Legislation Details (With Text)

File #:	Res 1447-2017	**Version:** *	**Name:**	LU 605 - Bushwick Cedar Apartments, Brooklyn
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Title: Resolution approving an exemption from real property taxes for property located at (Block 3231, Lot 1) Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 605).

Sponsors:

Indexes:

Attachments: 1. Housing Preservation and Development Letter, 2. Memorandum, 3. April 25, 2017 - Stated Meeting Agenda with Links to Files, 4. Hearing Transcript - Stated Meeting 4-25-17, 5. Minutes of the Stated Meeting - April 25, 2017

Date	Ver.	Action By	Action	Result
4/25/2017	*	Committee on Finance	P-C Item Approved by Comm	
4/25/2017	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
PRECONSIDERED RES. NO. 1447

Resolution approving an exemption from real property taxes for property located at (Block 3231, Lot 1) Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 605).

By Council Member Ferreras-Copeland

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated April 3, 2017 that the Council take the following action regarding a housing project located at (Block 3231, Lot 1) 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:

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1. For the purposes hereof, the following terms shall have the following meanings:

(a) "Company" shall mean Bushwick Cedar Partners LLC.

(b) "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, or (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 with respect to the Exemption Area.

(d) "Exemption Area" shall mean the real property located in the Borough of Brooklyn, City and State of New York, identified as Block 3231, Lot 1 on the Tax Map of the City of New York.

(e) "Expanded Gross Rent Tax" shall mean an amount equal to (i) the Gross Rent Tax due in tax year 2030, plus (ii) an additional amount equal to twenty-five percent (25%) of the amount by which the total contract rents applicable to the Exemption Area for that year (as adjusted and established pursuant to Section 8 of the United States Housing Act of 1937, as amended) exceed the total contract rents which are authorized in the 2030 tax year.

(f) "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.

(g) "Gross 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).

(h) "Gross Rent Tax" shall mean an amount equal to ten percent (10%) of Gross Rent for the tax year in which the real property tax payment is made.

(i) "HDFC" shall mean Bushwick Cedar Housing Development Fund Company, Inc.

(j) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.

(k) "Owner" shall mean, collectively, the HDFC and the Company.

(l) "Regulatory Agreement" shall mean a regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.

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, 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.

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3. Commencing upon the Effective Date, the Owner shall make real property tax payments in the sum of (a) up to and including the real property tax payment to be made from the Effective Date until June 30, 2030, the Gross Rent Tax; and (b) upon July 1, 2031, and for each real property tax payment thereafter until the Expiration Date, the Expanded Gross Rent Tax.

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 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 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 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 shall, for itself, its successors and assigns, waive, for so long as the 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 April 25, 2017, on file in this office.

_____
City Clerk, Clerk of Council