



Legislation Text

File #: Res 0657-2024, Version: *

THE COUNCIL OF THE CITY OF NEW YORK
PRECONSIDERED RES. NO. 657

Resolution approving an exemption from real property taxes for property located at (Block 837, Lot 1) Brooklyn, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 192).

By Council Member Brannan

WHEREAS, The New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council its request dated November 8, 2024 that the Council take the following action regarding a housing project located at (Block 837, Lot 1) Brooklyn (“Exemption Area”):

Approve an 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 “Owner”) is a duly organized housing development fund company under Article XI of the Private Housing Finance Law;

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

RESOLVED:

1. For the purposes hereof, the following terms shall have the following meanings:
 - a. “Contract Rent Deadline” shall mean three hundred and sixty-five (365) days from the date of the HPD letter requesting the information that HPD needs to calculate the Contract Rent Differential Tax for the applicable tax year.
 - b. “Contract Rent Differential” shall mean the amount by which the total contract rents applicable to the Exemption Area for such tax 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 Effective Date.
 - c. “Contract Rent Differential Tax” shall mean the sum of (i) \$283,470 plus (ii) twenty-five percent (25%) of the Contract Rent Differential; provided, however, that the total annual real property tax payment by the Owner shall not at any time exceed the lesser of (A) seventeen percent (17%) of the contract rents in the applicable tax year, or (B) 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. Notwithstanding the foregoing, if the Owner fails to provide the contract rents on or before the

Contract Rent Deadline, Contract Rent Differential Tax shall mean an amount equal to real property taxes that would otherwise be due in such tax year in the absence of any form of exemption from or abatement of real property taxation.

- d. “Effective Date” shall mean the date that HPD and the Owner enter into the Regulatory Agreement.
- e. “Exemption Area” shall mean the real property located in the Borough of Brooklyn, City and State of New York, identified as Block 837, Lot 1 on the Tax Map of the City of New York.
- f. “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.
- g. “Gross Rent” shall mean the gross potential rents from all residential, commercial, and community facility units on the Exemption Area without regard to whether such units are occupied or vacant, including, but not limited to, Section 8, rent supplements, rental assistance, or any other subsidy.
- h. “Gross Rent Deadline” shall mean three hundred and sixty-five (365) days from the date of the HPD letter requesting the information that HPD needs to calculate the Gross Rent Tax for the applicable tax year.
- i. “Gross Rent Tax” shall mean, with respect to any tax year, an amount equal to twelve percent (12.0%) of the Gross Rent in such tax year; provided, however, that the total annual real estate 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 an existing or future local, state, or federal law, rule, or regulation. Notwithstanding the foregoing, if the Owner fails to provide the Gross Rent on or before the Gross Rent Deadline, Gross Rent Tax shall mean an amount equal to real property taxes that would otherwise be due in such tax year in the absence of any form of exemption from or abatement of real property taxation.
- j. “HDFC” shall mean NHPF-Harbor Hill Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
- k. “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.
- l. “New Exemption” shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
- m. “Owner” shall mean, collectively, the HDFC and the Partnership.
- n. “Partnership” shall mean RAHF IV Harbor Hill, L.P. or any other entity that acquires the

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.

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 November 21, 2024, on file in this office.

City Clerk, Clerk of Council