



Legislation Text

File #: Res 1495-2017, Version: *

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1495

Resolution approving a tax exemption pursuant to Article XI of the Private Housing Finance Law for property located at Block 345, Lot 9; Block 349, Lot 21; Block 350, Lots 23, 39; Block 355, Lot 62; Block 372, Lot 37; Block 378, Lot 4; Block 389, Lot 27; Block 391, Lot 45; Block 393, Lots 6, 7, 8, 40; Block 398, Lot 55; Block 402, Lot 54; Block 404, Lot 58; Block 405, Lot 42; and Block 440, Lot 50; Borough of Manhattan, (L.U. No. 615; Non-ULURP No. 20175387 HAM).

By Council Members Greenfield and Salamanca

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on April 18, 2017 its request dated April 11, 2017 that the Council approve an exemption of the Project from real property taxes pursuant to Section 577 of Article XI of the Private Housing Finance Law for property located at Block 345, Lot 9; Block 349, Lot 21; Block 350, Lots 23, 39; Block 355, Lot 62; Block 372, Lot 37; Block 378, Lot 4; Block 389, Lot 27; Block 391, Lot 45; Block 393, Lots 6, 7, 8, 40; Block 398, Lot 55; Block 402, Lot 54; Block 404, Lot 58; Block 405, Lot 42; and Block 440, Lot 50; Community District No. 3, Borough of Manhattan, Council Districts Nos. 1 and 2 (the "Exemption Area");

WHEREAS, upon due notice, the Council held a public hearing on the Project on May 16, 2017;

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

RESOLVED:

Pursuant to Section 577 of the Private Housing Finance Law, the Council approves the exemption of the Exemption Area from real property taxes as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
 - (a) "Commercial Property" shall mean those portions of the Exemption Area devoted to business, commercial or community facility use.
 - (b) "Effective Date" shall mean July 1, 2015.
 - (c) "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 345, Lot 9; Block 349, Lot 21; Block 350, Lots 23, 39; Block 355, Lot 62; Block 372, Lot 37; Block 378, Lot 4; Block 389, Lot 27; Block 391, Lot 45; Block 393, Lots 6, 7, 8, 40; Block 398, Lot 55; Block 402, Lot 54; Block 404, Lot 58; Block 405, Lot 42; and Block 440, Lot 50 on the Tax Map of the City of New York.
 - (d) "Expiration Date" shall mean the earlier to occur of (i) a date which is forty (40) 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.
 - (e) "HDFC" shall mean the Lower East Side People's Mutual Housing Association 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 Section 489 of the Real Property Tax Law for the Exemption Area which are in effect on the Effective Date.
 - (h) "Exemption" shall mean the exemption from real property taxes provided hereunder with respect to the Exemption Area.
 - (i) "Regulatory Agreement" shall mean the regulatory agreement between HPD and the HDFC establishing certain controls upon the operation of the Exemption Area on and after the date such Regulatory Agreement is executed.
 - (j) "Residential Property" shall mean all of the real property, other than the Commercial Property, included in the Exemption Area.
 - (k) "Tax Payment" shall mean an annual real property tax payment commencing upon July 1, 2017 that is based on an assessed valuation equal to an amount calculated by multiplying \$2,000 times the number of residential units included in the Exemption Area and increasing such product by three and seven tenths percent (3.7%) on July 1, 2018 and on July 1 of each successive year until the Expiration Date, provided, however, that the Tax Payment 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.
2. All of the value of the Residential Property, 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 on June 30, 2017.
3. All of the value of the Residential Property, including both the land and any improvements, shall be exempt from real property taxation, other than assessments for local improvements, for a period commencing on July 1, 2017 and terminating upon the Expiration Date provided, however, that the Owner shall make real property tax payments in the sum of the Tax Payment.
4. Notwithstanding any provision hereof to the contrary:
- a. The 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 owner of the Exemption Area has failed to execute the Regulatory Agreement within three-hundred sixty-five (365) days after the date of approval of the Exemption by the New York City Council pursuant to a duly authorized resolution, (iii) the Exemption Area is not being operated in accordance with the requirements of the 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, (v) the Exemption Area is conveyed to a new owner without the prior written approval of HPD, or (vi) the construction or 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 HDFC 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 shall (i) execute and record the Regulatory Agreement, and (ii) for so long as the Exemption shall remain in effect, waive the benefits, if any, 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. Notwithstanding the foregoing, the J-51 Benefits shall remain in effect, but (i) the Exemption

shall be reduced by the amount of such J-51 Benefits, and (ii) the Tax Payment shall not be reduced by the amount of such J-51 Benefits.

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 May 24, 2017, on file in this office.

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City Clerk, Clerk of The Council