



Legislation Text

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THE COUNCIL OF THE CITY OF NEW YORK
RES. NO. 937

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 1787, Lot 70), Manhattan (Preconsidered L.U. No. 450).

By Council Member Dromm

WHEREAS, the New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council its request dated May 28, 2019 that the Council amend a previously approved tax exemption for real property located at (Block 1787, Lot 70), Manhattan (“Exemption Area”) pursuant to Section 577 of the Private Housing Finance Law;

WHEREAS, the HPD’s request for amendments is related to a previously approved Board of Estimate Resolution adopted on November 11, 1971 (Cal. No. 10-A) (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:

The introductory paragraph of section 7 of the Prior Resolution is deleted and replaced with the following:

7. That the Board of Estimate hereby approves the exemption from local and municipal taxes, other than assessments for local improvements, of all of the value of the property, including both the land and any improvements, for the period commencing with the closing of the mortgage and delivery of the deed, and terminating forty (40) years from the date upon which the benefits of the aforementioned tax exemption first become available and effective; provided:

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.:

November 11, 1971

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to purchase the reversionary interest in an amount not to exceed \$1,000,000. As the lowest and highest amounts, the City's subsidy will be at the rate of \$3,000 and \$4,500 per dwelling unit, respectively.

Disposition of the land is proposed at \$200 per dwelling unit or \$104,000. The City Pilot Block or \$3,100 per dwelling unit. The City Pilot Block for the entire project will therefore be \$637,200.

Tax exemption has been requested to the extent of all of the value of the completed project, including both land and improvements, which exemption will be approximately \$5,000 over the 40 year maximum period of the maximum period of the project, which is forty years. The subsidy per dwelling unit for the maximum period of the project is \$5,000 under the 40 year maximum period. It should be noted that the property is not exempted under the present municipal laws and only the residential portion of the development but also the commercial facilities and the community facilities.

The City will provide for dwelling unit subsidies of financed as the following project: Capital funds and a tax extension per dwelling unit subsidy of \$2.40 annually for a maximum period of forty years.

Costs of the project is to be financed by a mortgage interest under the present program. The project is to be financed by a mortgage interest under the present program. The project is to be financed by a mortgage interest under the present program.

It should be noted that approval of these requests will mark the first time approval has been granted of a project where the purchase of a reversionary interest will exceed \$1,000,000. The project is to be financed by a mortgage interest under the present program.

Review of the East Harlem Pilot Block project by the Bureau of the Budget and the Housing and Urban Development Administration has resulted in the approval of the project plan. Approval of the project plan is required to exceed 5 per cent of the annual shelter rent. Approval of the project plan is required to exceed 5 per cent of the annual shelter rent.

and the City Clerk is hereby directed to attest the same and affix the seal of the City of New York.

That the City is authorized to purchase an interest in the project of East Harlem Pilot Block Building 4 Housing Development Fund Corporation, in accordance with the terms set forth in the attached agreement, and

That the City is authorized to purchase an interest in the project of East Harlem Pilot Block Building 4 Housing Development Fund Corporation, in accordance with the terms and conditions contained in said agreement.

Approved by the Board of Estimate and City Council, the Acting Comptroller, the President of the Borough of Queens, the Acting President of the Borough of The Bronx, the President of the Borough of Richmond, the President of the Borough of Manhattan, the President of the Borough of Kings, and the Acting President of the Borough of The Bronx, the President of the Borough of Richmond, the President of the Borough of Manhattan, the President of the Borough of Kings, and the Acting President of the Borough of The Bronx.

This resolution was adopted subject to a favorable report of the Corporation Counsel. (See Cal. No. 7.)

Public Hearing in Matter of Approval of the Disposition Agreement with East Harlem Pilot Block Building 4 Housing Development Fund Corporation for the purchase and development of Site 4 of East Harlem Pilot Block (Manhattan) Approval of Contract for Purchase by City of Reversionary Interest in Housing Project.

(Second Call)

(Note—Calendar Nos. 7 to 10, inclusive, were considered together.)

The Secretary also presented an affidavit of publication showing that the matter has been duly advertised in accordance with a resolution adopted October 28, 1971 (Cal. No. 117). Housing and Urban Development Administration communication dated October 23, 1971, from a disposition agreement and two proposed resolutions.

