



Legislation Text

File #: Res 0686-2024, Version: *

THE COUNCIL OF THE CITY OF NEW YORK

PRECONSIDERED RES. NO. 686

Resolution approving an additional period of exemption from real property taxes for property located at (Block 1943, Lot 1) Manhattan, pursuant to Section 125(1)(a-3) of the Private Housing Finance Law (Preconsidered L.U. No. 198).

By Council Member Brannan

WHEREAS, The New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council its request dated November 22, 2024, that the Council take the following action regarding a housing project located at (Block 1943, Lot 1) Manhattan (“Exemption Area”):

Approve an additional period of tax exemption from real property taxes pursuant to Section 125(1)(a-3) 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 Project (the “Owner”) for the subject period of the requested exemption was a duly organized housing redevelopment company formed pursuant to Article V of the Private Housing Finance Law;

WHEREAS, the Council has considered the financial implications relating to the Tax Exemption; now, therefore, be it

RESOLVED:

1. For the purposes hereof, the following terms shall have the following meanings:
 - a. “Effective Date” shall mean May 2, 2022.
 - b. “Exemption” shall mean the exemption from real property taxation provided hereunder.
 - c. “Exemption Area” shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1943, Lot 1 on the Tax Map of the City of New York.
 - d. “Expiration Date” shall mean the earlier to occur of (i) the date of conveyance of the Exemption Area to the HDFC, (ii) the date that HPD and the Owner enter into the Regulatory Agreement, or (iii) a date which is three (3) years from the Effective Date.
 - e. “HDFC” shall mean Morningside I Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.

- 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 which are in effect on the Effective Date.
 - h. “Owner” shall mean Morningside I Associates, L.P.
 - i. “Redevelopment Agreement” shall mean the Land Disposition Agreement dated March 20, 1980, between the City of New York and the Owner, establishing certain controls upon the operation of the Exemption Area in accordance with Private Housing Finance Law Section 114, and recorded on reel 558, page 173, in the Office of the City Register of the City of New York.
 - j. “Regulatory Agreement” shall mean the regulatory agreement between HPD, the HDFC, and the Owner establishing certain controls upon the operation of the Exemption Area on and after the date such regulatory agreement is executed.
2. 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.
3. Commencing upon the Effective Date, (i) the Owner shall make real property tax payments in the sum of (i) \$95,802 for the period beginning on the Effective Date and ending on June 30, 2022, (ii) \$592,671 for the period beginning on July 1, 2022, and ending on June 30, 2023, (iii) \$592,671 for the period beginning on July 1, 2023, and ending on June 30, 2024, and (iv) \$592,671 for the period beginning on July 1, 2024, and ending on June 30, 2025.
4. Notwithstanding any provision hereof to the contrary:
- a. The Exemption shall terminate if HPD determines at any time that (i) the Exemption Area is not being operated in accordance with the requirements of Article V of the Private Housing Finance Law, (ii) the Exemption Area is not being operated in accordance with the requirements of the Redevelopment 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 the 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.
 - 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 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.

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 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, (a) 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, and (b) the J-51 Benefits shall remain in effect, but real property tax payments required by paragraph 3 herein shall not be reduced by such J-51 Benefits.

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, 2024, on file in this office.

City Clerk, Clerk of Council