March 18, 2021

TO: Hon. Daniel Dromm

 Chair, Finance Committee

Members of the Finance Committee

FROM: Rebecca Chasan, Senior Counsel, Finance Division

Noah Brick, Assistant Counsel, Finance Division

RE: Finance Committee Agenda of March 18, 2021 – Resolution approving a tax exemption for one Land Use item (Council District 34)

**Item 1: Los Sures SIP HDFC**

Los Sures SIP Housing Development Fund Company (HDFC) is comprised of six rental buildings, totaling 124 units (including 3 superintendent units), in Williamsburg, Brooklyn.

To support the moderate rehabilitation and energy and water efficiency needs of the buildings, the Department of Housing Preservation and Development (HPD) is requesting that the Council approve a full, 40-year Article XI property tax exemption to replace existing Article XI exemptions. Two of the properties – 743 Driggs Avenue and 184 South 2nd Street – have Article XI tax exemptions that will expire on January 1, 2032 and July 1, 2033, respectively. The remaining four properties – 188 South 2nd Street, 258 Grand Street, 249 South 1st Street, and 201 South 4th Street – have Article XI tax exemptions that will expire on January 8, 2053.

To formalize affordability restrictions, the HDFC would enter into a regulatory agreement with HPD that would limit the incomes of shareholder tenants to 50% Area Median Income (AMI) for 48 of the units, and 60% AMI for the other 73 units.

Summary:

* Borough – Brooklyn
* Block 2394, Lot 20; Block 2395, Lot 25; Block 2419, Lots 7, 9, and 12; Block 2432, Lot 25
* Council District – 34
* Council Member – Reynoso
* Council Member approval –Yes
* Number of buildings – 6
* Number of units – 124 (including 3 superintendent units)
* Type of exemption – Article XI, full, 40 years
* Population – affordable rental
* Sponsor – Los Sures SIP HDFC, Southside United HDFC.
* Purpose – preservation
* Cost to the City – $2.3 million
* Housing Code Violations
	+ Class A – 20
	+ Class B – 19
* AMI target – 50% to 60% AMI