THE COUNCIL OF THE CITY OF NEW YORK

RES. NO. 1032

..Title

Resolution approving an amendment to a previously approved real property tax exemption pursuant to Section 577 of the Private Housing Finance Law for property located at (Block 2870, Lot 61), Bronx (Preconsidered L.U. No. 504).

..Body

By Council Member Dromm

**WHEREAS**, the New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council its request dated August 9, 2019 that the Council amend a previously approved tax exemption for real property located at (Block 2870, Lot 61), Bronx (“Exemption Area”) pursuant to Section 577 of the Private Housing Finance Law;

**WHEREAS**, the HPD’s request for amendments is related to a previously Resolution adopted by City Council on December 20, 2018 (Resolution 687) (the “Prior Resolution”), attached hereto as Exhibit A, granting the Exemption Area a real property tax exemption pursuant to Section 577 of the Private Housing Finance Law;

**WHEREAS**, the Council has considered the financial implications relating to the Tax Exemption;

**RESOLVED:**

The Council approves the amendments to the Prior Resolution requested by HPD for the Exemption Area pursuant to Section 577 of the Private Housing Finance Law as follows:

Provision 1.h of the Prior Resolution is deleted and replaced with the following:

1. h. “Gross Rent Tax” shall mean, with respect to any tax year, an amount equal to one and one-fourth percent (1.25%) of the Gross Rent in such tax year; provided, however, that if the Owner fails to provide the Gross Rent on or before the Gross Rent Deadline, Gross Rent Tax shall mean an amount equal to real property taxes that would otherwise be due in such tax year in the absence of any form of exemption from or abatement of real property taxation.

Except as specifically amended above, all other terms, conditions, provisions and requirements of the Prior Resolution remain in full force and effect.

Office of the City Clerk,     }

The City of New York        } ss.:

I hereby certify that the foregoing is a true copy of a Resolution passed by The Council of the City of New York on August 14, 2019, on file in this office.

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City Clerk, Clerk of Council

THE COUNCIL OF THE CITY OF NEW YORK

RES. NO. 687

..Title

Resolution approving an exemption from real property taxes for property located at (Block 2870, Lot 61) Bronx, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 298).

..Body

By Council Member Dromm

**WHEREAS**, the New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council its request dated November 29, 2018 that the Council take the following action regarding a housing project locatedat (Block 2870, Lot 61) Bronx:

Approve an exemption of the Project from real property taxes pursuant to Section 577 of the Private Housing Finance Law (the “Tax Exemption”);

**WHEREAS**, the project description that HPD provided to the Council states that the purchaser of the Project (the “Sponsor”) is a duly organized housing development fund company under Article XI of the Private Housing Finance Law;

**WHEREAS**, the Council has considered the financial implications relating to the Tax Exemption;

**RESOLVED:**

The Council hereby grants an exemption from real property taxes as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
   1. “Company” shall mean 1975 Realty Associates LLC or any other entity that acquires the beneficial interest in the Exemption Area with the prior written consent of HPD.
   2. Effective Date” shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, or (ii) the date that HPD and the Owner enter into the Regulatory Agreement.
   3. “Exemption” shall mean the exemption from real property taxation provided hereunder.
   4. “Exemption Area” shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 2870, Lot 61 on the Tax Map of the City of New York.
   5. “Expiration Date” shall mean the earlier to occur of (i) a date which is 30 years from the Effective Date, (ii) the date of the expiration or termination of the

Regulatory Agreement, or (iii) the date upon which the Exemption Area ceases to be owned by either a housing development fund company or an entity wholly controlled by a housing development fund company.

* 1. “Gross Rent” shall mean the gross potential rents from all residential and commercial units on the Exemption Area without regard to whether such units are occupied or vacant, including, but not limited to, Section 8, rent supplements, rental assistance, or any other subsidy.
  2. “Gross Rent Deadline” shall mean three hundredand sixty-five (365)days from the date of theHPD letterrequestingthe information that HPD needs to calculate the Gross Rent Tax for the applicable tax year.
  3. “Gross Rent Tax” shall mean, with respect to any tax year, an amount equal to four and one-half percent (1.25 %) of the Gross Rent in such tax year; provided, however, that if the Owner fails to provide the Gross Rent on or before the Gross Rent Deadline, Gross Rent Tax shall mean an amount equal to real property taxes that would otherwise be due in such tax year in the absence of any form of exemption from or abatement of real property taxation.
  4. “HDFC” shall mean 1975 Realty Housing Development Fund Company, Inc. or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
  5. “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.
  6. “J-51 Benefits” shall mean any tax benefits pursuant to Section 489 of the Real Property Tax Law which are in effect on the Effective Date.
  7. “Owner” shall mean, collectively, the HDFC and the Company.
  8. “Regulatory Agreement” shall mean the regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.

2. All of the value of the property in the Exemption Area, including both the land and any improvements (excluding those portions, if any, devoted to business, commercial, or community facility use), shall be exempt from real property taxation, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon the Expiration Date.

3. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of the Gross Rent Tax. Notwithstanding the foregoing, the total annual real property tax payment by the Owner shall not at any time exceed the amount of real property taxes that would otherwise be due

