Legislation Details (With Text)

File #:	Res 1489-2017	**Version:** *	**Name:**	LU 642 - Clinton Arms, Block 3097, Lot 16; Bronx, Community District No. 6, Council District No. 15.
Type:	Resolution		**Status:**	Adopted
			In control:	Committee on Finance
On agenda:	5/24/2017			
Enactment date:			**Enactment #:**	

Title: Resolution approving a partial exemption from real property taxes for property located at (Block 3097, Lot 16) the Bronx, pursuant to Section 125 of the Private Housing Finance Law (Preconsidered L.U. 642)

Sponsors:

Indexes:

Attachments: 1. Housing Preservation and Development Letter, 2. Memorandum, 3. May 24, 2017 - Stated Meeting Agenda with Links to Files, 4. Hearing Transcript - Stated Meeting 5-24-17, 5. Minutes of the Recessed Stated Meeting of May 10, 2017 held on May 24, 2017, 6. Minutes of the Stated Meeting - May 24, 2017, 7. Minutes of the Recessed Stated Meeting of May 24, 2017 held on June 6, 2017

Date	Ver.	Action By	Action	Result
5/24/2017	*	Committee on Finance	P-C Item Approved by Comm	
5/24/2017	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
PRECONSIDERED RES. NO. 1489

Resolution approving a partial exemption from real property taxes for property located at (Block 3097, Lot 16) the Bronx, pursuant to Section 125 of the Private Housing Finance Law (Preconsidered L.U. 642)

By Council Member Ferreras-Copeland

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated May 1, 2017 that the Council take the following action regarding a housing project located at (Block 3097, Lot 16) the Bronx ("Exemption Area"):

Approve an additional period of tax exemption for the Project pursuant to Section 125(1)(a-3) of the Private Housing Finance Law (the "Tax Exemption");

WHEREAS, the project description that HPD provided to the Council states that the owner of the Project (the "Company") is a duly organized redevelopment company under Article V of the Private Housing Finance Law;

WHEREAS, the Council has considered the financial implications relating to the Tax Exemption;

RESOLVED: The Council hereby approves, pursuant to PHFL Section 125(1)(a-3), an additional period of tax exemption as follows:

powered by Legistar™

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

   a. "Company" shall mean Clinton Arms Associates, L.P.

   b. "Effective Date" shall mean the later of (a) October 30, 2024, or (b) the date that the Company and HPD enter into the Restrictive 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 the Bronx, City and State of New York, identified as Block 3097, Lot 16 on the Tax Map of the City of New York.

   e. "Expiration Date" shall mean the earlier to occur of (i) October 30, 2064, (ii) the date of the expiration or termination of the Regulatory Agreement, (iii) the date upon which the Exemption Area ceases to be owned by the Owner or, with the prior written approval of HPD, another redevelopment company organized pursuant to Article V of the Private Housing Finance Law, (iv) the date upon which the City terminates the partial tax exemption pursuant to the terms of the Regulatory Agreement, or (v) the date of the expiration or termination of the Exemption Area's Section 8 Housing Assistance Payments Contract.

   f. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.

   g. "Owner" shall mean the Company or, with the prior written approval of HPD, any future owner of the Exemption Area that is a redevelopment company organized pursuant to Article V of the Private Housing Finance Law.

   h. "Regulatory Agreement" shall mean the Redevelopment Agreement dated October 20, 1983 between the City of New York and the Owner, establishing certain controls upon the operation of the Exemption Area in accordance with Private Housing Finance Law Section 114.

   i. "Restrictive Agreement" shall mean an agreement between HPD and the Company that is entered into on or after January 1, 2017 and that requires the Exemption Area to remain a redevelopment company development organized under and operated pursuant to Article V of the Private Housing Finance Law for a period of twenty years from the date of execution.

2. All of the value of the property in the Exemption Area, including both the land and any improvements, 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.

3. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of the (i) the amount of taxes due in the year immediately prior to the Effective Date, 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 were authorized on the Effective Date. 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 V 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 the Restrictive 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 consent of HPD, or (vi) 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 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. Nothing herein shall entitle the Company 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.

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 24, 2017, on file in this office.

_____
City Clerk, Clerk of Council