



Legislation Details (With Text)

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On agenda: 9/12/2018

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Title: Resolution approving a new tax exemption pursuant to Article XI of the Private Housing Finance Law and termination of the prior tax exemption for property located at Block 1655, Lot 15; Block 1708, Lot 48 and Block 1795, Lot 24, Community District 11, Borough of Manhattan, (L.U. No. 183; Non-ULURP No. 20195011 HAM).

Sponsors:

Indexes:

Attachments: 1. Resolution, 2. Land Use Calendar - Week of August 13, 2018 - August 17, 2018, 3. Hearing Transcript - Planning 8-14-18, 4. Hearing Testimony - Planning 8-14-18, 5. Land Use Calendar - Week of September 3, 2018 - September 7, 2018, 6. September 12, 2018 - Stated Meeting Agenda with Links to Files, 7. Hearing Transcript - Stated Meeting 9-12-18, 8. Minutes of the Stated Meeting - September 12, 2018, 9. Committee Report

Date	Ver.	Action By	Action	Result
9/6/2018	*	Committee on Land Use	Approved by Committee	
9/12/2018	*	City Council	Approved, by Council	Pass

**THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 528**

Resolution approving a new tax exemption pursuant to Article XI of the Private Housing Finance Law and termination of the prior tax exemption for property located at Block 1655, Lot 15; Block 1708, Lot 48 and Block 1795, Lot 24, Community District 11, Borough of Manhattan, (L.U. No. 183; Non-ULURP No. 20195011 HAM).

By Council Members Salamanca and Kallos

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on July 23, 2018 its request dated July 19, 2018 that the Council approve a new real property tax exemption pursuant to Section 577 of the Private Housing Finance Law (the "Tax Exemption Request") and termination of the prior exemption for property located at Block 1655, Lot 15; Block 1708, Lot 48 and Block 1795, Lot 24, Community District No. 11, Borough of Manhattan, Council District No. 8 (the "Exemption Area");

WHEREAS, upon due notice, the Council held a public hearing on the Tax Exemption Request on August 14, 2018;

WHEREAS, the Council has considered the land use and financial implications and other policy issues relating to the Tax Exemption Request;

RESOLVED:

Pursuant to Section 577 of the Private Housing Finance Law, the Council approves an exemption of the Exemption Area from real property taxes as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
 - a. “Companies” shall mean 105 Street Associates, LLC and BFC First Avenue Housing LLC or other entities that acquire all or a portion of the beneficial interests in the Exemption Area with the prior written consent of HPD.
 - b. “Effective Date” shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, or (ii) the date that HPD and the Owner enter into the 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 1655, Lot 15, Block 1708, Lot 48, and Block 1795, Lot 24 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 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.
 - e. “Gross Rent” shall mean the gross potential rents from all residential and commercial units (both occupied and vacant) of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8, rent supplements, and rental assistance).
 - f. “Gross Rent Tax” shall mean, with respect to any tax year, an amount equal to six percent (6%) of Gross Rent in such tax year.
 - g. “HDFC” shall mean Triple Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.
 - h. “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.
 - i. “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.
 - j. “New Exemption” shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
 - k. “Owner” shall mean collectively, the HDFC and the Companies.
 - l. “Prior Exemption” shall mean the existing tax exemption for a portion of the Exemption Area pursuant to Section 421-a(1-15) of the Real Property Tax Law.
 - m. “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, 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 Gross 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.
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 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, and, where there has been an unauthorized conveyance or transfer of any interest in the Exemption Area, to the new owner of such interest in the Exemption Area, 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 other person of entity to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.
6. 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 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 (i) the New Exemption shall be reduced by the amount of such J-51 Benefits, and (ii) the Gross Rent Tax shall be reduced by such J-51 Benefits.

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 September 12, 2018, on file in this office.

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City Clerk, Clerk of The Council