Legislation Details (With Text)

File #:	Res 1506-2008	**Version:**	*	**Name:**	LU 797 - Baisley Park Gardens, 125-30 and 120-45 Sutphin Boulevard, Block 12051, Lot 20, Block 12045, Lot 1, Queens, Council District 28
Type:	Resolution			**Status:**	Adopted
				In control:	Committee on Finance
On agenda:	6/29/2008				
Enactment date:				**Enactment #:**	

Title: Resolution approving a partial exemption from real property taxes for property located at 125-30 and 120-45 Sutphin Boulevard (Block 12051, Lot 20, and Block 12045, Lot 1) Queens, pursuant to Section 577 of the Real Property Tax Law (L.U. No. 797).

Sponsors:

Indexes:

Attachments: 1. Memorandum, 2. Hearing Transcript - Recessed Stated Meeting 6-23-08, 3. Hearing Transcript - Stated Meeting 6-29-08

Date	Ver.	Action By	Action	Result
6/25/2008	*	Committee on Finance	Approved by Committee	
6/29/2008	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1506

Resolution approving a partial exemption from real property taxes for property located at 125-30 and 120-45 Sutphin Boulevard (Block 12051, Lot 20, and Block 12045, Lot 1) Queens, pursuant to Section 577 of the Real Property Tax Law (L.U. No. 797).

By Council Member Weprin

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated June 2, 2008 that the Council take the following action regarding a housing project to be located at 125-30 and 120-45 Sutphin Boulevard (Block 12051, Lot 20, and Block 12045, Lot 1) Queens ("Exemption Area "):

Approve a partial exemption of the Project from real property taxes pursuant to Section 577 of the Real Property Tax 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 held a hearing on the Project on June 25, 2008;

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

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RESOLVED:

The Project shall be developed upon the terms and conditions set forth in the Project Summary that HPD has submitted to the Council, a copy of which is attached hereto.

The Council hereby grants an exemption from real property taxes as follows:

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

(1) "Bond Regulatory Agreement" shall mean the regulatory agreement between HFA and the New Owner providing that, for a term of 40 years, all dwelling units in the Exemption Area must, upon vacancy, be rented to families whose incomes do not exceed 60% of area median income.

(2) "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, and (ii) the date that HFA and New Owner enter into the Bond Regulatory Agreement.

(3) "Exemption Area" shall mean the real property located in the Borough of Queens, City and State of New York, identified as Block 12051, Lot 20 and Block 12045, Lot 1, on the Tax Map of the City of New York.

(4) "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

Bond 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.

(5) "HDFC" shall mean Baisley Housing Development Fund Company, Inc.

(6) "HFA" shall mean the New York State Housing Finance Agency.

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

(8) "Maximum Shelter Rent Tax" shall mean $559,914, 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 as of the Effective Date.

(9) "New Exemption" shall mean the partial exemption from real property taxes provided hereunder with respect to the Exemption Area.

(10) "New Owner" shall mean, collectively, the HDFC and the Partnership.

(11) "Partnership" shall mean Baisley, L.P.

(12) "PHFL" shall mean the Private Housing Finance Law.

b. All of the value of the property in the Exemption Area, including both the land and improvements (excluding those portions, if any, devoted to business or commercial use), shall be exempt from real property taxes, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon the Expiration Date.

c. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the New Owner shall make real property tax payments in the sum of the Maximum Shelter Rent Tax. Notwithstanding the foregoing, the total annual real property tax payment by the New Owner shall not at any time exceed the lesser of (i) seventeen percent (17%) of the contract rents, or (ii) the amount of real estate taxes that would otherwise be due in the absence of any form of tax exemption or abatement provided by an existing or future local, state, or federal law, rule or regulation.

d. Notwithstanding any provision hereof to the contrary:

(1) The New Exemption shall terminate if HPD determines that (i) the housing project is not being operated in accordance with the requirements of Article XI of the PHFL, (ii) the housing project is not being operated in accordance with the requirements of the Bond Regulatory Agreement and such non-compliance constitutes an event of default under the Bond Regulatory Agreement, or (iii) the demolition of an existing 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 New 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.

(2) The New Exemption shall not apply to any building constructed on the Exemption Area which did not have a permanent certificate of occupancy on the Effective Date.

e. In consideration of the New Exemption, the owner of the Exemption Area shall, for so long as the New Exemption shall remain in effect, waive the benefits of any additional or concurrent real property tax abatement and/or tax exemption which may be authorized under any existing or future local, state or federal law, rule or regulation.

2. Approve, pursuant to Section 125 of the PHFL**,** the termination of the partial tax exemption of the Exemption Area granted by the Board of Estimate on May 9, 1978 (Cal. No. 7) ("Old Exemption"), which termination shall become effective one day preceding the conveyance of the Exemption Area from the Current Owner to the New Owner.

3. Consent, pursuant to Section 123(4) of the PHFL, to the voluntary dissolution of the Current Owner.

4. If (i) the conveyance of the Exemption Area from the Current Owner to the New Owner does not occur within one day following the termination of the Old Exemption, or (ii) the conveyance of the Exemption Area from the Current Owner to the New Owner does not occur on the same day as the voluntary dissolution of the Current Owner, then all of the approvals and consents set forth above shall be null and void and both the obligations of the Current Owner to remain an Article V redevelopment company and the Old Exemption shall be reinstated as though they had never been interrupted.

Adopted.

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 25, 2008, on file in this office.

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City Clerk, Clerk of Council