



Legislation Details (With Text)

File #: Res 0658-2015 **Version:** * **Name:** LU 207 - Penn South, 212-226 9th Ave (Block 747, Lot 1), 311-351 West 24th St (Block 748, Lot 1), 250-268 9th Ave (Block 749, Lot 1), 313 8th Ave (Block 749, Lot 24), 270-296 9th Ave (Block 751, Lot 1) and 305 9th Ave (Block 752, Lot 1), Manhattan.

Type: Resolution **Status:** Adopted

In control: Committee on Finance

On agenda: 4/16/2015

Enactment date: **Enactment #:**

Title: Resolution (1) approving an additional exemption from real property taxes for the properties located at 212-226 9th Avenue (Block 747, Lot 1), 311-351 West 24th Street (Block 748, Lot 1), 250-268 9th Avenue (Block 749, Lot 1), 313 8th Avenue (Block 749, Lot 24), 270-296 9th Avenue (Block 751, Lot 1) and 305 9th Avenue (Block 752, Lot 1) in Manhattan, pursuant to Section 125(1)(a-4) of the Private Housing Finance Law, (2) approving a Seventh Amendatory Agreement to the Contract between the City of New York and Mutual Redevelopment Houses, Inc., and (3) authorizing the Mayor or any Deputy Mayor or the Commissioner of the New York City Department of Housing Preservation and Development to execute the Seventh Amendatory Agreement when approved as to form by the Corporation Counsel and directing the City Clerk to attest to the same and to affix the seal of the City thereto. (Preconsidered L.U. No. 207)

Sponsors:

Indexes:

Attachments: 1. Housing Preservation & Development Approval Letter, 2. Committee Report 4/13/15, 3. Hearing Transcript 4/13/15, 4. April 16, 2015 - Stated Meeting Agenda with Links to Files, 5. Hearing Transcript - Stated Meeting 4-16-15, 6. Minutes of the Stated Meeting - April 16, 2015

Date	Ver.	Action By	Action	Result
4/16/2015	*	Committee on Finance	P-C Item Approved by Comm	
4/16/2015	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 658

Resolution (1) approving an additional exemption from real property taxes for the properties located at 212-226 9th Avenue (Block 747, Lot 1), 311-351 West 24th Street (Block 748, Lot 1), 250-268 9th Avenue (Block 749, Lot 1), 313 8th Avenue (Block 749, Lot 24), 270-296 9th Avenue (Block 751, Lot 1) and 305 9th Avenue (Block 752, Lot 1) in Manhattan, pursuant to Section 125(1)(a-4) of the Private Housing Finance Law, (2) approving a Seventh Amendatory Agreement to the Contract between the City of New York and Mutual Redevelopment Houses, Inc., and (3) authorizing the Mayor or any Deputy Mayor or the Commissioner of the New York City Department of Housing Preservation and Development to execute the Seventh Amendatory Agreement when approved as to form by the Corporation Counsel and directing the City Clerk to attest to the same and to affix the seal of the City thereto. (Preconsidered L.U. No. 207)

By Council Members Ferreras and Johnson

WHEREAS, The New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council of the City of New York its request dated April 6, 2015 that the Council of the City of

New York approve an additional exemption from real property taxes for the properties located at 212-226 9th Avenue (Block 747, Lot 1), 311-351 West 24th Street (Block 748, Lot 1), 250-268 9th Avenue (Block 749, Lot 1), 313 8th Avenue (Block 749, Lot 24), 270-296 9th Avenue (Block 751, Lot 1) and 305 9th Avenue (Block 752, Lot 1) in Manhattan (“Exemption Area”), pursuant to Section 125(1)(a-4) of the Private Housing Finance Law; and

WHEREAS, The State Legislature, by enactment of Chapter 531 of the Laws of 2014, which added Section 125(1)(a-4) of the Private Housing Finance Law (“Article V Mutual Authorizing Legislation”), has authorized the local legislative body in a city having a population of one million or more to grant an additional tax exemption for a period of up to fifty years to a mutual redevelopment company for which the local legislative body has previously acted to extend the tax exemption for the maximum period provided for Section 125(1)(a-2) of the Private Housing Finance Law; and

WHEREAS, Such Article V Mutual Authorizing Legislation also provides that such grant of an additional tax exemption period shall take effect upon the expiration of the maximum period provided for in Section 125(1)(a-2) of the Private Housing Finance Law; and

WHEREAS, Such Article V Mutual Authorizing Legislation also provides that the amount of taxes to be paid by such mutual redevelopment company during any such period of tax exemption shall be not less than an amount equal to the greater of (i) ten per centum of the annual rent or carrying charges of the project minus utilities for the residential portion of the project, or (ii) the taxes payable by such company for the residential portion of the project during the tax year commencing July 1, 2000 and ending on June 30, 2001; and

WHEREAS, Whereas, the Council of the City of New York, the local legislative body of the City of New York, has previously acted, pursuant to Res. No. 2044 of 2001, to extend the tax exemption for properties owned and operated by Mutual Redevelopment Houses, Inc. (“Housing Company”) and located in the Exemption Area, pursuant to Section 125(1)(a-2) of the Private Housing Finance Law, for the maximum period provided in Section 125(1)(a-2) of the Private Housing Finance Law; and

WHEREAS, Such tax exemption pursuant to Section 125(1)(a-2) of the Private Housing Finance Law shall expire on June 30, 2022; and

