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Title: Resolution approving an exemption from real property taxes for property located at (Block 2117, Lot 34 Block 2119, Lots 58 and 66) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 96).

Sponsors: Daniel Dromm

Indexes:

Attachments: 1. Res. No. 365, 2. Housing Preservation and Development Letter, 3. Memorandum, 4. May 23, 2018 - Stated Meeting Agenda with Links to Files, 5. Hearing Transcript - Stated Meeting 5-23-18, 6. Minutes of the Stated Meeting - May 23, 2018

Date	Ver.	Action By	Action	Result
5/23/2018	*	Committee on Finance	P-C Item Approved by Comm	
5/23/2018	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RES. NO. 365

Resolution approving an exemption from real property taxes for property located at (Block 2117, Lot 34 Block 2119, Lots 58 and 66) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 96).

By Council Member Dromm

WHEREAS, the New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council its request dated April 23, 2018 that the Council take the following action regarding a housing project located at (Block 2117, Lot 34 Block 2119, Lots 58 and 66) 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. “Community Facility Space” shall mean those portions of the Exemption Area which the Regulatory Agreement requires to be devoted solely to community facility uses.
 - b. “Conveyance Lots” shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 2119, Lots 58 and 66 on the Tax Map of the City of New York.
 - c. “Effective Date” shall mean the later of (i) the date of conveyance of the Conveyance Lots to the HDFC, or (ii) the date that HPD and the Owner enter into the Regulatory Agreement.
 - d. “Exemption Area” shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 2117, Lot 34, and Block 2119, Lots 58 and 66 on the Tax Map of the City of New York.
 - e. “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.
 - f. “HDFC” shall mean the Essie Jeffries Apartments Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - g. “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.
 - h. “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.
 - i. “New Exemption” shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - j. “Owner” shall mean the HDFC.
 - k. “Prior Exemption” shall mean the exemptions from real property taxation for the Exemption Area approved by the Board of Estimate on May 24, 1990 (Cal. No. 282), by the New York City Council on October 22, 1992 (Res. No. 941), and any exemption from real property taxation for the Exemption Area pursuant to the Private Housing Finance Law or the General Municipal Law that was in effect prior to the Effective Date.
 - l. “Regulatory Agreement” shall mean the regulatory agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area during the term of the New Exemption.
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 or commercial use other than the Community Facility Space), shall be fully 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. Notwithstanding any provision hereof to the contrary:
 - 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 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 New Exemption shall prospectively terminate.
 - b. The New 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 HDFC, the Owner, or any past owner of the Exemption Area 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.
5. In consideration of the New Exemption, the owner of the Exemption Area, for so long as the New Exemption shall remain in effect, shall waive the benefits, if any, 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, the J-51 Benefits shall remain in effect, but the New Exemption shall be reduced by the amount of 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 May 23, 2018, on file in this office.

City Clerk, Clerk of Council