



Legislation Text

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THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 646

Resolution to approve a real property tax exemption pursuant to Section 577 of the Private Housing Finance Law (PHFL), for the Exemption Area located at Block 2685, Lot 28, Block 2740, Lots 10 and 12, and Block 2762, Lots 16, 18, 25 and 40, Community District 2, Borough of the Bronx (L.U. No. 192; 20155429 HAX).

By Council Members Greenfield and Dickens

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on February 27, 2015 its request dated February 23, 2015 that the Council take the following actions regarding a tax exemption for real property located at Block 2685, Lot 28, Block 2740, Lots 10 and 12, and Block 2762, Lots 16, 18, 25 and 40, Community District 2, Borough of the Bronx (the "Exemption Area"):

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

WHEREAS, upon due notice, the Council held a public hearing on the Tax Exemption on March 24, 2015; 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:

1. For the purposes hereof, the following terms shall have the following meanings:
 - (a) "Company" shall mean CE Hunts Point LLC.
 - (b) "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 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 Bronx, City and State of New York, identified as Block 2685, Lot 28, Block 2740, Lots 10 and 12, and Block 2762, Lots 16, 18, 25 and 40, 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 twenty-eight (28) years from the Effective Date, (ii) the date of 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 CEHP Housing Development Fund Company, Inc.
 - (g) “HPD” shall mean the City of New York Department of Housing Preservation and Development.
 - (h) “J-51 Benefits” shall mean any tax benefits pursuant to Section 489 of the Real Property Tax Law for the Exemption Area which are in effect on the Effective Date.
 - (i) “Owner” shall mean, collectively, the HDFC and the Company.
 - (j) “Regulatory Agreement” shall mean the regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.
 - (k) “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.
 - (l) “Shelter Rent Tax” shall mean an amount equal to ten percent (10%) of 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 Owner shall make real property tax payments in the sum of the Shelter Rent Tax. Such payments shall not be reduced by reason of any J-51 Benefits. 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 any 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 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 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 apply to all land in the Exemption Area, but shall only apply to buildings on the Exemption Area that exist 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, for so long as the Exemption shall remain in effect, shall 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.

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 March 31, 2015, on file in this office.

City Clerk, Clerk of The Council