

WHEREAS, the Council has considered the land use and financial implications and other policy issues relating to the Exemption Area, as defined below;

RESOLVED:

The Council approves, pursuant to Section 114 of the PHFL, the Project Summary as to conformity with the provisions and purposes of Article V of the PHFL.

The Council approves the exemption of the Exemption Area from real property taxes pursuant to Section 125 of the PHFL as follows:

- a. For the purposes hereof, the following terms shall have the following meanings:
 - (1) "Effective Date" shall mean the date of acquisition of the Exemption Area by the Owner.
 - (2) "Exemption Area" shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 2552, Lot 21 and Block 2553, Lot 2 on the Tax Map of the City of New York.
 - (3) "Expiration Date" shall mean the earlier to occur of (i) a date which is forty (40) years from the Effective Date, (ii) the date upon which the Exemption Area ceases to be owned by the Owner, or subject to HPD approval, another redevelopment company organized pursuant to Article V of the Private Housing Finance Law, (iii) the date upon which the City terminates the tax exemption pursuant to the terms of the Redevelopment Company Contract or (iv) the date of the expiration or termination of the Exemption Area's Section 8 Housing Assistance Payments Contract or contracts under a similar or successor program, unless the Owner or, subject to HPD approval, another redevelopment company organized pursuant to Article V of the PHFL, has entered into a new regulatory agreement with HPD regarding rental subsidy for tenants living in the Exemption Area .
 - (4) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
 - (5) "Maximum Shelter Rent Tax" shall mean (i) \$264,998.00, plus (ii) an additional amount equal to twenty-five percent (25%) of the amount by which the total contract rents applicable to the Exemption Area 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 were authorized on the Effective Date.
 - (6) "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - (7) "Owner" shall mean the Rainbow Apartments, LLC, or, with the prior written approval of HPD, any future owner of the Exemption Area that is a redevelopment company organized pursuant to Article V of the Private Housing Finance Law.
 - (8) "Prior Exemption" shall mean the exemption from real property taxation approved by the

Board of Estimate on December 30, 1983 (Cal. No. 5).

- (9) “Redevelopment Company Contract” shall mean the regulatory agreement between HPD and the Owner.
- b. The Prior Exemption shall terminate on the Effective Date.
- c. All of the value of the property in the Exemption Area, including both the land and any improvements, 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.
- d. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the Owner shall make real property tax payments in the sum of the Maximum Shelter Rent Tax. Notwithstanding the foregoing, the total annual real property 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.
- e. In consideration of the New Exemption, the owner of the Exemption Area, for so long as the New Exemption shall remain in effect, shall (1) exercise any and all available options to renew or extend any housing assistance payments contract pursuant to Section 8 of the United States Housing Act of 1937, as amended, and any successor rent subsidy program, not cause any such contract to be terminated by reason of the owner’s noncompliance with any of the terms thereof, and not voluntarily cause or permit any such contract to expire or terminate without renewal or extension and (2) 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.

The Council approves, pursuant to Section 114 of the PHFL, the Redevelopment Company Contract and authorize the Commissioner of HPD to execute the Redevelopment Company Contract in substantially the form submitted, when approved as to form by the Corporation Counsel.

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 February 1, 2017, on file in this office.

City Clerk, Clerk of The Council