



Legislation Text

File #: Res 0339-2014, Version: *

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 339

Resolution approving the termination of a prior tax exemption, consent to the voluntary dissolution of the current owner, and to grant of a new real property tax exemption pursuant to Section 577 of the Private Housing Finance Law (PHFL), for the Exemption Area located at 1715 Vyse Avenue (Block 2990, Lot 27), 1693 Vyse Avenue (Block 2990, Lot 34), 1687 Vyse Avenue (Block 2990, Lot 37), 1681 Vyse Avenue (Block 2990, Lot 40), 1671 Vyse Avenue (Block 2990, Lot 43), 1665 Vyse Avenue (Block 2990, Lot 50), 2023 Monterey Avenue (Block 3061, Lot 22), 2015 Monterey Avenue (Block 3061, Lot 26), 2005 Monterey Avenue (Block 3061, Lot 32), 547 East 178 Street (Block 3061, Lot 34), and 551 East 178 Street (Block 3061, Lot 36), in Community Districts 3 and 6, Borough of the Bronx (L.U. No. 83; 20145589 HAX).

By Council Members Greenfield and Dickens

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on June 3, 2014 its request dated May 30, 2014 that the Council take the following actions regarding a tax exemption for real property located at 1715 Vyse Avenue (Block 2990, Lot 27), 1693 Vyse Avenue (Block 2990, Lot 34), 1687 Vyse Avenue (Block 2990, Lot 37), 1681 Vyse Avenue (Block 2990, Lot 40), 1671 Vyse Avenue (Block 2990, Lot 43), 1665 Vyse Avenue (Block 2990, Lot 50), 2023 Monterey Avenue (Block 3061, Lot 22), 2015 Monterey Avenue (Block 3061, Lot 26), 2005 Monterey Avenue (Block 3061, Lot 32), 547 East 178 Street (Block 3061, Lot 34), and 551 East 178 Street (Block 3061, Lot 36); Community Districts 3 and 6, Borough of the Bronx (the "Exemption Area"):

Approve (i) the termination of an existing real property tax exemption pursuant to Section 125 of the Private Housing Finance Law (PHFL); and (ii) grant of a new real property tax exemption pursuant to PHFL Section 577 for the Exemption Area; and (iii) consent to the voluntary dissolution of the current owner of the Exemption Area pursuant to Section 123(4) of the PHFL (the "Tax Exemption");

WHEREAS, upon due notice, the Council held a public hearing on the Tax Exemption on June 17, 2014; and

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

RESOLVED:

The Council approves the Tax Exemption for the Exemption Area 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 2015 Monterey Avenue LLC.
 - (2) "Current Owner" shall mean MBD II Associates, L.P. and Monterey Associates L.P.
 - (3) "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, or (ii) 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 Bronx, City and State of New York, identified as Block 2990, Lots 27, 34, 37, 40, 43 and 50, and Block 3061, Lots 22, 26, 32, 34, and 36 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 (30) years from the Effective Date, (ii) the date of the expiration or termination of the HPD 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.
 - (6) "HDFC" shall mean Monterey Housing Development Fund Corporation.
 - (7) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - (8) "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.
 - (9) "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - (10) "New Owner" shall mean, collectively, the HDFC and the Company.
 - (11) "PHFL" shall mean the Private Housing Finance Law.
 - (12) "Prior Exemption" shall mean the exemptions from real property taxation for the Exemption Area approved by the Board of Estimate on July 17, 1980 (Cal. No. 33) and April 16, 1982 (Cal. No. 9).
 - (13) "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.

(14) “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 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.
- 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 HPD 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, (iv) the Exemption Area is conveyed to a new owner without the prior written approval of HPD, 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 only apply to buildings on the Exemption Area that exist 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 26, 2014, on file in this office.

City Clerk, Clerk of The Council