



Queens West
Development
Corporation

A Subsidiary of Empire State Development

Authorities Budget Office

APR 10 2024

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RECEIVED

Via E-mail and Certified Mail Return Receipt Requested

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Director
New York State Division of Budget
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Albany, New York 12225

Hon. Andrea Stewart-Cousins
President Pro Tempore & Majority Leader
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Mr. Jeffrey Pearlman
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**RE: 90-Day Notice Letter Under the Public Authorities Law §2897(6)(d)
Queens West Development Corporation, subsidiary of
New York State Urban Development Corporation d/b/a
Empire State Development - Disposition of Property by Deed**

Dear Sir or Madam:

This explanatory statement is given pursuant to Public Authorities Law §2897(6)(d) on behalf of Queens West Development Corporation ("QWDC"), a subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development ("ESD"), regarding the proposed disposition by deed of certain property to the River View Gardens Housing Development Fund Company, Inc. ("River View Gardens"), a New York not-for-profit corporation organized under Article XI of the Private Housing Finance Law that operates an affordable senior-living facility on a portion of Parcel 11 within the Hunters Point (Queens West) Waterfront Development Land Use Improvement Project (the "Project") area.



Background

River View Gardens is a special purpose entity created by the New York Foundation for Senior Citizens, Inc. ("Foundation") for the purpose of operating the River View Gardens facility on Parcel 11. The Foundation is a not-for-profit organization that, among other things, operates assisted-living facilities throughout New York City, the construction of which is funded and the on-going operation of which, is heavily subsidized under a program (Section 202) administered by the United States Department of Housing and Urban Renewal ("HUD"). River View Gardens is located on and faces 49th Avenue, east of Center Boulevard, and is adjacent to the Avalon Bay River View South market rate development that occupies the balance of Parcel 11.

On August 18, 2004, the QWDC Directors authorized transferring title of the relevant portion of Parcel 11 to River View Gardens (now Queens Block 17 Lot 29 as shown on the New York City Tax Map, referred to herein as the "Premises") pursuant to a "term of years" deed for a 44-year period for nominal consideration. This 44-year term was crafted to comport with HUD's Section 202 program requirements, as an earlier-planned long-term lease was inconsistent with the structure of the HUD Section 202 program. Without further action, title to the land and the building would revert back to QWDC at the end of the 44-year term.

In order to ensure continued compliance with the affordable senior-living use of the River View Gardens property, the "term of years" deed granted by QWDC to River View Gardens in 2004 included certain covenants and restrictions running with the land and which would be binding on River View Gardens and its successors and assignees. These deed restrictions include the following:

1. The Premises must be used as a not-for-profit low-income housing facility for senior citizens and for no other purpose and operated in accordance with the standards for other first-class not for profit-income housing facilities for senior citizens in the New York City area or better.
2. River View Gardens shall not demolish, replace or materially alter the building or any part thereof except in accordance with all necessary permits, approved plans and specifications and all applicable laws and regulations.
3. River View Gardens shall take good care of the Premises and shall put, keep and maintain the Premises in a sound, first-class condition and make all needed repairs necessary or appropriate to keep the same in a sound, first-class condition.
4. The building shall not be converted to cooperative or condominium ownership.



5. In the event of any damage to or destruction of any part of the building, River View Gardens must notify QWDC and proceed to diligently repair, alter, restore, replace and rebuild the same to as nearly as possible the condition, quality, character and class of the building existing immediately prior to such occurrence, regardless of the availability of any insurance, and all in accordance with the General Project Plan and the Design Guidelines for the Project as then in effect.

The deed was conveyed from QWDC to River View Gardens on October 28, 2004, and there are approximately 24 years remaining of the term. If no action is taken, the property would revert to QWDC in 2048. Since the building was completed in 2006, River View Gardens has served and continues to serve an important role in providing quality, permanent, affordable senior-living residences in the Queens West area.

After request by River View Gardens, QWDC Directors on March 21, 2024 granted approval to permanently convey the property to River View Gardens for nominal consideration, subject to the same permanent use and other restrictions in the current deed, in order to facilitate River View Garden's near-term needs and goals for the facility.