WHEREAS, The City of New York, acting through the Commissioner of its Department of Housing Preservation and Development (“City”), entered into an agreement with the Housing Company, dated as of June 24, 2011 (“Sixth Amendatory Agreement”), which Sixth Amendatory Agreement was approved by the City Council on May 6, 2011 (Res. No. 813 of 2011); and

WHEREAS, In Section 1 of such Sixth Amendatory Agreement, the City and the Housing Company agreed to amend Paragraph 105 of that certain Agreement, dated as of July 1, 1987, between the Housing Company and the City, as amended by an Amendatory Agreement dated as of November, 1990, and further amended by a Second Amendatory Agreement dated as of July 1, 1995, and by a Third Amendatory Agreement dated as of August 22, 2001, and by a Fourth Amendatory Agreement dated as of October 6, 2005, and by a Fifth Amendatory Agreement dated as of January 17, 2006 (collectively, including the Sixth Amendatory Agreement, “City Agreement”), to add a new subparagraph (B) to Paragraph 105 of the City Agreement, to provide, among other things, that, subject to the enactment of the Article V Mutual Authorizing Legislation and the enactment of a resolution by the City Council:

“... the City agrees to and hereby does grant an additional exemption and exempts from local and municipal taxes, all of the value of the portion of the Redevelopment Project owned by the Housing

Company which is taxed as residential pursuant to the terms of this Agreement, for the period commencing with the City's tax year July 1, 2022 through June 30, 2023, and continuing through the City's tax year July 1, 2029 through June 30, 2030, provided that the amount of taxes to be paid by the Housing Company during each such tax year shall be an amount equal to the greater of (i) ten per centum of the annual rent or carrying charges of the Housing Company minus utilities for the residential portion of the Redevelopment Project or (ii) the taxes paid by the Housing Company for the residential portion of the Redevelopment Project in the City's tax year July 1, 2000 through June 30, 2001, in the total amount of \$3,477,099.00 (the 'Additional Exemption' ...);

and

WHEREAS, The Article V Mutual Authorizing Legislation has been enacted by the State Legislature;

and

WHEREAS, The Council of the City of New York has determined that, given the tremendous growth in real property values in the Exemption Area, which has caused real property taxes to increase beyond the means of the primarily low- and moderate-income tenants who reside therein, it is in the interest of the City to assist the Housing Company in maintaining affordable rents and carrying charges by granting an additional exemption as authorized by Section 125(1)(a-4) of the Private Housing Finance Law; and

WHEREAS, The Council of the City of New York has considered the financial implications relating to the extended partial exemption from real property taxes; and

WHEREAS, The Fifth Amendatory Agreement to the City Agreement established guidelines, set forth in Section 209, subsection (a)(iii)(B), that, among other things, provided in subsection (a)(iii)(B)(4) of such Section 209, that certain loans made by lenders to cooperators of the Housing Company to finance their purchases of their apartments "... shall not exceed one-half (1/2) of the [purchase] price being paid by such tenant/cooperator[s] ..." for their apartments; and

WHEREAS, Due to increases in those purchase prices resulting from such factors as increases in amortization paid to outgoing cooperators of the Housing Company and equity assessments required to be paid by the Housing Company's cooperators, it has become more difficult for some purchasers to assemble the funds needed to purchase their apartments; and

WHEREAS, Such purchases by purchasers can be facilitated by increasing the allowed amount of loans to such purchasers from the currently allowed one-half (1/2) of the purchase price to up to three-quarters (3/4) of the purchase price; and

WHEREAS, Subsection (a)(iii)(C) of such Section 209 as amended by the Fifth Amendatory Agreement also provided that the guidelines could be modified from time to time by resolution of the Board of Directors of the Housing Company, subject to the written approval of HPD and the approval of the City Council; and

WHEREAS, By a resolution adopted March 17, 2015, the Board of Directors of the Housing Company approved the modification to the guidelines authorizing the increase in the allowed amount of loans to purchasers; and

WHEREAS, HPD has indicated it also will approve such increase in the allowed amount of such loans by executing the Seventh Amendatory Agreement once it is approved by the City Council; and

WHEREAS, The Seventh Amendatory Agreement revises Section 209, subsection (a)(iii)(B)(4) of the City Agreement to permit financing of up to three-quarters (3/4) of the purchase price; now, therefore, be it

RESOLVED:

The Council of the City of New York hereby:

1. Approves, pursuant to Private Housing Finance Law § 125(1)(a-4), an additional exemption from real property taxes, other than assessments for local improvements, of all of the residential portion of the Exemption Area for the period commencing with the City's tax year July 1, 2022 through June 30, 2023 and continuing through the City's tax year July 1, 2029 through June 30, 2030, provided, however, that the amount of taxes to be paid during such period of tax exemption shall not be less than an amount equal to the greater of (i) ten per centum of the annual rent or carrying charges of the project minus the utilities for the residential portion of the project, or (ii) \$3,477,099.00, the taxes payable by the Housing Company for the residential portion of the project during the tax year commencing July 1, 2000 and ending on June 30, 2001.
2. Approves, pursuant to Section 209(a)(iii)(C) of the City Agreement and Private Housing Law Section 114, the proposed Seventh Amendatory Agreement between the City of New York and the Housing Company in substantially the form submitted, and authorizes the Mayor or any Deputy Mayor or the Commissioner of the Department of Housing Preservation and Development to execute the Seventh Amendatory Agreement, when approved as to form by the Corporation Counsel, and direct the City Clerk or Acting City Clerk to attest to the same and to affix the seal of the City thereto.

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 _____, on file in this office.

City Clerk, Clerk of Council