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Title: Resolution approving a partial exemption from real property taxes for property located at (Block 1434, Lot 1) Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 246).

Sponsors: Julissa Ferreras-Copeland

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Attachments: 1. Housing Preservation & Development Approval Letter, 2. Memorandum, 3. June 26, 2015 - Stated Meeting Agenda with Links to Files, 4. Hearing Transcript of the Stated Meeting - June 26, 2015, 5. Minutes of the Stated Meeting - June 10, 2015, 6. Minutes of the Stated Meeting - Recessed Meeting of June 10, 2015 held on June 26, 2015, 7. Minutes of the Stated Meeting - June 26, 2015

Date	Ver.	Action By	Action	Result
6/26/2015	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 779

Resolution approving a partial exemption from real property taxes for property located at (Block 1434, Lot 1) Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 246).

By Council Member Ferreras-Copeland

WHEREAS, the New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council its request dated May 5, 2015 that the Council take the following action regarding a housing project located at (Block 1434, Lot 1) Brooklyn (“Exemption Area”):

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:
 - (a) “Effective Date” shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, and (ii) the date that HPD and the Owner enter into the Regulatory Agreement.
 - (b) “Exemption Area” shall mean the real property located in the Borough of Brooklyn, City and State of New York, identified as Block 1434, Lot 1 on the Tax Map of the City of New York.
 - (c) “Expiration Date” shall mean the earlier to occur of (i) a date which is thirty-five (35) 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.
 - (d) “HDFC” shall mean HP Atlantic Plaza Towers Housing Development Fund Company, Inc.
 - (e) “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.
 - (f) “New Exemption” shall mean the exemption from real property taxation provided hereunder.
 - (g) “Owner” shall mean, collectively, the HDFC and the Partnership.
 - (h) “Partnership” shall mean Atlantic Tower Associates, L.P.
 - (i) “Prior Exemption” shall mean the exemption from real property taxation for the Exemption Area pursuant to Section 33 of the Private Housing Finance Law.
 - (j) “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 New Exemption.
 - (k) “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.
 - (l) “Shelter Rent Tax” shall mean an amount equal to 4 percent (4%) of Shelter Rent.
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 any improvements, 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.
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 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 property taxes that would otherwise be due in the absence of any form of exemption

from or abatement of real property taxation 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 terminate if HPD determines at any time that (i) the Exemption Area is not being operated in accordance with the requirements of Article XI of the Private Housing Finance Law, (ii) the Exemption Area is not being operated in accordance with the requirements of the Regulatory Agreement, (iii) the Exemption Area is not being operated in accordance with the requirements of any other agreement with, or for the benefit of, the City of New York, (iv) the Exemption Area is conveyed to a new owner without the prior written approval of HPD, or (v) the demolition of any private or multiple dwelling on the Exemption Area has commenced without the prior written consent of HPD. 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.
- (b) The New Exemption shall apply to all land in the Exemption Area, but shall only apply to buildings on the Exemption Area that exist on the Effective Date.
- (c) Nothing herein shall entitle the HDFC to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.
- (d) All previous resolutions, if any, providing for an exemption from or abatement of real property taxation with respect to the Exemption Area, are hereby revoked as of the Effective Date.

6. In consideration of the New Exemption, the owner of the Exemption Area, for so long as the New Exemption shall remain in effect, shall waive the benefits of any additional or concurrent exemption from or abatement of real property taxation.

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 June 26, 2015, on file in this office.

City Clerk, Clerk of Council