



Legislation Text

File #: Res 2036-2013, Version: *

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 2036

Resolution to approve a real property tax exemption pursuant to Section 577 of the Private Housing Finance Law (PHFL), terminate a prior exemption under PHFL Section 125, consent to the voluntary dissolution of the prior owner under PHFL 123(4), and approve the conveyance to a new owner for the Exemption Area located on Block 3125, Lots 9, 12, and 14; Block 3128, Lots 9, 13, 29, and 32; Block 3129, Lot 29; Block 3133, Lot 13; and Block 3134, Lot 1, Borough of the Bronx (L.U. No. 957; 20145153 HAX).

By Council Members Comrie and Levin

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on October 10, 2013 its request dated October 7, 2013 that the Council take the following actions regarding a tax exemption for real property located on Block 3125, Lots 9, 12, and 14; Block 3128, Lots 9, 13, 29, and 32; Block 3129, Lot 29; Block 3133, Lot 13; and Block 3134, Lot 1, Community District 6, Borough of the Bronx (the "Exemption Area"):

Approve an exemption of the Exemption Area from real property taxes pursuant Private Housing Finance Law (PHFL) Section 577 (the "Tax Exemption");

Terminate, pursuant to PHFL Section 125, a prior exemption for the Exemption Area;

Approve the conveyance of the Exemption Area from the current owner to the new owner; and

Consent to, pursuant to PHFL Section 123(4), the voluntary dissolution of the current owner;

WHEREAS, upon due notice, the Council held a public hearing on the Project on November 12, 2013; and

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

RESOLVED:

The Council approves the 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) "Current Owner" shall mean Daly II Associates and Daly III Associates.

- (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 HDC and the New Owner enter into the Regulatory Agreement.
- (3) "Exemption Area" shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 3125, Lots 9, 12, and 14; Block 3128, Lots 9, 13, 29, and 32; Block 3129, Lot 29; Block 3133, Lot 13; and Block 3134, 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 thirty-two (32) 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.
- (5) "HDC" shall mean the New York City Housing Development Corporation.
- (6) "HDFC" shall mean Daly IV Housing Development Fund Company, Inc.
- (7) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
- (8) "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
- (9) "New Owner" shall mean, collectively, the HDFC and the Partnership.
- (10) "Partnership" shall mean Daly IV Associates L.P.
- (11) "Prior Exemption" shall mean the exemption of the Exemption Area from real property taxation pursuant to Section 125 of the PHFL approved by the Board of Estimate on December 1, 1977, Cal. No. 29, as to Block 3125, Lots 9, 12, and 14, and Block 3128, Lots 9, 13, 29, and 32, and on December 1, 1977, Cal. No. 30, as to Block 3129, Lot 29; Block 3133, Lot 13; and Block 3134, Lot 1.
- (12) "PHFL" shall mean the Private Housing Finance Law.
- (13) "Regulatory Agreement" shall mean the regulatory agreement between HDC and the New Owner providing that, for the term of thirty-two (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.
- (14) "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.
- (15) "Shelter Rent Tax" shall mean an amount equal to ten percent (10%) of Shelter Rent.

- b. All of the value of the property, including both the land and the 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.
 - c. Commencing upon the Effective Date and during each year thereafter until the Expiration Date, the New Owner shall make annual 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 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 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, or (iv) 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, for so long as the New Exemption shall remain in effect, shall 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.
- 2. 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.
 - 3. The Council approves the conveyance of the Exemption Area from the Current Owner to the New Owner.
 - 4. The Council Consent, pursuant to Section 123(4) of the PHFL, to the voluntary dissolution of the Current Owner.

5. If the conveyance of the Exemption Area from the Current Owner to the New Owner does not occur either (i) within one day following the termination of the Prior Exemption, or (ii) 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, the dissolution of the Current Owner shall be rescinded, 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 November 14, 2013, on file in this office.

City Clerk, Clerk of The Council