55th Street

I represent: Furstead Affordable

Address: 250 West 55th Street, New York 10019

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. <sup>234</sup> \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Ehi Uwa

Address: 100 Gold St.

I represent: HPD - ANCP

Address: 100 Gold St.

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 221-222 Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Ken Spillberg

Address: \_\_\_\_\_

I represent: HPD

Address: \_\_\_\_\_



Questions if needed

# THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 221-222 Res. No. \_\_\_\_\_

in favor     in opposition

Date: 10/3/18

(PLEASE PRINT)

Name: Perris Straughter

Address: 100 Gold NY NY

I represent: HPD

Address: 100 Gold NY NY

# THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 221-222 Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Lacey Tawber

Address: \_\_\_\_\_

I represent: HPD

Address: \_\_\_\_\_

# THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 233 Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Erika Benson

Address: \_\_\_\_\_

I represent: HPD

Address: \_\_\_\_\_

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. 233 Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Lacey Tauber

Address: \_\_\_\_\_

I represent: HPD

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. 234 Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Genevieve Michel

Address: \_\_\_\_\_

I represent: HPD

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. 234 Res. No. \_\_\_\_\_

in favor     in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Christine Retzlaff

Address: \_\_\_\_\_

I represent: HPP

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 226-229 Res. No. \_\_\_\_\_

in favor  in opposition

Date: 10/3/18

(PLEASE PRINT)

Name: Lacey Tauber

Address: \_\_\_\_\_

I represent: HPD

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 226-229 Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Carolyn Williams

Address: \_\_\_\_\_

I represent: HPD

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 234 Res. No. \_\_\_\_\_

in favor  in opposition

Date: 10/3/18

(PLEASE PRINT)

Name: Maria Lizarzo

Address: 45 Wadsworth Avenue NYC 10033

I represent: NMIC - for 21 Arden

Address: 45 Wadsworth Ave NYC 10033

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 0226, 0227 Res. No. \_\_\_\_\_  
0228, 0229

in favor     in opposition

Date: 10-3-18

(PLEASE PRINT)

Name: John Tatum

Address: 127 4<sup>th</sup> Ave #PHD New York, NY 10003

I represent: Fairstead

Address: 250 W 55<sup>th</sup> St, #35, New York, NY 10019

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Questions if needed

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. 80233

in favor     in opposition

Date: 10/3/18

(PLEASE PRINT)

Name: Elon Pestkin

Address: 111 John St, 23rd fl, New York NY 10038

I represent: Habitat for Humanity New York City

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 0221 Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

Name: Derek Marcus (PLEASE PRINT)

Address: 387 Park Ave S

I represent: TF Cornerstone

Address: 387 Park Ave S

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 0221 Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

Name: Jon McMillan (PLEASE PRINT)

Address: 387 Park Ave S

I represent: TF Cornerstone

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms