



Legislation Details (With Text)

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Title: Resolution approving a partial exemption from real property taxes for property located at (Block 336, Lot 5) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 641)

Sponsors:

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Attachments: 1. Memorandum, 2. Hearing Transcript, 3. Hearing Transcript - Stated Meeting 6-28-12

Date	Ver.	Action By	Action	Result
6/28/2012	*	Committee on Finance	P-C Item Approved by Comm	
6/28/2012	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1415

Resolution approving a partial exemption from real property taxes for property located at (Block 336, Lot 5) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 641)

By Council Members Recchia and Comrie

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated June 12, 2012 that the Council take the following action regarding a housing project (the "Project") to be located at (Block 336, Lot 5), Manhattan ("Exemption Area "):

Approve a partial 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 held a hearing on the Project on June 28, 2012;

WHEREAS, the Council has considered the financial implications relating to the Tax Exemption;

RESOLVED:

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

- (a) "Company" shall mean CAM Orenstein, LLC.
- (b) "Effective Date" shall mean the later to occur of (i) the date of repayment or refinancing of the HUD Mortgage, (ii) the date that HFA and the New Owner enter into the HFA Regulatory Agreement, or (iii) the date that HPD and the New Owner enter into the HPD Regulatory Agreement.
- (c) "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 336, Lot 5 on the Tax Map of the City of New York.
- (d) "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 HFA Regulatory Agreement, or (iii) the date of the expiration or termination of the HPD Regulatory Agreement.
- (e) "HFA" shall mean the New York State Housing Finance Agency.
- (f) "HFA Regulatory Agreement" shall mean the regulatory agreement between HFA and the New Owner providing that, for a term of forty (40) years, all units must be rented to elderly persons whose incomes do not exceed 60% of area median income.
- (g) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
- (h) "HPD Regulatory Agreement" shall mean the regulatory agreement between HPD and the New Owner establishing certain controls upon the operation of the Exemption Area during the term of the New Exemption
- (i) "HUD" shall mean the Department of Housing and Urban Development of the United States of America.
- (j) "HUD Mortgage" shall mean the original loan made to the Prior Owner by HUD in connection with the Section 202 Supportive Housing Program for the Elderly, which loan was secured by a mortgage on the Exemption Area.
- (k) "Maximum Shelter Rent" shall mean (i) \$200,000, 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 (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 January 1, 2013.
- (l) "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
- (m) "New Owner" shall mean the Sponsor and the Company, collectively.
- (n) "Prior Exemption" shall mean the exemption from real property taxation for the Exemption Area approved by the Board of Estimate on May 28, 1981 (Cal. No. 22) and October 22, 1981 (Cal. No. 255).
- (o) "Prior Owner" shall mean United Jewish Council Bialystoker HDFC Inc.

- (p) "Sponsor" shall mean UJC Orenstein Preservation Housing Development Fund Company, Inc.
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), 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 Sponsor shall make real property tax payments in the sum of the Maximum Shelter Rent. Notwithstanding the foregoing, the total annual real property tax payment by the Sponsor 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 any existing or future local, state, or federal law, rule or regulation.
 5. 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 the HFA Regulatory Agreement, (ii) the Exemption Area is not being operated in accordance with the requirements of the HPD 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, or (iv) the 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 Sponsor 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 not apply to any building constructed on the Exemption Area which did not have a permanent certificate of occupancy on the Effective Date.
 - (c) Nothing herein shall entitle the New 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.
 6. In consideration of the New Exemption, prior to or simultaneous with repayment or refinancing of the HUD Mortgage, the New Owner, for itself, its successors and assigns, shall (i) execute and record the HPD 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.

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 June 28, 2012, on file in this office.

City Clerk, Clerk of Council