



Legislation Details (With Text)

File #: Res 0909-2019 **Version:** * **Name:** LU 434 - 5 Teller HDFC, Bronx

Type: Resolution **Status:** Adopted

In control: Committee on Finance

On agenda: 5/29/2019

Enactment date: **Enactment #:**

Title: Resolution approving an exemption from real property taxes for property located at (Block 2421, Lots 22 and 24) Bronx, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 434).

Sponsors: Daniel Dromm

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Attachments: 1. Housing Preservation and Development Letter, 2. Res. No. 909, 3. Memorandum, 4. May 29, 2019 - Stated Meeting Agenda with Links to Files, 5. Hearing Transcript, 6. Hearing Transcript - Stated Meeting 5-29-19, 7. Minutes of the Stated Meeting - May 29, 2019, 8. Minutes of the Recessed Meeting of May 29, 2019 Held on June 13, 2019

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|---------------------------|--------|
| 5/29/2019 | * | Committee on Finance | P-C Item Approved by Comm | |
| 5/29/2019 | * | City Council | Approved, by Council | Pass |

THE COUNCIL OF THE CITY OF NEW YORK
RES. NO. 909

Resolution approving an exemption from real property taxes for property located at (Block 2421, Lots 22 and 24) Bronx, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 434).

By Council Member Dromm

WHEREAS, the New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council its request dated May 3, 2019 that the Council take the following action regarding a housing project located at (Block 2421, Lots 22 and 24) 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 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.
 - b. “Exemption” shall mean the exemption from real property taxation provided hereunder.
 - c. “Exemption Area” shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 2421, Lots 22 and 24 on the Tax Map of the City of New York.
 - d. “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.
 - e. “HDFC” shall mean 5 Tellers Housing Development Fund Company, Inc. or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - f. “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.
 - g. “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.
 - h. “Nominal Tax” shall mean the amount of one hundred dollars (\$100).
 - i. “Owner” shall mean, collectively, the HDFC and the Partnership.
 - j. “Partnership” shall mean 5 Tellers Associates, L.P. or any other entity that acquires the beneficial interest in the Exemption Area with the prior written consent of HPD.
 - k. “Regulatory Agreement” shall mean the 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.
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 Nominal Tax. 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 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) any interest in the Exemption Area is conveyed or transferred 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 Owner and all mortgagees of record, and, where there has been an unauthorized conveyance or transfer of any interest in the Exemption Area, to the new owner of such interest in the Exemption Area, 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 HDPC, the Owner, or any other person or entity 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 so long as the Exemption shall remain in effect, 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, (a) nothing herein shall prohibit the granting of any real property tax abatement pursuant to Sections 467-b or 467-c of the Real Property Tax Law to real property occupied by senior citizens or persons with disabilities, and (b) the J-51 Benefits shall remain in effect, but the Exemption shall 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 29, 2019, on file in this office.

City Clerk, Clerk of Council