



Legislation Text

File #: Res 1440-2008, **Version:** *

THE COUNCIL OF THE CITY OF NEW YORK RESOLUTION NO.1440

Resolution approving a partial exemption from real property taxes for a property known as Lafayette Morrison Apartments located at 820 & 880 Boynton Avenue, 825 & 875 Morrison Avenue (Block 3627, Lots 40, 50, 30 and 20) The Bronx, pursuant to Section 577 of the Private Housing Finance Law (L.U. No. 755).

By Council Member Weprin

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated April 28, 2008 that the Council take the following action regarding a housing development (the "Development") located at 820 & 880 Boynton Avenue, 825 & 875 Morrison Avenue (Block 3627, Lots 40, 50, 30 and 20) The Bronx (the "Exemption Area"):

Approve a partial exemption of the Development 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 owner of the Development, Morrison LLC (the "Sponsor") will convey the Exemption Area to Lafayette-Morrison Housing Development Fund Corporation which 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 Development on May 28, 2008;

WHEREAS, the Council has considered the financial implications relating to the Tax Exemption;

The Project shall be developed upon the terms and conditions set forth in the Project Summary that HPD has submitted to the Council, a copy of which is attached hereto.

The Council hereby grants an exemption from real property taxes as follows:

RESOLVED:

1. 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 taxes, other than assessments for local improvements, for a period commencing upon the date of conveyance of the Exemption Area to the HDFC ("Effective Date") and terminating upon a date which is twenty-five (25) years from the Effective Date ("Expiration Date"); provided, however, that the HDFC shall make an annual real property tax payment commencing upon the Effective Date and terminating upon the Expiration Date.

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2. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the HDFC shall make real property tax payments in an amount equal to the greater of (i) Four Hundred Twenty-Two Thousand Seventy-Eight Dollars (\$422,078), or (ii) ten percent (10%) of the annual shelter rent of the Project. For purposes of this paragraph "shelter rent" shall mean (i) the total carrying charges paid to the HDFC by reason of ownership of stock in such HDFC (including rent supplements and subsidies received from the federal government, the State or the City, on behalf of such shareholders other than interest reduction payments pursuant to Section 201(a) of the Federal Housing and Urban Development Act of 1968 (12 U.S.C.A. § 1715z-1)), less the cost to the HDFC of providing such shareholders with electricity, gas, heat, water, sewer and other utilities, plus (ii) the total rents received by the HDFC from the occupants of the Project that do not own stock in such HDFC (including rent supplements and subsidies received from the federal government, the State or the City, on behalf of such occupants other than interest reduction payments pursuant to Section 201(a) of the Federal Housing and Urban Development Act of 1968 (12 U.S.C.A. § 1715z-1)), less the cost to the HDFC of providing such occupants with electricity, gas, heat, water, sewer and other utilities.

3. Notwithstanding any provision hereof to the contrary:

a. No Exemption shall be provided hereunder unless HPD and the HDFC, in their respective sole discretion, enter into a regulatory agreement ("Regulatory Agreement") after the date hereof (i) requiring that the Exemption Area be operated in accordance with the requirements of Article XI of the Private Housing Finance Law, (ii) requiring that the Exemption Area be converted to cooperative ownership by a date certain established therein, which date shall be not less than one year from the date that the HDFC acquires the Exemption Area, and (iii) containing such other terms as HPD shall determine.

b. The Exemption shall terminate if HPD determines that (i) the HDFC is not organized as a housing development fund company, (ii) the HDFC is no longer the owner of the Exemption Area, (iii) the HDFC is not operating the Exemption Area in accordance with the requirements of Article XI of the Private Housing Finance Law, or (iv) the Sponsor or the HDFC is not operating the Exemption Area in accordance with the requirements of the Regulatory Agreement and all other agreements made by the Sponsor or the HDFC with, or for the benefit of, the City of New York.

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 28, 2008, on file in this office.

City Clerk, Clerk of Council