



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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DELORES RUBIN

Chair

JESSE BODINE

District Manager

July 8, 2016

Jay Cross

Related Company

60 Columbus Circle

New York, NY 10023

Dear Mr. Cross:

In the December 10, 2009 Points of Agreement for the Western Rail Yard rezoning signed by you on behalf of the Related Companies and Robert C. Lieber for the City of New York (copy attached), Related Companies (“Related”) agreed to the following conditions with respect to its off-site developments financed using 421-a tax abatements:

“(h) Related Off-site 80/20s: Related commits to guaranteeing that all existing affordable rental units in the Westport (at 500 West 56 Street) and the Tate (at 535 West 23rd Street) in Community District 4 will remain permanently affordable to households at an average income of up to 90% AMI, not to exceed 125% AMI., provided that there are incentive programs, exemptions, credits or abatements available that will reduce the real taxes for the 80/20 buildings to a level consistent with real estate taxes paid prior to any phase out of the real estate tax abatement in the initial 421-a program. No restrictions shall apply to the market rate units as rentals or as a conversion to condominiums after the initial 421-a period. This commitment is contingent on obtaining lender and investor approvals which Related will diligently pursue. “

As you are aware, the renewal of the 421-a regulations as set forth in Chapter 20 of the Laws of 2015 passed by the NYS Legislature last June provided for an extension similar to that anticipated by the December 10, 2009 agreement.

Under the June 2015 provisions, buildings that commenced construction prior to July 1, 2008 are eligible for an extended partial tax abatement if an owner agrees to extend the affordability restriction for the original 20% affordable units to a total of 35 years. Both the Westport and the Tate meet this criteria. For those buildings, that would mean a 15 year extension, and a

commitment of an additional 5% of the units to be affordable to those with incomes at or below 130% AMI for that extended time period.

An owner meets those conditions would be eligible for a partial real estate tax abatement equal to 50% of the assessed taxes for the entire building during the 15 year extension. In January of 2016, the City of New York released its proposed language to amend Title 28 of the Rules of the City of New York by adding a new Chapter 47 (copy of the “421-a Extended Affordability Program Rules” attached); it is anticipated that the proposed rules will be take effect in the near future.

Community Board 4 (CB4) is therefore inviting you to attend the September meeting of its Housing Health and Human Services committee to review the proposed 421-a changes and to discuss Related’s intention, and timeline, to uphold its commitments codified in the Point of Agreement with respect to the 2009 Western Rail Yard rezoning.

The meeting will be held on **Thursday, September 15, 2016 630p.m.** Closer to the date, the CB4 office will be in touch to confirm the location of the meeting. If you have any additional questions, please contact Jesse Bodine, District Manager of CB4 at 212-736-4536 x 27.

Sincerely,



Delores Rubin
MCB4 Chair



[Signed 7/8/16]
Barbara Davis, Co-Chair
Housing, Health &
Human Services Committee

Joe Restuccia, Co-Chair
Housing, Health &
Human Services Committee

Cc: Council Member Corey Johnson