Legislation Details (With Text)

File #:	Res 0317-2022	**Version:**	*	**Name:**	LU 97 - Approving an exemption from real property taxes for property located at (Block 5228, Lots 12 and 41) Bronx, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No.)
Type:	Resolution			**Status:**	Adopted
				In control:	Committee on Finance
On agenda:	9/14/2022				
Enactment date:				**Enactment #:**	
Title:	Resolution approving an exemption from real property taxes for property located at (Block 5228, Lots 12 and 41) Bronx, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 97).				
Sponsors:					
Indexes:					
Attachments:	1. Res. No. 317, 2. Housing Preservation and Development Letter, 3. Memorandum, 4. September 14, 2022 - Stated Meeting Agenda, 5. Hearing Transcript - Stated Meeting 9-14-22, 6. Minutes of the Stated Meeting - September 14, 2022				

Date	Ver.	Action By	Action	Result
9/14/2022	*	Committee on Finance	P-C Item Approved by Comm	
9/14/2022	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
PRECONSIDERED RES. NO. 317

Resolution approving an exemption from real property taxes for property located at (Block 5228, Lots 12 and 41) Bronx, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 97).

By Council Member Brannan

WHEREAS, The New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated August 1, 2022 that the Council take the following action regarding a housing project located at (Block 5228, Lots 12 and 41) 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 "Owner") 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:

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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. "Company" shall mean Palmer Ave Estates, LLC or any other entity that acquires the beneficial interest in the Exemption Area with the prior written consent of HPD.

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 Area" shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 5228, Lots 12 and 41 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. "Gross Rent" shall mean the gross potential rents from all residential, commercial, and community facility 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.

f. "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.

g. "Gross Rent Tax" shall mean, with respect to any tax year, an amount equal to two and eight-tenths percent (2.8%) 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.

h. "HDFC" shall mean Palmer Estates Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.

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

j. "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.

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

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l. "Prior Exemption" shall mean the existing tax exemption of the Exemption Area pursuant to Section 421-a(1-15) of the Real Property Tax Law.

m. "Regulatory Agreement" shall mean the regulatory agreement between HPD and the Owner, that is executed on or after May 1, 2022, establishes certain controls upon the operation of the Exemption Area during the term of the New Exemption and provides, inter alia, for the termination of the Prior 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 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 New 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, 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.

b. The New 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 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.

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5. 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 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 September 14, 2022, on file in this office.

_____

City Clerk, Clerk of Council

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