



Legislation Text

File #: Res 1846-2021, Version: \*

THE COUNCIL OF THE CITY OF NEW YORK  
RESOLUTION NO. 1846

**Resolution approving an Urban Development Action Area Project and waiving the urban development action area designation requirement and the Uniform Land Use Review Procedure pursuant to Article 16 of the General Municipal Law, and approving a real property tax exemption pursuant to Article XI of the Private Housing Finance Law for property located at Block 1363, Lots 7 and 60; Block 1433, Lot 19; Block 1451, Lot 40; Block 1464, Lot 79; Block 1474, Lot 65; Block 1514, Lot 59; Block 1519, Lot 63; Block 1524, Lot 43; Block 1531, Lot 65; Block 1561, Lot 9; Block 1668, Lot 48; Block 1769, Lot 56; Block 3511, Lot 64, Borough of Brooklyn, Community Districts 3, 8, and 16 (L.U. No. 922; 20225007 HAK).**

**By Council Members Salamanca and Riley**

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on October 19, 2021 its request dated October 19, 2021 that the Council take the following actions regarding the proposed Urban Development Action Area Project (the "Project") located at Block 1363, Lots 7 and 60; Block 1433, Lot 19; Block 1451, Lot 40; Block 1464, Lot 79; Block 1474, Lot 65; Block 1514, Lot 59; Block 1519, Lot 63; Block 1524, Lot 43; Block 1531, Lot 65; Block 1561, Lot 9; Block 1668, Lot 48; Block 1769, Lot 56\*; Block 3511, Lot 64, Community Districts 3, 8, and 16, Borough of Brooklyn (the "Disposition Area or Exemption Area"):

1. Find that the present status of the Disposition Area tends to impair or arrest the sound growth and development of the municipality and that the proposed Urban Development Action Area Project is consistent with the policy and purposes of Section 691 of the General Municipal Law;
2. Waive the area designation requirement of Section 693 of the General Municipal Law pursuant to Section 693 of the General Municipal Law;
3. Waive the requirements of Sections 197-c and 197-d of the Charter pursuant to Section 694 of the General Municipal Law;
4. Approve the project as an Urban Development Action Area Project pursuant to Section 694 of the General Municipal Law; and
5. Approve an exemption of the Exemption Area from real property taxes pursuant to Section 577 of Article XI of the Private Housing Finance Law.

WHEREAS, the Project is to be developed on land that is an eligible area as defined in Section 692 of the General Municipal Law, consists solely of the rehabilitation or conservation of existing private or multiple dwellings or the construction of one to four unit dwellings, and does not require any change in land use permitted under the New York City Zoning Resolution;

WHEREAS, upon due notice, the Council held a public hearing on the Project on November 17, 2021; and

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

RESOLVED:

The Council finds that the present status of the Disposition Area tends to impair or arrest the sound growth and development of the City of New York and that a designation of the Project as an Urban Development Action Area Project is consistent with the policy and purposes stated in Section 691 of the General Municipal Law.

The Council waives the area designation requirement pursuant to Section 693 of the General Municipal Law.

The Council waives the requirements of Sections 197-c and 197-d of the New York City Charter pursuant to Section 694 of the General Municipal Law.

The Council approves the Project as an Urban Development Action Area Project pursuant to Section 694 of the General Municipal Law.

The Project shall be developed in a manner consistent with the Project Summary that HPD has submitted to the Council on October 15, 2021, a copy of which is attached hereto.

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

a. For the purposes hereof, the following terms shall have the following meanings:

- (1) "CLT" shall mean CLT Interboro CLT Housing Development Fund Corporation or a community land trust housing development fund company that acquires all or a portion of the Exemption Area with the prior written consent of HPD.
- (2) "Company" shall mean Habitat Mosaic Brooklyn LLC or any other entity that acquires the beneficial interest in the Exemption Area with the prior written consent of HPD.
- (3) "Coop HDFC" shall mean a housing development fund company that acquires all or a portion of the Exemption Area and/or a leasehold interest in all or a portion of the Exemption Area with the prior written consent of HPD.
- (4) "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.
- (5) "Exemption" shall mean the exemption from real property taxation provided hereunder.
- (6) "Exemption Area" shall mean the real property located in the Borough of Brooklyn, City and

State of New York, identified as Block 1363, Lots 7 and 60, Block 1433, Lot 19, Block 1451, Lot 40, Block 1464, Lot 79, Block 1474, Lot 65, Block 1514, Lot 59, Block 1519, Lot 63, Block 1524, Lot 43, Block 1531, Lot 65, Block 1561, Lot 9, Block 1668, Lot 48, Block 1769, Lot 56, and Block 3511, Lot 64 on the Tax Map of the City of New York.

