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Title: Resolution approving an exemption from real property taxes for property located at (Block 379, Lot 11) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 221).

Sponsors: Julissa Ferreras-Copeland

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. 702

Resolution approving an exemption from real property taxes for property located at (Block 379, Lot 11) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 221).

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 379, Lot 11) 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. For the purposes hereof, the following terms shall have the following meanings:
 - (a) “Commercial Property” shall mean those portions of the Exemption Area devoted to business or commercial use.
 - (b) “Effective Date” shall mean October 1, 2009.
 - (c) “Exemption” shall mean the exemption from real property taxation provided hereunder.
 - (d) “Exemption Area” shall mean the real property located in the Borough of Manhattan, City and State of New York, and identified as Block 379, Lot 11 on the Tax Map of the City of New York.
 - (e) “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.
 - (f) “HDFC” shall mean Tenants of 404 E. 10th St. Housing Development Fund Corp.
 - (g) “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.
 - (h) “J-51 Benefits” shall mean any tax benefits pursuant to Section 489 of the Real Property Tax Law for the Exemption Area which are in effect on the Effective Date.
 - (i) “Partial Tax Payment” shall mean an annual real property tax payment on an assessed valuation equal to the lesser of (i) an amount equal to the full assessed valuation of the Residential Property, or (ii), an amount calculated by multiplying \$3,500 times the number of residential units included in the Exemption Area and increasing such product by three and seven-tenths percent (3.7%) on July 1, 2014 and on July 1 of each successive year.
 - (j) “Regulatory Agreement” shall mean the regulatory agreement between HPD and the HDFC establishing certain controls upon the operation of the Exemption Area on and after the date such Regulatory Agreement is executed.
 - (k) “Residential Property” shall mean all of the real property, other than the Commercial Property, included in the Exemption Area.
2. All of the value of the Exemption Area shall be exempt from real property taxation, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating on December 31, 2014 (“Retroactive Exemption”).
3. Commencing upon January 1, 2015 and during each year thereafter until the Expiration Date, all of the value of the Exemption Area shall be exempt from real property taxation, other than assessments for local improvements, provided, however, that (i) the Owner shall make real property tax payments in the sum of the Partial Tax Payment, and (ii) the Commercial Property shall be subject to full taxation.
4. Notwithstanding the foregoing, the total annual real property tax payment by the HDFC 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.

5. Notwithstanding any provision hereof to the contrary:

- (a) The Exemption shall terminate if HPD determines 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 owner of the Exemption Area has failed to execute the Regulatory Agreement within three hundred sixty-five (365) days after the date of approval of the Exemption, (iii) the Exemption Area is not being operated in accordance with the requirements of the 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, (v) the Exemption Area is conveyed to a new owner without the prior written approval by HPD, or (vi) 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 Exemption shall prospectively terminate.
- (b) The Exemption shall apply to all land in the Exemption Area, but shall only apply to a building in the Residential Property 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 by or on behalf of the HDFC or any other owner of the Exemption Area prior to Effective Date.

6. In consideration of the Exemption, the owner of the Exemption Area shall (i) execute and record the Regulatory Agreement, and (ii) for so long as the Exemption shall remain in effect, waive the benefits, if any, 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, but (i) the Retroactive Exemption shall be reduced by the amount of such J-51 Benefits, and (ii) the Partial Tax Payment shall not be reduced by the amount of such J-51 Benefits.

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