



Legislation Text

File #: Res 1152-2011, Version: *

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1152

Resolution approving a tax exemption and a voluntary dissolution for a Project located at Block 44, Lot 1; Block 45, Lot 1; Block 46, Lot 1; Block 47, Lot 62; Block 48, Lot 29; Block 49, Lot 1 and Block 52, Lot 133, Staten Island, pursuant to the Private Housing Finance Law (Preconsidered L.U. No. 540; 20125186 HAR).

By Council Members Comrie and Levin

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on November 4, 2011 its request dated November 1, 2011 that the Council take the following actions regarding the following property (the "Exemption Area") located at Block 44, Lot 1; Block 45, Lot 1; Block 46, Lot 1; Block 47, Lot 62; Block 48, Lot 29; Block 49, Lot 1 and Block 52, Lot 133, Community District 1, Borough of Staten Island (the "Exemption Area"):

1. Approve an exemption from real property taxes pursuant to Section 577 of the Private Housing Finance Law ("PHFL");
2. Approve, pursuant to Section 125 of the PHFL, the termination of the Prior Exemption granted by the Board of Estimate on April 1, 1982 (Cal. No. 44) ("Prior Exemption"), which termination shall become effective one day preceding the conveyance of the Exemption Area from the Current Owner to the New Owner.
3. Consent, pursuant to Section 123(4) of the PHFL, to the voluntary dissolution of the Current Owner.
4. If the conveyance of the Exemption Area from the Current Owner to the New Owner does not occur either (i) within one day following the termination of the Prior Exemption, or (ii) on the same day as the voluntary dissolution of the Current Owner, then all of the approvals and consents set forth above shall be null and void, the dissolution of the Current Owner shall be rescinded, and both the obligations of the Current Owner to remain an Article V redevelopment company and the Prior Exemption shall be reinstated as though they had never been terminated or interrupted.

WHEREAS, upon due notice, the Council held a public hearing on the Project on November 16, 2011;

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

RESOLVED:

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

- a. For the purposes hereof, the following terms shall have the following meanings:
- (1) “Current Owner” shall mean Richmond Housing Associates, L.P.
 - (2) “Effective Date” shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, and (ii) the date that HFA and New Owner enter into the Regulatory Agreement.
 - (3) “Exemption Area” shall mean the real property located in the Borough of Staten Island, City and State of New York, identified as Block 44, Lot 1; Block 45, Lot 1; Block 46, Lot 1; Block 47, Lot 62; Block 48, Lot 29; Block 49, Lot 1 and Block 52, Lot 133, on the Tax Map of the City of New York.
 - (4) “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.
 - (5) “HDFC” shall mean Fairway Richmond Housing Development Fund Company, Inc.
 - (6) “HFA” shall mean the New York State Housing Finance Agency.
 - (7) “HPD” shall mean the Department of Housing Preservation and Development of the City of New York
 - (8) “New Exemption” shall mean the partial exemption from real property taxes provided hereunder with respect to the Exemption Area.
 - (9) “New Owner” shall mean, collectively, the HDFC and the Partnership.
 - (10) “Partnership” shall mean Fairway Richmond Partners, L.P.
 - (11) “Prior Exemption” shall mean the exemption of the Exemption Area from real property taxation pursuant to Section 125 of the PHFL approved by the Board of Estimate on April 1, 1982 (Cal. No. 44).”
 - (12) “PHFL” shall mean the Private Housing Finance Law.
 - (13) “Regulatory Agreement” shall mean the regulatory agreement between HFA and the New Owner providing that, for the term of forty years, all dwelling units upon vacancy, must be rented to families whose incomes do not exceed 60% of the area median income.
 - (14) “Shelter Rent Tax” shall mean \$202,614.67, 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 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.

- b. All of the value of the property, 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.
- c. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the New Owner shall make real property tax payments in the sum of the Shelter Rent Tax. Notwithstanding the foregoing, the total annual real property payment by the New Owner shall not at any time exceed the amount of real estate taxes that would otherwise be due in the absence of any form of tax exemption or abatement provided by an existing or future local, state, or federal law, rule or regulation.
- d. Notwithstanding any provision hereof to the contrary:
- (1) The New Exemption shall terminate if HPD determines that (i) the Exemption Area is not being operated in accordance with the requirements of Article XI of the PHFL, (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 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 New 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 Area shall prospectively terminate.
 - (2) 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.
 - (3) Nothing herein shall entitle the HDFC to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.
- e. 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.

The Council approves pursuant to Section 125 of the PHFL, the termination of the Prior Exemption which termination shall become effective one day preceding the conveyance of the Exemption Area from the Current Owner to the New Owner.

The Council consents pursuant to Section 123(4) of the PHFL, to the voluntary dissolution of the Current Owner.

If the conveyance of the Exemption Area from the Current Owner to the New Owner does not occur either (i) within one day following the termination of the Prior Exemption, or (ii) on the same day as the voluntary dissolution of the Current Owner, then all of the approvals and consents set forth above shall be null and void,

the dissolution of the Current Owner shall be rescinded, and both the obligations of the Current Owner to remain an Article V redevelopment company and the Prior Exemption shall be reinstated as though they had never been terminated or interrupted.

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 November 29, 2011, on file in this office.

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City Clerk, Clerk of The Council