



Legislation Details (With Text)

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On agenda: 6/26/2015

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Title: Resolution to approve a real property tax exemption pursuant to Section 577 of the Private Housing Finance Law, for the Exemption Area located on Block 2025, Lots 41, 50, 52, and 53 and Block 2026, Lot 7), Community District 10, Borough of Manhattan (L.U. No. 219; 20155554 HAM).

Sponsors: David G. Greenfield, Inez E. Dickens

Indexes:

Attachments: 1. June 26, 2015 - Stated Meeting Agenda with Links to Files, 2. Hearing Transcript of the Stated Meeting - June 26, 2015, 3. Committee Report, 4. Minutes of the Stated Meeting - June 10, 2015, 5. Minutes of the Stated Meeting - Recessed Meeting of June 10, 2015 held on June 26, 2015, 6. Minutes of the Stated Meeting - June 26, 2015

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------|-----------------------|--------|
| 6/24/2015 | * | Committee on Land Use | Approved by Committee | |
| 6/26/2015 | * | City Council | Approved, by Council | Pass |

**THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 780**

Resolution to approve a real property tax exemption pursuant to Section 577 of the Private Housing Finance Law, for the Exemption Area located on Block 2025, Lots 41, 50, 52, and 53 and Block 2026, Lot 7), Community District 10, Borough of Manhattan (L.U. No. 219; 20155554 HAM).

By Council Members Greenfield and Dickens

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on April 16, 2015 its request dated April 6, 2015 that the Council take the following action regarding a tax exemption for real property located on Block 2025, Lots 41, 50, 52, and 53 and Block 2026, Lot 7, Community District 10, Borough of Manhattan (the "Exemption Area");

Approve a tax exemption of the Exemption Area from real property taxes pursuant to the Private Housing Finance Law Section 577 (the "Tax Exemption");

WHEREAS, HPD submitted to the Council on June 17, 2015 its revised request dated June 17, 2015 relating to the Tax Exemption for the Exemption Area (the "Revised HPD Request");

WHEREAS, upon due notice, the Council held a public hearing on the Tax Exemption on June 22, 2015; and

WHEREAS, the Council has considered the land use and financial implications and other policy issues

relating to the Tax Exemption;

RESOLVED:

The Council approves the Tax Exemption for the Exemption Area pursuant to the Revised HPD Request and pursuant to Section 577 of the Private Housing Finance Law as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
 - (a) “Company” shall mean West 140 LLC.
 - (b) “Effective Date” shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, (ii) the date that HPD and the Owner enter into the Regulatory Agreement.
 - (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, identified as Block 2025, Lots 41, 50, 52, and 53 and Block 2026, Lot 7 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 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 HP 140th Street Housing Development Fund Company, Inc.
 - (g) “HPD” shall mean the City of New York Department of Housing Preservation and Development.
 - (h) “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.
 - (i) “Owner” shall mean, collectively, the HDFC and the Company.
 - (j) “Regulatory Agreement” shall mean the regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area.
 - (k) “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.
 - (l) “Shelter Rent Tax” shall mean an amount equal to three and one half percent (3.5%) 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 2018/2019, 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 reason of any 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 any 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 buildings on the Exemption Area that exist 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 will remain in effect as provided above.

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 June 26, 2015, on file in this office.

City Clerk, Clerk of The Council