




## MEMORANDUM

**To:** The Chairperson and Members

**From:** Eric Enderlin   
President

**Date:** March 24, 2023

**Re:** Resolution of Declaration of Intent  
Willets Point  
126-43 39<sup>th</sup> Avenue, Queens, NY, Block 1833 Lot 130, and  
126-55 39<sup>th</sup> Avenue, Queens, NY, Block 1833 Lot 135

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Attached is a Resolution of Declaration of Intent (the “Resolution”) for a proposed new construction project located at 126-43 39<sup>th</sup> Avenue and 126-55 39<sup>th</sup> Avenue in Queens, New York, which is currently under review by the Corporation. The developer is a single purpose entity to be formed and owned by Related Companies (whose principals are: Stephen M. Ross, Jeff T. Blau, Bruce A. Beal, Jr., Kenneth P. Wong, David K. Zussman, Glenn A. Goldstein, Frank Monterisi and Charles O’Byrne) and Sterling Equities (whose principals are: Jeffrey S. Wilpon, Scott Wilpon, Fred Wilpon, Richard Bowne, Bruce Wilpon, Todd Katz, Saul B. Katz, Michael Katz, Richard A. Wilpon, David M. Katz, and Gregory A. Katz). The developer has requested that the Members adopt the Resolution on the project’s behalf. Should HDC utilize tax-exempt bond proceeds to provide financing for the proposed project, it will be operated in accordance with the restrictions of the Internal Revenue Code.

As indicated in the attached project summary sheet, the developer intends to construct two, 12-story buildings. There will be a 534-unit building located at 126-43 39<sup>th</sup> Avenue in Queens and a 347-unit building located at 126-55 39<sup>th</sup> Avenue in Queens for a total of 881 residential units in Willets Point.

The Resolution is an official intent of the Corporation for tax code purposes which can enable certain expenditures incurred as early as 60 days prior to the date of adoption of such Resolution to qualify for reimbursement from the proceeds of tax-exempt bond financing. However, the Corporation’s agreement to issue bonds may only be authorized by further action by the Members.

A fact sheet with a brief description of the project is attached (see “Exhibit A”).

**RESOLUTION OF DECLARATION OF INTENT TO REIMBURSE FROM THE  
PROCEEDS OF TAX-EXEMPT REVENUE BONDS TO BE ISSUED BY THE NEW  
YORK CITY HOUSING DEVELOPMENT CORPORATION**

**WHEREAS**, Article 12 of the Private Housing Finance law, constituting the New York City Housing Development Corporation Act (the “Act”), authorizes the New York City Housing Development Corporation (the “Corporation”) to encourage the investment of private capital and provide dwelling accommodations for occupancy by persons and families for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary and affordable housing accommodations, or for units located in an area certified or designated as blighted; and

**WHEREAS**, the Corporation may be requested to provide all or part of the construction and/or permanent financing of a residential development known as Willets Point (the “Project”) located in the Flushing-Willets Point neighborhood of Queens as more fully described in Exhibit A. A portion of the Project is expected to provide dwelling accommodations for occupancy by persons and families for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary, and affordable housing accommodations and/or provide housing accommodations in an area certified or designated as blighted; and

**WHEREAS**, the Corporation is desirous of assisting in the financing of such Project, to the extent permitted by law, if such assistance will either increase or assure the availability of dwelling accommodations for occupancy by persons and families for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary, and affordable housing accommodations and/or provide housing accommodations in an area certified or designated as blighted, and

**WHEREAS**, the Corporation, in the course of assisting the proposed mortgagor entity of the Project (the “Borrower”) in the financing of the Project expects that the Borrower has paid or may pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Project within 60 days prior to the adoption of this Resolution and prior to the issuance of indebtedness for the purpose of financing costs of the Project; and

**WHEREAS**, Section 1.142-4 and Section 1.150-2 of the Treasury Regulations require the Corporation to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing.

**NOW THEREFORE**, the Corporation does hereby resolve as follows:

1. The Corporation may provide tax-exempt and/or taxable financing for the Project and pursuant to that intention the staff of the Corporation is authorized to develop a program for financing of the Project to the extent permitted by law, and for such purpose may consult with the Borrower, and such others as may be deemed appropriate, subject in all events to the final approval of the terms of any financing by the Members of the Corporation.

2. The Corporation expects to finance all or a portion of the costs of the Project by the issuance on one or more dates of its obligations in an aggregate principal amount presently anticipated not to exceed \$290,000,000 (the “Obligations”), all or a portion of which would be issued on a tax-exempt basis.

3. The Corporation hereby states its intention and reasonably expects to reimburse costs of the Project incurred (if at all) prior to the issuance of the Obligations with proceeds of the Obligations.

4. This Resolution shall constitute official intent of the Corporation with respect to such Project for purpose of the Internal Revenue Code and otherwise. This Resolution is being adopted by the Corporation for purposes of establishing compliance with the requirements of Section 1.142-4 and Section 1.150-2 of the Treasury Regulations.

5. This Resolution shall be effective immediately.

**“Exhibit A”**

**Willets Point  
Queens, NY**

**Project Location:** 126-43 39<sup>th</sup> Avenue  
126-55 39<sup>th</sup> Avenue

**HDC Program:** Mix and Match

**Project Description:** The Project entails the new construction of two, 12 story buildings in the Flushing-Willets Point neighborhood. The building to be constructed at 126-43 39<sup>th</sup> Avenue will contain 534 residential units, 15,500 square feet of ground-floor retail space, and 59,000 square feet of sub-surface covered parking. The building to be constructed at 126-55 39<sup>th</sup> Avenue will contain 347 residential units, 9,000 square feet of ground-floor retail space, and 34,000 square feet of sub-surface covered parking. In total, Willets Point will contain 881 residential units, 24,500 square feet of ground-floor retail space, and 93,000 square feet of sub-surface garage parking. At least 25% of the units will be affordable to households earning at or below 60% AMI and will include additional tiers of affordability.

<b>Expected Total Units:</b>	<u>Unit Size</u>	<u>No. of Units</u>
	Studio	232
	1 bedroom	433
	2 bedroom	137
	3 bedroom	79
	4 bedroom	0
	5 bedroom	0
	6 bedroom	0
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	Total Units*	881

\* Total Units are inclusive of 1 superintendent unit.

**Expected Tax Abatement type:** Article XI – residential portion  
ICAP – commercial portion

**Estimated Tax-Exempt Bonds:** \$290,000,000

**Developer:** A single purpose entity to be formed and owned by Related Companies (principals: Stephen M. Ross, Jeff T. Blau, Bruce A. Beal, Jr., Kenneth P. Wong, David K. Zussman, Glenn A. Goldstein, Frank Monterisi and Charles O’Byrne) and Sterling Equities (principals: Jeffrey S. Wilpon, Scott Wilpon, Fred Wilpon, Richard Bowne, Bruce Wilpon, Todd Katz, Saul B. Katz, Michael Katz, Richard A. Wilpon, David M. Katz, and Gregory A. Katz).

**Architect:** S9 Architecture

**General Contractor:** TBD