Legislation Details (With Text)

File #:	Res 0565-2010	**Version:** *	**Name:**	LU 252 - Coney Island Towers, Brooklyn.
Type:	Resolution		**Status:**	Adopted
			In control:	Committee on Finance
On agenda:	11/17/2010			
Enactment date:			**Enactment #:**	

Title: Resolution approving an exemption from real property taxes for property located at (Block 7055, Lot 13) Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 252).

Sponsors:

Indexes:

Attachments: 1. Memorandum, 2. Hearing Transcript, 3. Hearing Transcript - Stated Meeting 11-17-10

Date	Ver.	Action By	Action	Result
11/17/2010	*	Committee on Finance	P-C Item Approved by Comm	
11/17/2010	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 565

Resolution approving an exemption from real property taxes for property located at (Block 7055, Lot 13) Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 252).

By Council Member Recchia

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated September 27, 2010 that the Council take the following action regarding a housing project to be located at (Block 7055, Lot 13) Brooklyn (“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 held a hearing on the Project on November 17, 2010;

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

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:

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

   (a) "Current Owner" shall mean Coney Island Towers, LLC.

   (b) “Effective Date” shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, and (ii) the date that HPD and the New Owner enter into the Regulatory Agreement.

   (c) “Exemption" shall mean the exemption from real property taxation provided hereunder.

   (d) “Exemption Area” shall mean the real property located in the Borough of Brooklyn, City and State of New York, identified as Block 7055, Lot 13 on the Tax Map of the City of New York.

   (e) “Expiration Date” shall mean the earlier to occur of (i) a date which is thirty-five (35) 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.

   (f) “HDFC” shall mean Coney Island Properties Housing Development Fund Corporation.

   (g) “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.

   (h) “HPD Payment” shall mean an annual payment to HPD of the difference between the real property taxation payment required pursuant to the formula established in paragraph 3 below and the Shelter Rent Tax.

   (i) "J-51 Program" shall mean the program of exemption from and abatement of real property taxation authorized pursuant to Real Property Tax Law §489 and Administrative Code §11-243.

   (j) “Exemption" shall mean the exemption from real property taxation provided hereunder.

   (k) “New Owner” shall mean the HDFC.

   (l) “PHFL” shall mean the Private Housing Finance Law.

   (m) "Regulatory Agreement" shall mean the regulatory agreement between HPD and the New Owner providing that (i) for a term of 35 years, all dwelling units in the Exemption Area must, upon vacancy, be rented to families whose incomes do not exceed 125% of area median income; and (ii) through calendar year 2024, the New Owner shall make the HPD Payment to the extent of any available surplus cash, provided, however, that all such accrued HPD Payments shall be due in full on a date which is 35 years and 180 days from the Effective Date.

   (n) "Shelter Rent" shall mean the total rents received from the commercial and residential occupants of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8, rent supplements, and rental assistance), less the cost of providing to such occupants electricity, gas, heat and other utilities.

(o) "Shelter Rent Tax" shall mean an amount equal to ten percent (10%) of the Shelter Rent.

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), 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 New Owner shall make annual real property tax payments as follows:

(a) For calendar year 2010, the real property tax payment shall be $25,000;

(b) For calendar year 2011, the real property tax payment shall be $75,000;

(c) For calendar years 2012 through 2019, the annual real property tax payment shall be $100,000;

(d) For calendar year 2020, the real property tax payment shall be $145,000;

(e) For calendar year 2021, the real property tax payment shall be $191,100;

(f) For calendar year 2022, the real property tax payment shall be $236,600;

(g) For calendar year 2023, the real property tax payment shall be $282,200;

(h) For calendar year 2024, the real property tax payment shall be $372,700; and

(i) Commencing in calendar year 2025 and continuing until the Expiration Date, the annual real property tax payment shall equal the Shelter Rent Tax.

4. Notwithstanding the foregoing, the total annual real property tax payment by the New Owner and the HPD Payments shall not at any time exceed the amount of real estate 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.

5. Notwithstanding any provision hereof to the contrary:

(a) The Exemption shall terminate if HPD determines that (i) the Exemption Area is not being operated in accordance with the requirements of Article XI of the PHFL, (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, or (iv) the demolition of a 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 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 Exemption shall prospectively terminate.

(b) The 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.

6. 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 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. Notwithstanding the foregoing, the Exemption Area may receive any exemption from and/or abatement of real property taxation pursuant to the J-51 Program, provided, however, that the aggregate exemption from and abatement of real property taxation pursuant to the J-51 Program in any twelve month period shall not exceed fifty percent of the Shelter Rent Tax for such twelve month period pursuant to the Exemption.

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 November 17, 2010, on file in this office.

City Clerk, Clerk of Council