Legislation Details (With Text)

File #:	Res 0699-2015	**Version:**	*	**Name:**	LU 216 - 277 Gates Avenue, Brooklyn
Type:	Resolution			**Status:**	Adopted
				In control:	Committee on Finance
On agenda:	5/14/2015				
Enactment date:				**Enactment #:**	

Title: Resolution approving an exemption from real property taxes for property located at (Block 1974, Lot 51) Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (L.U. No. 216).

Sponsors:

Indexes:

Attachments: 1. Housing Preservation & Development Approval Letter, 2. May 14, 2015 - Stated Meeting Agenda with Links to Files, 3. Memorandum, 4. Hearing Transcript, 5. Hearing Transcript - Stated Meeting 5-14-15, 6. Minutes of the Stated Meeting - May 14, 2015

Date	Ver.	Action By	Action	Result
5/14/2015	*	Committee on Finance	Approved by Committee	
5/14/2015	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 699

Resolution approving an exemption from real property taxes for property located at (Block 1974, Lot 51) Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (L.U. No. 216).

By Council Member Ferreras

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated March 13, 2015 that the Council take the following action regarding a housing project located at (Block 1974, Lot 51) 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:

powered by Legistar™

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, or (ii) the date that HDC and the Owner enter into the Regulatory Agreement.

   b. "Exemption" shall mean the exemption from real property taxation provided hereunder.

   c. "Exemption Area" shall mean the real property located in the Borough of Brooklyn, City and State of New York, identified as Block 1974, Lot 51, on the Tax Map of the City of New York.

   d. "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 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.

   e. "HDC" shall mean the New York City Housing Development Corporation.

   f. "HDFC" shall mean Gateway 277 Housing Development Fund Corporation.

   g. "J-51 Benefits" shall mean any tax benefits pursuant to Section 489 of the Real Property Tax Law which are in effect on the Effective Date.

   h. "Owner" shall mean the HDFC or any future owner of the Exemption Area.

   i. "Regulatory Agreement" shall mean the regulatory agreement between HDC and the Owner providing that, for a term of thirty (30) years, 26 of the dwelling units in the Exemption Area must, upon vacancy, be rented to persons or families whose incomes do not exceed 100% of area median income, and an additional 9 of the dwelling units in the Exemption Area must, upon vacancy, be rented to persons or families whose incomes do not exceed 150% of area median income.

   j. "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.

   k. "Shelter Rent Tax" shall mean an amount equal to five percent (5%) of Shelter Rent.

2. 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. Until such time as the Owner is required to pay the Shelter Rent Tax, the Exemption shall be reduced by the amount of any J-51 Benefits.

3. Commencing in tax year 2024/25, 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. Such payments shall not be reduced by the J-51 Benefits. 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.

4. Notwithstanding any provision hereof to the contrary:

   a. The 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 Exemption shall prospectively terminate.

   b. The Exemption shall apply to all land in the Exemption Area, but shall only apply to a building on the Exemption Area that exists 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.

5. In consideration of the Exemption, the owner of the Exemption Area, for so long as the Exemption 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. Notwithstanding the foregoing, the J-51 Benefits shall remain in effect as provided above.

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 May 14, 2015, on file in this office.

_____
City Clerk, Clerk of Council