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Title: Resolution approving a partial exemption from real property taxes for property located at (Block 15810, Lots 25 and 40) Queens, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 584)

Sponsors: Domenic M. Recchia, Jr.

Indexes:

Attachments: 1. Memorandum, 2. Hearing Transcript - Stated Meeting 3-28-12

Date	Ver.	Action By	Action	Result
3/28/2012	*	Committee on Finance	Approved by Committee	
3/28/2012	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK RESOLUTION NO. 1273

Resolution approving a partial exemption from real property taxes for property located at (Block 15810, Lots 25 and 40) Queens, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 584)

By Council Member Recchia

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated January 27, 2012 that the Council take the following action regarding a housing project (the "Project") to be located at (Block 15810, Lots 25 and 40), Queens ("Exemption Area"):

Approve a partial 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 March 28, 2012;

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 date of repayment or refinancing of the HUD Mortgage.
- (b) "Exemption Area" shall mean the real property located in the Borough of Queens, City and State of New York, identified as Block 15810, Lots 25 and 40 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) "HDFC" shall mean Israel Senior Citizens Housing Development Fund Corp.
- (e) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
- (f) "HUD" shall mean the Department of Housing and Urban Development of the United States of America.
- (g) "HUD Mortgage" shall mean the original loan made by HUD to the HDFC in connection with the Section 202 Supportive Housing Program for the Elderly, which loan was secured by a mortgage on the Exemption Area.
- (h) "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
- (i) "Prior Exemption" shall mean the exemption from real property taxation previously approved for the Exemption Area.
- (j) "Regulatory Agreement" shall mean the regulatory agreement between HPD and the HDFC establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.
- (k) "Use Agreement" shall mean the use agreement by and between the HDFC and HUD which commences on or before the Effective Date, runs with the land, binds all subsequent owners and creditors of the Exemption Area, and requires that the housing project on the Exemption Area continue to operate on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement or any Section 8 rental assistance payments contract or any other rental housing assistance contract and all applicable federal regulations.

- 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. 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

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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 the HDFC 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 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.
5. In consideration of the New Exemption, prior to or simultaneous with repayment or refinancing of the HUD Mortgage, the HDFC, for itself, its successors and assigns, shall (i) execute and record the Use Agreement with HUD, (ii) execute and record the Regulatory Agreement with HPD, and (iii) waive, for so long as the New Exemption shall remain in effect, 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.

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 March 28, 2012, on file in this office.

City Clerk, Clerk of Council