Specifically, the River View Gardens facility will need to be refinanced in the near term in order to provide capital for capital improvements and replacements needed to keep the building habitable as the building ages, as well as to keep up with new environmentally-friendly building technologies, including legally mandated energy-saving improvements. The declining term of years in the current deed makes a refinancing impracticable, if not impossible, for River View Gardens. Full fee ownership without a reversion is key for River View Gardens to be able to provide needed capital and upgrades as and when required. Like its original mortgage, River View Gardens anticipates refinancing the facility through the HUD Section 202 program and/or other available public programs or incentives.

Fee ownership is also critically important as a matter of the Foundation's mission to provide affordable housing and social services to low-income seniors, including the frail and elderly, in New York City. As the Foundation continues to plan for and provide permanent future affordable housing and social service to an ever-growing elderly population in New York City, River View Gardens serves as an important component of the resources that it offers to their served population.

Under these circumstances, Public Authorities Law Section 2897(7)(b) requires disclosure of the following information:

1. Description of the parties involved in the property transaction:

River View Gardens currently holds title to the property pursuant to a "Term of Years" deed. The deed was conveyed from QWDC to River View Gardens on October 28, 2004, and there are approximately 24 years remaining of the term. If no action is taken, the



property would revert to QWDC in 2048. The proposed disposition would essentially remove the reverter clause, and permit River View Gardens to continue holding the Property in perpetuity.

2. Justification for disposing of property by negotiation:

The conveyance of the Premises to River View Gardens will ensure that the Foundation will be able to continue operating the facility in a first-class manner as a much-needed permanent affordable senior-living facility and complete an anticipated refinancing to update the building as well as to keep pace with newer environmentally-friendly technologies, including mandated energy-saving improvements.

Section 2 of the UDC Act notes that ESD was created "to promote the sound growth and development of our municipalities" through, among other things, redevelopment of underutilized or vacant properties, including through "the undertaking of ... private improvement programs related thereto". QWDC, a subsidiary of ESD, adopted the GPP for the Queens West Project, the purpose of which was to establish within the Project area a viable development consisting of residential, commercial, cultural and recreational facilities and to provide public access to the waterfront, and to create a new mixed-use neighborhood, including significant additional housing units for the City.

Therefore, the purpose of the proposed disposition (maintaining the existence of much-needed affordable senior housing) is consistent with the purpose, mission and governing statute of both QWDC and ESD.

No other offers were solicited, or received for, the Premises. Established in 1968, the Foundation is the only non-profit, non-sectarian organization serving New York City seniors in all five boroughs. The Foundation has been operating River View Gardens in a first-class manner since the building's completion in 2006. There is no other entity besides the Foundation that has the same experience, resources, know-how and commitment to continue operating the facility into the future. Therefore, there exists no reasonable alternative to QWDC's proposed disposition of the Premises that would result in the same benefits to the public or achieve the same purpose as the proposed conveyance by deed to River View Gardens/the Foundation.

3. Identification of property, including its location:

River View Gardens is located at 4-12 49th Avenue, Long Island City, Queens 11101 (Queens Block 17 Lot 29).



4. Estimated fair market value of the property:

QWDC staff commissioned an independent appraisal of the Premises and facility from Aaron Valuation, which were appraised at an approximate value of \$6,100,000, considering the property's permanently deed-restricted use as affordable senior-living.

5. Proposed sale price of the property:

QWDC and its parent company ESD would not receive any direct monetary compensation from the proposed transfer. However, QWDC and ESD would receive the public benefits described above.

6. Size of the property:

The parcel is approximately 11,650 square feet (0.27 acres) and is improved with an 8-story elevator residential building operated as affordable senior housing. The building contains a total of 80 residential apartments and has an approximate gross building area of 73,640 square feet.

7. Expected date of sale of property:

QWDC anticipates conveying the property in Summer 2024, after the expiration of the required 90-day period hereunder and after completion of a required public hearing under the Urban Development Corporation Act.

Thank you for your consideration in this matter.

Very truly yours,

DocuSigned by:
Terence Cho
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Terence Cho
President
Queens West Development Corporation