



Legislation Details (With Text)

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Title: Resolution approving an exemption from real property taxes for property located at (Block 1970, Lots 2 and 9) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (L.U. No 854).

Sponsors:

Indexes:

Attachments: 1. Memorandum, 2. Hearing Transcript - Finance 6-26-13, 3. Hearing Transcript - Stated Meeting 6-26-13

Date	Ver.	Action By	Action	Result
6/26/2013	*	Committee on Finance	Hearing Held by Committee	
6/26/2013	*	Committee on Finance	Approved by Committee	Pass
6/26/2013	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1860

Resolution approving an exemption from real property taxes for property located at (Block 1970, Lots 2 and 9) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (L.U. No 854).

By Council Member Recchia

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated May 1, 2013 that the Council take the following action regarding a housing project to be located at (Block 1970, Lots 2 and 9) Manhattan ("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. Approve the exemption from real property taxation pursuant to Section 577 of the Private

Housing Finance Law as follows:

- a. For the purposes hereof, the following terms shall have the following meanings:
 - (1) “Company” shall mean Logan Plaza LLC.
 - (2) “Effective Date” shall mean the later of i) the date of expiration of the Prior Exemption or ii) the date of execution of the HPD Regulatory Agreement.
 - (3) “Exemption Area” shall mean the real property located in the Borough of Manhattan, City and State of New York, known as Block 1970, Lots 2 and 9 on the Tax Map of the City of New York.
 - (4) “Expiration Date” shall mean the earlier to occur of (i) a date which is thirty (30) years from the Effective Date, (ii) the date of the expiration or termination of the HDC Regulatory Agreement, (iii) the date of the expiration or termination of the HPD Regulatory Agreement, 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.
 - (5) “HDC” shall mean the New York City Housing Development Corporation.
 - (6) "HDC Regulatory Agreement" shall mean the Assignment, Assumption, Amendment, and Restatement of Regulatory Agreement between HDC and the Owner dated March 19, 2013 providing that, for a term of 30 years no fewer than 26 units in the Exemption Area shall be affordable to persons whose incomes do not exceed sixty percent (60%) of area median income and no fewer than an additional 103 units shall be affordable to persons whose incomes do not exceed one hundred sixty-five percent (165%) of area median income.
 - (7) “HDFC” shall mean NYC Partnership Housing Development Fund Company, Inc.
 - (8) “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.
 - (9) "HPD 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.
 - (10) “New Exemption” shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - (11) “Owner” shall mean, collectively, the HDFC and the Company.
 - (12) “Prior Exemption” shall mean the exemption of a portion of the Exemption Area from real property taxation pursuant to RPTL Section 421-a that was in effect prior to the Effective Date.
 - (13) “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.

- (14) “Shelter Rent Tax” shall mean an amount equal to ten percent (10%) of Shelter Rent
- b. 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.
- c. 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 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.
- d. Notwithstanding any provision hereof to the contrary:
- (1) 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 HDC Regulatory Agreement, (iii) the Exemption Area is not being operated in accordance with the requirements of the HPD Regulatory Agreement, (iv) 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 (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.
 - (2) 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.
 - (3) 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.
- e. 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 real property tax 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.

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, 2013, on file in this office.

City Clerk, Clerk of Council