



Legislation Details (With Text)

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Title: Resolution approving an exemption from real property taxes for property located at (Block 3085, Lot 45) Bronx, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 588).

Sponsors:

Indexes:

Attachments: 1. Housing Preservation and Development Letter, 2. Memorandum, 3. March 16, 2017 - Stated Meeting Agenda with Links to Files, 4. Hearing Transcript - Stated Meeting 3-16-17, 5. Minutes of the Stated Meeting - March 16, 2017

Date	Ver.	Action By	Action	Result
3/16/2017	*	Committee on Finance	P-C Item Approved by Comm	
3/16/2017	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
PRECONSIDERED RES. NO. 1426

Resolution approving an exemption from real property taxes for property located at (Block 3085, Lot 45) Bronx, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 588).

By Council Member Ferreras-Copeland

WHEREAS, the New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council its request dated February 17, 2017 that the Council take the following action regarding a housing project located at (Block 3085, Lot 45) Bronx (“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) “Effective Date” shall mean the date of repayment or refinancing of the Existing Loan.
 - (b) “Exemption Area” shall mean the real property located in the Borough of Bronx, City and State of New York, identified as Block 3085, Lot 45 on the Tax Map of the City of New York.
 - (c) “Existing Loan” shall mean the HUD-insured private loan made on January 7, 2005 in connection with the Section 202 Supportive Housing program for the Elderly, which loan was secured by a mortgage on the Exemption Area.
 - (d) “Expiration Date” shall mean the earlier to occur of (i) a date which is thirty-five (35) 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) “Gross Residential Rent” shall mean the gross potential rents from all residential units (both occupied and vacant) of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8 rent supplements, and rental assistance).
 - (f) “Gross Rent Tax” shall mean an amount equal to ten percent (10%) of Gross Residential Rent.
 - (g) “HDFC” shall mean Notre Dame Housing Development Fund Company, Inc.
 - (h) “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.
 - (i) “HUD” shall mean the Department of Housing and Urban Development of the United States of America.
 - (j) "New Exemption" shall mean a partial exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - (k) “Owner” shall mean the HDFC or any future owner of the Exemption Area.
 - (l) "Prior Exemption" shall mean the exemption from real property taxation for the Exemption Area approved by the City Council on June 17, 2003 (Cal No. 945).
 - (m) “Regulatory Agreement” shall mean a regulatory agreement between HPD and the Owner executed on or after the Effective Date establishing certain controls upon the operation of the Exemption Area during the term of the New Exemption.
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, commercial or community facility 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. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the Owner shall pay the Gross Rent Tax. Notwithstanding the foregoing, the total annual real property tax payment by the Owner shall not at any time exceed the lesser of either (i) seventeen percent (17%) of the contract rents, or (ii) 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.
5. 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 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 construction or 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 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.
 - (b) The New Exemption shall apply to all land in the Exemption Area, but shall only apply to a building in 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.
 - (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 as of the Effective Date.
6. In consideration of the New Exemption, the Owner of the Exemption Area shall, for itself, its successors and assigns, (i) execute and record a Regulatory Agreement, and (ii) 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.

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 16, 2017, on file in this office.

City Clerk, Clerk of Council