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Title: Resolution approving an exemption from real property taxes for property located at (Block 1952, Lot 16), Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 525)

Sponsors: Domenic M. Recchia, Jr.

Indexes:

Attachments: 1. Memorandum, 2. Hearing Transcript - Stated Meeting 11-29-11

Date	Ver.	Action By	Action	Result
11/29/2011	*	Committee on Finance	P-C Item Approved by Comm	
11/29/2011	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1128

Resolution approving an exemption from real property taxes for property located at (Block 1952, Lot 16), Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 525)

By Council Member Recchia

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated November 17, 2011 that the Council take the following action regarding a housing project (the "Project") to be located at (Block 1952, Lot 16), 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 held a hearing on the Project on November 29, 2011;

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

RESOLVED:

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 HDC 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 1952, Lot 16 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 forty (40) 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.

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- (d) "HDC" shall mean the New York City Housing Development Corporation.
 - (e) "HDFC" shall mean Greene Ave Title Holding 2012 BSRC Housing Development Fund Company, Inc.
 - (f) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - (g) "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - (h) "Owner" shall mean, collectively, the HDFC and the Partnership.
 - (i) "Partnership" shall mean Greene Ave Rehabilitation 2012 BSRC,L.P.
 - (j) "Prior Exemption" shall mean the exemption from real property taxation for the Exemption Area approved by the Board of Estimate on September 14, 1978 (Cal. No. 217).
 - (k) "Regulatory Agreement" shall mean the regulatory agreement between HDC and the Owner providing that, for a term of 40 years, all dwelling units in the Exemption Area must, upon vacancy, be rented to families whose incomes do not exceed 60% of area median income.
 - (l) "Shelter Rent Tax" shall mean (i) \$303,164 plus (ii) an additional amount equal to twenty-five percent (25%) of the amount by which the total contract rents applicable to the Exemption Area for that year (as adjusted and established pursuant to Section 8 of the United States Housing Act of 1937, as amended), exceed the total contract rents which are authorized as of the Effective Date.
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 (excluding those portions, if any, devoted to business or commercial 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.
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

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real property taxation provided by any 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, or (iv) 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 NewExemption 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. 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 an exemption from or abatement of real property taxation with respect to the Exemption Area are hereby revoked.
6. In consideration of the New Exemption, the owner of the Exemption Area, for so long as the NewExemption shall remain in effect, shall waive the benefits of any additional or concurrent exemption from or abatement of real property taxation which may be authorized under any existing or future local, state or federal law, rule or regulation.

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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 November 29, 2011, on file in this office.

City Clerk, Clerk of Council