The Secretary also presented the following report of the Deputy and Acting Director of the Board of Estimate:

On October 28, 1971 (Calendar No. 117), the Board of Estimate referred to the Director of the Budget the matter of disposition of Site 4 of the Harlem Pilot Block to the East Harlem Pilot Block—Building 4 Housing Development Fund Corporation, in the extent of all of the value of the property, both land and improvements included in the completed project and purchase of a reversionary interest in the completed project.

The East Harlem Pilot Block is within the Harlem-East Harlem Urban Renewal Area and is bounded by Third Avenue, East 127th Street, Second Avenue and East 128th Street in the Borough of Manhattan. A portion of the block, with 113 feet frontages on Second Avenue, 400 feet frontages on East 127th Street and 113 feet frontages on East 128th Street, will consist of four residential buildings, community facilities and commercial facilities. The non-residential portion of the project block comprises approximately 49 per cent of the total costs.

It is estimated that the total project to be developed by the Building 4 Housing Development Fund Corporation, including 28 two-room efficiency apartments, 15 two and one-half room efficiency apartments, 46 four and one-half two-bedroom apartments and 46 two and one-half room three-bedroom apartments. Rental charges per unit will be \$75.65, \$100.00 and \$125.00 for the 2 and 3 bedroom units, respectively. In addition, there will be assigned parking (17-18 cars, commercial space and a Job Training Educational Center.

It is estimated that the replacement cost of this portion of the project will be \$10,252,337. The maximum mortgage commitment by the Federal Government allocated to subject project is \$7,780,000. The City is therefore requested to provide, by participating in the project, the balance of the total project cost of \$2,472,337. The maximum equity now estimated at \$642,531 if construction starts prior to December 1, 1971. Construction of the project prior to March 1, 1972, it is estimated that the equity required from the City will increase to \$962,519. To provide for this contingency the submission requests approval of authority

4. That the proposed price is satisfactory and not less than the fair value of the land for use by the purchaser in the provision for occupancy by families and individuals of low and moderate income; and

5. That the sale to and acquisition by East Harlem Pilot Block Building 4 Housing Development Fund Company, Inc., of the real property to be developed in accordance with the provisions of Article XI of the Private Housing Finance Law; and

6. That the Commissioner of the Department of Real Estate be and he hereby is authorized and directed to sell and deliver a deed to the development area or housing site described in said Contract of Sale to East Harlem Pilot Block Building 4 Housing Development Fund Company, Inc., in the required form, without public auction or bidding, pursuant to the provisions of Section 507, Subdivision 2(f) of Article XV of the General Municipal Law, as amended, and Section 576a, Subdivision 3 of the Private Housing Finance Law; and

7. That the Board of Estimate hereby approves the acquisition from local stock companies of the real property to be developed in accordance with the provisions of Article XI of the Private Housing Finance Law; and the delivery of the deed and the closing of the project, for the purpose of the Temporary Certificate of Occupancy for the project or if the project is constructed in stages, until the date of the issuance of the Temporary or Permanent Certificate of Occupancy, whichever may be earlier, and further, that the Board of Estimate be and it is hereby authorized to issue a Temporary or Permanent Certificate of Occupancy for the project, for each stage, if the project is constructed in stages, other than the completed project which exceeds the property value required to yield taxes the equivalent of five (5) per cent of the annual shelter rent or carrying charge of the project, commencing with the date of issuance of a Temporary or Permanent Certificate of Occupancy for the project, for each stage; the aforesaid tax exemptions are to operate and continue for so long as the aforesaid mortgage is outstanding, but not beyond the term of the aforesaid mortgage, and any exemption first become available and effective, that is, from the date of the closing mortgage and delivery of the deed; provided

1. Extension of the tax exemption to the non-residential portions of the project shall remain in effect only for the period during which those portions are used for the purpose enumerated in the project plan, including a Housing Development Fund Company, Inc., which is a qualified mortgage as defined by Subdivision 1 of Section 572 of the Private Housing Finance Law;

2. That East Harlem Pilot Block Building 4 Housing Development Fund Company, Inc., at the time the project is completed and available for occupancy, will submit a statement from the Federal Housing Administration certifying that the project has been completed in accordance with the requirements of the Federal Housing Administration, which may be verified by the following text:

