THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1683

Resolution approving an exemption from real property taxes for property located at (Block 1944, Lot 36) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 764).

By Council Member Ferreras-Copeland

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated September 18, 2017 that the Council take the following action regarding a housing project located at (Block 1944, Lot 36) Manhattan ("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 "Sponsor") 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:

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

1. For the purposes hereof, the following terms shall have the following meanings:

   a. "Effective Date" shall mean the date of repayment or refinancing of the HUD Mortgage.

   b. "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1944, Lot 36 on the Tax Map of the City of New York.

   c. "Expiration Date" shall mean the earlier to occur of (i) a date which is thirty-five (35) 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.

   d. "HDFC" shall mean Canaan Baptist Housing Development Fund Corp. or a housing development fund company that acquires the Exemption Area with the prior written

consent of HPD.

e. “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.

f. “HUD” shall mean the Department of Housing and Urban Development of the United States of America.

g. "HUD Mortgage" shall mean the Section 223(f) insured mortgage made by HUD on October 13, 2006, to the HDFC in connection with the Section 202 Supportive Housing Program for the Elderly, which loan was secured by a mortgage on the Exemption Area.

h. "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.

i. “Owner” shall mean the HDFC.

j. "Prior Exemption" shall mean the exemption from real property taxation for the Exemption Area approved by the Council of the City of New York on May 10, 2006 (Resolution No. 304), as amended by the Council of the City of New York on August 16, 2006 (Resolution No. 474).

k. “Regulatory Agreement” shall mean the regulatory agreement between HPD and the Owner entered into on or after the Effective Date establishing certain controls upon the operation of the Exemption Area during the term of the New Exemption.

l. “Shelter Rent Tax” shall mean the sum of (i) $196,571, plus (ii) an additional amount equal to twenty-five percent (25%) of the amount by which the total contract rents applicable to the housing project 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 are authorized as of the Effective Date.

2. The Prior Exemption shall terminate upon the Effective Date.

3. 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.

4. 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 Shelter Rent Tax. Notwithstanding the foregoing, the total annual real property tax payment by the HDFC 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.

5. Notwithstanding any provision hereof to the contrary:

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a. The New 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 XI of the Private Housing Finance Law, (ii) the Exemption Area is not being operated in accordance with the requirements of the Regulatory 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 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 New Exemption shall prospectively terminate.

b. The New Exemption shall apply to all land in the Exemption Area, but shall only apply to a building on the Exemption Area that exists on the Effective Date**.**

c. Nothing herein shall entitle the HDFC, the Owner, or any past owner to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.

d. All previous resolutions, if any, providing an exemption from or abatement of real property taxation with respect to the Exemption Area are hereby revoked as of the Effective Date.

6. In consideration of the New Exemption, prior or simultaneous with repayment or refinancing of the HUD Mortgage, the owner, for itself, its successors and assigns, shall (i) execute and record a Regulatory Agreement, and (ii) waive, for so long as the New Exemption shall remain in effect, 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.

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 October 17, 2017, on file in this office.

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City Clerk, Clerk of Council

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