



## Legislation Text

**File #:** Res 1653-2000, **Version:** \*

THE COUNCIL OF THE CITY OF NEW YORK  
RESOLUTION NO. 1653

Resolution approving a partial exemption from real property taxes for a property located at 55 Pierrepont Street (Block 236, Lot 15), Brooklyn pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 926).

By Council Member Berman

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated November 28, 2000 that the Council take the following action regarding a housing project (the "Project") to be located at 55 Pierrepont Street (Block 236, Lot 15), Borough of Brooklyn (the "Exemption Area"):

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

WHEREAS, the project description that HPD provided to the Council states that the purchaser of the Project (the "Sponsor") is a duly organized housing development fund company under Article XI of the Private Housing Finance Law;

WHEREAS, the Council held a hearing on the Project on December 5, 2000;

WHEREAS, the Council has considered the financial implications relating to the Project;

**RESOLVED:**

The Council hereby grants an exemption from real property taxes, pursuant to Section 577 of the Private Housing Finance Law, as follows:

1. All of the value of the property in the Exemption Area, including both the land and improvements (excluding those portions, if any, devoted to business or commercial use), shall be exempt from real property taxes, other than assessments for local improvements, commencing upon the date of conveyance of the Exemption Area to the Sponsor ("Effective Date"), and terminating upon the earlier to occur of (i) the sale or other disposition of the Exemption Area by the Sponsor, or (ii) a date which is thirty (30) years from the Effective Date ("Expiration Date"); provided, however, that the Sponsor shall make an annual real estate tax payment ("Shelter Rent Payment") as described below commencing upon the Effective Date and terminating upon the earlier to occur of (i) the date that the section 8 Housing Assistance Payments Contract ("Section 8 Contract") with respect to the residential improvements in the Exemption area, as such Section 8 Contract may be extended from time to time, expires ("Section 8 Termination Date"), or (ii) the Expiration Date.

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2. Commencing upon the Effective Date and during each year thereafter until the earlier to occur of the Section 8 Termination Date or the Expiration Date, the Sponsor shall make real estate tax payments in the sum of (i) \$103,100, which is ten percent (10%) of the annual shelter rent for the housing project, plus (ii) an additional amount equal to twenty-five percent (25%) of the amount by which the total contract rents applicable to the housing project for that year (as adjusted and established pursuant to Section 8 of the United States housing Act of 1937, as amended) exceed the total contract rents which are authorized as of the Effective Date. Notwithstanding the foregoing, the total annual real estate tax payment by the Sponsor shall not at any time exceed the lesser of either (i) seventeen percent (17%) of the contract rents, or (ii) the amount of real estate taxes that would otherwise be due in the absence of any form of tax exemption or abatement provided by any existing or future local, state, or federal law, rule or regulation.

3. If the Section 8 Termination Date precedes the Expiration Date, then, from the Section 8 Termination Date until the Expiration date, Sponsor shall not be required to make the annual Shelter Rent Payment.

4. In consideration of the Tax exemption provided hereunder, Sponsor shall enter into a regulatory agreement ("Regulatory agreement") with the New York City Housing Development Corporation ("HDC") which shall remain in effect until the Expiration Date.

(a) The regulatory agreement shall provide that the Sponsor (i) shall exercise any and all available options to renew the Section 8 Contract, (ii) shall not cause the Section 8 Contract to be terminated by reason of Sponsor's non-compliance with any of the terms thereof, and (iii) shall not voluntarily cause or permit the Section 8 Contract to expire, to not be extended, to not be renewed, or to be terminated (collectively, "Renewal Obligation").

(b) The regulatory Agreement shall provide that, if the Section 8 Termination Date precedes the Expiration Date, then, from the Section 8

Termination Date until the Expiration Date, (i) not less than eighty percent (80%) of the dwelling units in the Exemption Area ("Low Income Units") shall be rented to persons earning not more than eighty percent (80%) of the median income for the area as determined by the United States Department of Housing and Urban Development or its successors as adjusted for family size ("Area Median Income"), (ii) tenants occupying Low Income Units on the Section 8 Termination Date shall not pay more than thirty Percent (30%) of their incomes for rent, and (iii) tenants occupying Low Income Units that were vacant on the Section 8 Termination Date or became vacant after the Section 8 Termination Date shall not pay more than thirty percent (30%) of eighty percent (80%) of Area Median Income for rent (collectively, "Low Income Obligation")

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(c) In addition to the powers and authority of HDC, the Regulatory agreement shall, authorize HPD to determine that Sponsor has failed to comply with the Renewal Obligation or the Low Income Obligation.

5. Notwithstanding any provision hereof to the contrary, (i) the tax exemption provided hereunder shall not become effective until Sponsor and HDC enter into the Regulatory Agreement, and (ii) the tax exemption provided hereunder shall terminate if HDC or HPD determines, subject to any cure provisions in the Regulatory Agreement, that Sponsor has violated the Renewal Obligation or the Low Income Obligation.

6. In consideration of such Tax exemption, the Sponsor, for so long as the tax exemption provided hereunder shall remain in effect, shall waive the benefits, if any, of 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.

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 December 5, 2000, on file in this office.

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City Clerk, Clerk of Council