



Legislation Text

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THE COUNCIL OF THE CITY OF NEW YORK  
RESOLUTION NO. 334

Resolution approving a real property tax exemption pursuant to Section 577 of the Private Housing Finance Law for a previously approved Urban Development Action Area Project located at 51 East 122<sup>nd</sup> Street (Block 1748, Lot 1), Borough of Manhattan (L.U. No. 71; 20145543 HAM).

By Council Members Greenfield and Dickens

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on April 28, 2014 its request dated April 21, 2014 that the Council approve a real property tax exemption for a previously approved Urban Development Action Area Project located at 51 East 122<sup>nd</sup> Street (Block 1748, Lot 1), Community District 11, Borough of Manhattan (the "Exemption Area");

Approve an exemption of the Exemption Area from real property taxation pursuant to Section 577 of Article XI of the Private Housing Finance Law (the "Tax Exemption");

WHEREAS, the request made by the New York City Department of Housing Preservation and Development is related to a previously approved City Council Resolution on January 26, 1994 (Resolution No. 79 of 1994, L.U. No. 58);

WHEREAS, upon due notice, the Council held a public hearing on the Project on June 17, 2014; 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 an exemption of the Exemption Area from real property taxes pursuant to Section 577 of Article XI of the Private Housing Finance Law as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
  - (a) "Effective Date" shall mean the later of (i) July 1, 2021, or (ii) the date that HPD and the Owner enter into the New Regulatory Agreement.
  - (b) "Exemption" shall mean the exemption from real property taxation provided hereunder.
  - (c) "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1748, Lot 1.

- (d) "Expiration Date" shall mean the earlier to occur of (i) a date which is twenty-five (25) years from the Effective Date, (ii) the date of the expiration or termination of the New 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) "HDFC" shall mean Maple Court Housing Development Fund Corporation.
  - (f) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
  - (g) "J-51 Benefits" shall mean any tax benefits pursuant to §489 of the Real Property Tax Law which are in effect on the Effective Date.
  - (h) "New Regulatory Agreement" shall mean the regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area executed within one hundred eighty (180) days after the date of the approval of the Exemption by the Council.
  - (i) "Owner" shall mean the HDFC or, with the prior written approval of HPD, any future owner of the Exemption Area that is a housing development fund company.
  - (j) "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.
  - (k) "Shelter Rent Tax" shall mean an amount equal to 10 percent (10%) of Shelter Rent.
2. All of the value of the property in the Exemption Area, including both the land and any improvements 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 Shelter 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 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 New 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 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.

(c) 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.

5. In consideration of the Exemption, the owner of the Exemption Area shall (a) execute the New Regulatory Agreement within one hundred eighty (180) days after the date of the approval of the Exemption by the Council, and (b), for so long as the Exemption shall remain in effect, waive the benefits of any additional or concurrent exemption from or abatement of real property taxation, other than the J-51 Benefits, which may be authorized under any existing or future local, state or federal law, rule or regulation provided, however, that the aggregate J-51 Benefits 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 June 26, 2014, on file in this office.

City Clerk, Clerk of The Council