



Legislation Details (With Text)

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Title: Resolution approving a partial exemption from real property taxes for property located at (Block 3770, Lot 22 and Block 3769, Lot 1) Manhattan, pursuant to Section 577 of the Real Property Tax Law (Preconsidered L.U. No. 554).

Sponsors: David I. Weprin

Indexes:

Attachments: 1. Memorandum, 2. Hearing Transcript - Stated Meeting 9/25

Date	Ver.	Action By	Action	Result
9/25/2007	*	Committee on Finance	P-C Item Approved by Comm	
9/25/2007	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1062

Resolution approving a partial exemption from real property taxes for property located at (Block 3770, Lot 22 and Block 3769, Lot 1) Manhattan, pursuant to Section 577 of the Real Property Tax Law (Preconsidered L.U. No. 554).

By Council Member Weprin

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated September 12, 2007 that the Council take the following action regarding a housing project to be located at (Block 3770, Lot 22 and Block 3769, Lot 1) Borough of Manhattan ("Exemption Area "):

Approve a partial exemption of the Project from real property taxes pursuant to Section 577 of the Real Property Tax 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 held a hearing on the Project on September 25, 2007;

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

RESOLVED:

The Project shall be developed upon the terms and conditions set forth in the Project Summary that HPD has submitted to the Council, a copy of which is attached hereto.

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:
 - a. "Bond Regulatory Agreement" shall mean the regulatory agreement between HFA and the Owner providing that, for a term of 40 years, all dwelling units in the Exemption Area must be rented to families whose incomes do not exceed 60% of area median income.
 - b. "Effective Date" shall mean the date of conveyance of the Exemption Area to Sponsor.
 - c. "Exemption Area" shall mean the real property located in the Borough of Brooklyn, City and State of New York, identified as Block 3770, Lot 22 and Block 3769, Lot 1 on the Tax Map of the City of New York.
 - d. "Expiration Date" shall mean the earlier to occur of (i) a date which is forty (40) years from the Effective Date, (ii) the date of the expiration or termination of the Bond Regulatory Agreement (iii) the date upon which Sponsor ceases to be organized as a housing development fund company, or (iv) 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.
 - e. "HFA" shall mean the New York State Housing Finance Agency.
 - f. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - g. "Maximum Shelter Rent Tax" shall mean an amount equal to five percent (5 %) of Shelter Rent, but in no event less than ninety seven thousand five hundred dollars (\$97,500) per annum.
 - h. "New Exemption" shall mean the partial exemption from real property taxes provided hereunder with respect to the Exemption Area.
 - i. "Owner" shall mean, collectively, Sponsor and the Partnership.
 - j. "Partnership" shall mean Remeeder Houses, L.P.
 - k. "Prior Exemption" shall mean the partial exemption from real property taxation for the Exemption Area approved by the Board of Estimate on March 22, 1973 (Cal. No. 346) and March 7, 1974 (Cal. No. 64).
 - l. "Shelter Rent" shall mean the total rents received from the commercial and residential occupants of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8, rent supplements, and rental assistance), less the cost of providing to such occupants electricity, gas, heat and other utilities.

- m. "Sponsor" shall mean Remeeder Houses Housing Development Fund Company, Inc.
- 2. The Prior Exemption shall terminate upon the Effective Date.
- 3. All of the value of the property in the Exemption Area, including both the land and improvements (excluding those portions, if any, devoted to business or commercial use), shall be exempt from real property taxes, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon the Expiration Date.
- 4. 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 Maximum Shelter 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 estate taxes that would otherwise be due in the absence of any form of tax exemption or abatement provided by an existing or future local, state, or federal law, rule or regulation.
- 5. Notwithstanding any provision hereof to the contrary:
 - a. The New Exemption shall not become effective until HFA and Owner enter into the Bond Regulatory Agreement.
 - b. The New Exemption shall not apply to any building constructed on the Exemption Area which did not have a permanent certificate of occupancy on the Effective Date.
 - c. The New Exemption shall terminate if HPD determines that (i) Owner is not operating the housing project in accordance with the requirements of Article XI of the Private Housing Finance Law, (ii) Owner is not operating the housing project in accordance with the requirements of the Bond Regulatory Agreement and such non-compliance constitutes an event of default under the Bond Regulatory Agreement, or (iii) Owner, without the prior written consent of HPD, has commenced the demolition of an existing multiple dwelling on the Exemption Area. HPD shall deliver written notice of any such determination to Owner and all mortgagees of record, which notice shall provide for an opportunity to cure of not less than sixty (60) days. If the noncompliance specified in such notice is not cured within the time period specified therein, the New Exemption shall prospectively terminate.
- 6. In consideration of the New Exemption, the owner of the Exemption Area shall, for so long as the New Exemption shall remain in effect, waive the benefits, if any, of additional or concurrent real property tax abatement and/or tax exemption which may be authorized under any existing or future local, state or federal law, rule or regulation.

Adopted.

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 September 25, 2007, on file in this office.

City Clerk, Clerk of Council