



Legislation Text

File #: Res 1828-2013, Version: *

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1828

Resolution approving a partial tax exemption, voluntary dissolution and terminating the prior tax exemption for a Project located at 1604 Jesup Avenue (Block 2872, Lot 252), 1595 Macombs Road (Block 2872, Lot 358), 1601 Macombs Road (Block 2872, Lot 365), 1551 Shakespeare Avenue (Block 2873, Lot 103), 1685 Hoe Avenue (Block 2983, Lot 38), 1662 Vyse Avenue (Block 2997, Lot 1), 1668 Vyse Avenue (Block 2997, Lot 5), 1680 Vyse Avenue (Block 2997, Lot 9), 1690 Vyse Avenue (Block 2997, Lot 13), 1698 Vyse Avenue (Block 2997, Lot 17), 1717 Bryant Avenue (Block 2997, Lot 26), 1685 Bryant Avenue (Block 2997, Lot 39), Borough of the Bronx, pursuant to the Private Housing Finance Law (L.U. No. 843; 20135678 HAX).

By Council Members Comrie and Levin

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on May 7, 2013 its request dated April 22, 2013 that the Council take the following actions regarding the proposed project (the "Project") located 1604 Jesup Avenue (Block 2872, Lot 252), 1595 Macombs Road (Block 2872, Lot 358), 1601 Macombs Road (Block 2872, Lot 365), 1551 Shakespeare Avenue (Block 2873, Lot 103), 1685 Hoe Avenue (Block 2983, Lot 38), 1662 Vyse Avenue (Block 2997, Lot 1), 1668 Vyse Avenue (Block 2997, Lot 5), 1680 Vyse Avenue (Block 2997, Lot 9), 1690 Vyse Avenue (Block 2997, Lot 13), 1698 Vyse Avenue (Block 2997, Lot 17), 1717 Bryant Avenue (Block 2997, Lot 26), 1685 Bryant Avenue (Block 2997, Lot 39), pursuant to Sections 123(4), 125 and 577 of the Private Housing Finance Law, Community Districts 3 and 5, Borough of the Bronx (the "Exemption Area"):

1. Approve the partial exemption of the Project from real property taxes pursuant to Section 577 of the Private Housing Finance Law;
2. Approve, pursuant to Section 125 of the PHFL, the termination of the prior tax exemption of the Exemption Area granted by the Board of Estimate on July 19, 1979 (Cal. No. 13), April 29, 1982 (Cal. No. 91), and April 16, 1982 (Cal. No. 8) ("Prior 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 Prior 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 Prior Exemption shall be reinstated as though they had never been interrupted.

WHEREAS, upon due notice, the Council held a public hearing on the Project on June 4, 2013;

WHEREAS, the Council has considered the land use and financial implications and other policy issues relating to the Project;

RESOLVED:

The Council approves the partial tax exemption of the Project from real property taxes pursuant to Section 577 of the Private Housing Finance Law as follows:

- a. For the purposes hereof, the following terms shall have the following meanings:
 - (1) "Company" shall mean PRC Shakespeare Avenue LLC.
 - (2) "Current Owner" shall mean Featherbed Lane Associates, L.P., MBD I Associates L.P., and MBD III Associates, L.P.
 - (3) "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, (ii) the date that HDC and the New Owner enter into the HDC Regulatory Agreement, or (iii) the date that HPD and the New Owner enter into the HPD Regulatory Agreement.
 - (4) "Exemption Area" shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 2872, Lots 252, 358, 365, Block 2873, Lot 103, Block 2983, Lot 38, and Block 2997, Lots 1, 5, 9, 13, 17, 26, 39 on the Tax Map of the City of New York.
 - (5) "Expiration Date" shall mean the earlier to occur of (i) a date which is thirty-two (32) years from the Effective Date, (ii) the date of the expiration or termination of the HDC Regulatory Agreement, (iii) the date of the expiration or termination of the HPD Regulatory Agreement, (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, or (v) 120 days from the date of the expiration or termination of the Section 8 Housing Assistance Payments Contracts or contracts under a similar or successor program, unless the New Owner or, subject to HPD approval, another housing development fund company organized pursuant to Article XI of the PHFL, has entered into a new regulatory agreement with HPD regarding rental subsidy for tenants living in the Exemption Area.
 - (6) "HDFC" shall mean Longwood Housing Development Fund Company, Inc.
 - (7) "HDC" shall mean the New York City Housing Development Corporation.
 - (8) "HDC Regulatory Agreement" shall mean the regulatory agreement between HDC and the New Owner providing that, for a term of 32 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.

- (9) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
- (10) "HPD Regulatory Agreement" shall mean the regulatory agreement between HPD and the New Owner establishing certain controls upon the operation of the Exemption Area during the term of the New Exemption.
- (11) "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
- (12) "New Owner" shall mean, collectively, the HDPC and the Company.
- (13) "PHFL" shall mean the Private Housing Finance Law.
- (14) "Prior Exemption" shall mean the exemption from real property taxation for the Exemption Area approved by the Board of Estimate on July 19, 1979 (Cal. No. 13), April 29, 1982 (Cal. No. 91), and April 16, 1982 (Cal. No. 8).
- (15) "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.
- (16) "Shelter Rent Tax" shall mean an amount equal to ten percent (10%) of Shelter Rent.
- 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 Shelter Rent Tax. Notwithstanding the foregoing, the total annual real property tax payment by the New 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 any 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 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 HDC Regulatory Agreement, (iii) the Exemption Area is not being operated in accordance with the requirements of the HPD Regulatory Agreement, (iv) 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 (v) the 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 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.
- (3) Nothing herein shall entitle the HDFC to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to 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.

The Council approves, pursuant to Section 125 of the PHFL, the termination of the Prior Exemption, which termination shall become effective one day preceding the conveyance of the Exemption Area from the Current Owner to the New Owner.

The Council consents, pursuant to Section 123(4) of the PHFL, to the voluntary dissolution of the Current Owner.

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 Prior 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 Prior Exemption shall be reinstated as though they had never been terminated or 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 12, 2013, on file in this office.

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City Clerk, Clerk of The Council