- (7) "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, leased, or controlled by either a housing development fund company or an entity wholly controlled by a housing development fund company.
  - (8) "HDFC" shall mean Habitat Mosaic Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
  - (9) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
  - (10) "Owner" shall mean either (i) the HDFC and the Company, or (ii) the CLT and/or the Coop HDFC.
  - (11) "Regulatory Agreement" shall mean the regulatory agreement(s) between HPD and the Owner establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.
- 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, commercial, or community facility 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. Notwithstanding any provision hereof to the contrary:
- (1) The Exemption shall terminate with respect to all or any portion of the Exemption Area 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) any interest in the Exemption Area is conveyed or transferred to a new owner without the prior written approval of HPD, or (v) 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 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.
  - (2) The Exemption shall apply to all land in the Exemption Area, but shall only apply to buildings on the Exemption Area that have a new permanent certificate of occupancy or a temporary

certificate of occupancy for all of the residential areas on or before five years from the Effective Date.

(3) Nothing herein shall entitle the HDFC, CL T, Coop HDFC, the Owner, or any other person or entity to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.

d. In consideration of the Exemption, the owner of the Exemption Area shall, 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 which may be authorized under any existing or future local, state, or federal law, rule, or regulation. Notwithstanding the foregoing, nothing herein shall prohibit the granting of any real property tax abatement pursuant to Sections 467-b or 467-c of the Real Property Tax Law to real property occupied by senior citizens or persons with disabilities.

**PROJECT SUMMARY**

- 1. **PROGRAM:** OPEN DOOR PROGRAM
- 2. **PROJECT:** Bed-Stuy East and Weeksville Mosaic
- 3. **LOCATION:**
  - a. **BOROUGH:** Brooklyn
  - b. **COMMUNITY DISTRICT:** 3, 8, 16
  - c. **COUNCIL DISTRICT:** 36, 41
  - d. **PROJECT AREA (or EXEMPTION AREA):**

<u>BLOCKS</u>	<u>LOTS</u>
1514	59
1519	63
1524	43
1531	65
1561	9
1668	48
1363	7
1363	60
1433	19
1451	40
1474	65
3511	64
1464	79
1769	56
  - e. **DISPOSITION AREA:**

<u>BLOCKS</u>	<u>LOTS</u>
1514	59
1519	63
1524	43
1531	65
1561	9

1668	48
1363	7
1363	60
1433	19
1451	40
1474	65
3511	64
1464	79

- 4. **BASIS OF DISPOSITION PRICE:** Nominal. Sponsor will pay one dollar per tax lot and deliver a note and mortgage for the remainder of the appraised value ("Land Debt").
- 5. **TYPE OF PROJECT:** New Construction
- 6. **APPROXIMATE NUMBER OF BUILDINGS:** 14
- 7. **APPROXIMATE NUMBER OF UNITS:** 46
- 8. **HOUSING TYPE:** Cooperative Units. If homes remain unsold at the end of the Marketing Period and HPD determines in writing that (i) sale is not feasible within a reasonable time, and (ii) a rental fallback is the best available alternative, then the unsold homes may be rented in accordance with the written instructions of HPD.
- 9. **ESTIMATE OF INITIAL PRICE:** Sales prices will be affordable to families with annual household incomes between up to 80% and 100% of the area median income (AMI).
- 10. **LIENS FOR LAND DEBT/CITY SUBSIDY:** Each of the Land Debt and the amount of any construction financing provided through loans from the City ("City Subsidy") will be secured by a mortgage on the Disposition Area. Upon conversion to a cooperative, the HDFC cooperative and/or CLT will repay the Land Debt and City Subsidy, if any, attributable to the property by delivering one or more notes and mortgages and/or a conditional grant agreement to the City. At such time, HPD may unsecure or forgive all or a portion of the Land Debt, and unsecure, but not forgive, all or a portion of the City Subsidy, based on the appraised value of a homeownership unit and/or, in the case of forgiveness of Land Debt, if HPD determines that the forgiveness is necessary to reduce the taxable consideration for a unit. The sum evidenced by the note and secured by the mortgage will be reduced to zero upon maturity of the Land Debt and City Subsidy, respectively, if the owner has complied with the program's restrictions.
- 11. **INCOME TARGETS:** Families with annual household incomes between up to 80% and 110% of AMI.
- 12. **PROPOSED FACILITIES:** None
- 13. **PROPOSED CODES/ORDINANCES:** None

- 14. ENVIRONMENTAL STATUS:** Negative Declaration
- 15. PROPOSED TIME SCHEDULE:** Approximately 24 months from closing to completion of construction.

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 \_\_\_\_\_, 2021, on file in this office.

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City Clerk, Clerk of The Council