Affirmative--The Special Assistant to the Mayor, the Acting Comptroller, the President of the Council, the Acting Presidents of the Boroughs of Manhattan, Brooklyn and the Bronx, the President of the Borough of Queens and the Acting President of the Borough of Richmond--

Whereas, this resolution was adopted subject to a favorable report of the Corporation

The following resolution (B) was offered by the Acting President of the Borough of Manhattan:

Whereas, East Harlem Pilot Block Building 4 Housing Development Fund Company, Inc., has been organized in accordance with the provisions of Article XI of the Private Housing Finance Law for the purpose of undertaking the development of a site in the East Harlem Pilot Block Project of the Harlem-East Harlem Neighborhood Development Area, hereinafter referred to as the housing site; and

Whereas, following public hearing, the Board of Estimate has approved the housing site and the contract between the City of New York and East Harlem Pilot Block Building 4 Housing Development Fund Company, Inc., for the sale of the housing site to the housing company and its redevelopment by said company; and

Whereas, in order to ensure the feasibility of the project to be undertaken by East

It is, therefore, the joint recommendation of the Director of the Budget and the Housing and Development Administration that the request for site disposition and authority to purchase a reversionary interest be approved as submitted and that the Board of Estimate grant the request for the same, with the understanding that the Board of Estimate may modify or rescind the same, and that the Board of Estimate be and it is hereby authorized to extend the value required to yield taxes in excess of 5 per cent of the annual shelter rent with the understanding that continuance of tax exemption for the non-residential facilities will be subject to review by the Housing and Development Administration upon change in usage of the premises, and Acting Director of the Budget, Joseph P. Kamp, Director of the Office of Management and Planning, and Acting Director of the Office of the City Engineer, are authorized to execute the same.

For appearance and assent, the Acting President of the Borough of Manhattan, the housing was approved by the following resolution (A), as amended, was offered:

Whereas, The Board of Estimate on January 8, 1970 (C.A. Nos. 4-A, 4-B and 4-C), approved the contract between the City of New York and East Harlem Pilot Block Building 4 Housing Development Fund Company, Inc., for the development of a site in the East Harlem Pilot Block Project of the Harlem-East Harlem Neighborhood Development Area, hereinafter referred to as the housing site; and

Whereas, the Board of Estimate has approved the acquisition from local stock companies of the real property to be developed in accordance with the provisions of Article XI of the Private Housing Finance Law of the State of New York for the purpose of undertaking the development of a portion of the housing site described in said Contract of Sale to East Harlem Pilot Block Building 4 Housing Development Fund Company, Inc., in the required form, without public auction or bidding, pursuant to the provisions of Section 507, Subdivision 2(f) of Article XV of the General Municipal Law, as amended, and Section 576a, Subdivision 3 of the Private Housing Finance Law; and

Whereas, The proposed form of contract between the City and East Harlem Pilot Block Building 4 Housing Development Fund Company, Inc., for the development of the housing site, and the delivery of the deed and the closing of the project, for the purpose of the Temporary Certificate of Occupancy for the project or if the project is constructed in stages, until the date of the issuance of the Temporary or Permanent Certificate of Occupancy, whichever may be earlier, and further, that the Board of Estimate be and it is hereby authorized to issue a Temporary or Permanent Certificate of Occupancy for the project, for each stage, if the project is constructed in stages, other than the completed project which exceeds the property value required to yield taxes the equivalent of five (5) per cent of the annual shelter rent or carrying charge (which in the case of a project presented under Special Assessments, defined in the contract, less the cost of providing to the occupants electricity, gas, heating and other utilities of the project) for the period commencing with the date of issuance of a Temporary or Permanent Certificate of Occupancy for the project, for each stage; the aforesaid tax exemptions are to operate and continue for so long as the aforesaid mortgage is outstanding, but in the event for a period of more than forty (40) years commencing from the date on which the benefits of the aforesaid tax exemption first become available and effective, that is, from the date of the closing mortgage and delivery of the deed; and

1. Extension of the tax exemption to the non-residential portions of the project shall remain in effect only for the period during which those portions are used for the purpose enumerated in the project plan, including a Housing Development Fund Company, Inc., which is a qualified mortgage as defined by Subdivision 1 of Section 572 of the Private Housing Finance Law;

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