Legislation Details (With Text)

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Title: Resolution approving an exemption from real property taxes for property located at (Block 1787, Lot 80) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 447).

Sponsors:

Indexes:

Attachments: 1. Res. No. 934, 2. Housing Preservation and Development Letter, 3. Memorandum, 4. June 13, 2019 - Stated Meeting Agenda with Links to Files, 5. Hearing Transcript - Stated Meeting 6-13-19, 6. Minutes of the Recessed Meeting of May 29, 2019 Held on June 13, 2019, 7. Minutes of the Stated Meeting - June 13, 2019, 8. Minutes of the Recessed Meeting of June 13, 2019 Held on June 18, 2019, 9. Minutes of the Recessed Meeting of June 13, 2019 Held on June 19, 2019

Date	Ver.	Action By	Action	Result
6/13/2019	*	Committee on Finance	P-C Item Approved by Comm	
6/13/2019	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RES. NO. 934

Resolution approving an exemption from real property taxes for property located at (Block 1787, Lot 80) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 447).

By Council Member Dromm

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated May 28, 2019 that the Council take the following action regarding a housing project located at (Block 1787, Lot 80) Manhattan, ("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. "Business Space" shall mean any business or commercial spaces that exist on the Exemption Area on or before the Regulatory Agreement Execution Date.

    b. "Community Facility Space" shall mean those portions of the Exemption Area which the Regulatory Agreement requires to be devoted solely to community facility uses.

    c. "Effective Date" shall mean November 2, 2012.

    d. "Exemption" shall mean the exemption from real property taxation provided hereunder.

    e. "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1787, Lot 80 on the Tax Map of the City of New York.

    f. "Expiration Date" shall mean the earlier to occur of (i) June 30, 2022, (ii) the date of repayment or refinancing of the HUD Mortgage, (iii) the date of the expiration or termination of the Regulatory Agreement, or (iv) 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 and commercial units on the Exemption Area without regard to whether such units are occupied or vacant, including, but not limited to, Section 8, rent supplements, rental assistance, or any other subsidy.

    h. "Gross Rent Deadline" shall mean three hundred and sixty-five (365) days from the date of the HPD letter requesting the information that HPD needs to calculate the Gross Rent Tax for the applicable tax year.

    i. "Gross Rent Tax" shall mean, with respect to any tax year, an amount equal to ten percent (10%) of the Gross Rent in such tax year; provided, however, that if the Owner fails to provide the Gross Rent on or before the Gross Rent Deadline, Gross Rent Tax shall mean an amount equal to real property taxes that would otherwise be due in such tax year in the absence of any form of exemption from or abatement of real property taxation.

    j. "HDFC" shall mean East Harlem Pilot Block-Building 3 Housing Development Fund Company, Inc. or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.

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

    l. "HUD" shall mean the Department of Housing and Urban Development of the United States of America.

    m. "HUD Mortgage" shall mean the original loan made by HUD to the Owner, which loan was secured by a mortgage on the Exemption Area.

    n. "Owner" shall mean the HDFC.

o. "Regulatory Agreement" shall mean the regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area on or after the Regulatory Agreement Execution Date.

p. "Regulatory Agreement Execution Date" shall mean the date that the Regulatory Agreement is executed.

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 other than the Community Facility Space, and, from the Effective Date until the Regulatory Agreement Execution Date, the Business Space), 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, the Owner shall make real property tax payments in the sum of $250 for each year until June 30, 2020, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of the Gross Rent 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, 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 a building on the Exemption Area that exists on the Effective Date.

c. Nothing herein shall entitle the HDFC, 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 (a) execute and record the Regulatory Agreement, and (b) 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, 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.

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 13, 2019, on file in this office.

_____
City Clerk, Clerk of Council

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