File #:	Res 0598-2023	**Version:** *	**Name:**	LU 197 - Taino Towers-Building 4, Block 1787, Lot 70, Manhattan, Community District No. 11, Council District No. 8.
Type:	Resolution		**Status:**	Adopted
			In control:	Committee on Finance
On agenda:	4/27/2023			
Enactment date:			**Enactment #:**	
Title:	Resolution approving an amendment to a previously approved real property tax exemption pursuant to Section 577 of the Private Housing Finance Law for property located at (Block 1787, Lot 70), Manhattan (Preconsidered L.U. No. 197).			
Sponsors:	Justin L. Brannan			
Indexes:				
Attachments:	1. Housing Preservation and Development Letter, 2. Res. No. 598, 3. April 27, 2023 - Stated Meeting Agenda, 4. Hearing Transcript - Stated Meeting 4-27-23, 5. Minutes of the Stated Meeting - April 27, 2023			

Date	Ver.	Action By	Action	Result
4/27/2023	*	Committee on Finance	P-C Item Approved by Comm	
4/27/2023	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
PRECONSIDERED RES. NO. 598

Resolution approving an amendment to a previously approved real property tax exemption pursuant to Section 577 of the Private Housing Finance Law for property located at (Block 1787, Lot 70), Manhattan (Preconsidered L.U. No. 197).

By Council Member Brannan

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated April 12, 2023 that the Council amend a previously approved tax exemption for real property located at (Block 1787, Lot 70), Manhattan ("Exemption Area") pursuant to Section 577 of the Private Housing Finance Law;

WHEREAS, the HPD's request for amendments is related to a previously approved Council Resolution adopted on June 13, 2019 (Resolution No. 936) (the "Prior Resolution"), granting the Exemption Area a real property tax exemption pursuant to Section 577 of the Private Housing Finance Law;

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

RESOLVED:

The Council approves the amendments to the Prior Resolution requested by HPD for the Exemption Area pursuant to Section 577 of the Private Housing Finance Law as follows:

Paragraphs 1 and 3 of the Prior Resolution are deleted and replaced with the following:

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. "Contract 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 Contract Rent Differential Tax for the applicable tax year.

    d. "Contract Rent Differential" shall mean the amount by which the total contract rents applicable to the Exemption Area for on the Contract Rent Differential Commencement Date, and for each year thereafter until the Expiration Date (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 Contract Rent Differential Commencement Date.

    e.   "Contract Rent Differential Commencement Date" shall mean July 1, 2023.

    f. "Contract Rent Differential Tax" (i) the sum of $953,828, plus (ii) twenty-five percent (25%) of the Contract Rent Differential; provided, however, that the total annual real property tax payment by the Owner shall not at any time exceed the lesser of (A) seventeen percent (17%) of the contract rents in the applicable tax year, or (B) 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. Notwithstanding the foregoing, that if the Owner fails to provide the contract rents on or before the Contract Rent Deadline, Contract Rent Differential 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.

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

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

    i. "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1787, Lot 70 on the Tax Map of the City of New York.

    j. "Expiration Date" shall mean the earlier to occur of (i) June 30, 2028, (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.

    k. "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.

l. "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.

m. "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.

n. "HDFC" shall mean East Harlem PILOT Block-Building 4 Housing Development Fund Company, Inc. or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.

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

p. "Owner" shall mean the HDFC.

q. "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.

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

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 June 30, 2023, the Owner shall make real property tax payments in the sum of the Gross Rent Tax. Commencing upon the Contract Rent Differential Commencement Date, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of the Contract Rent Differential 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.

Except as specifically amended above, all other terms, conditions, provisions and requirements of the Prior Resolution remain in full force and effect.

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 April 27, 2023, on file in this office.

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City Clerk, Clerk of Council