



Legislation Text

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THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1089

Resolution to approve a new real property tax exemption pursuant to Section 577 of the Private Housing Finance Law and terminate the current tax exemption, for the Exemption Area located at Block 2962, Lot 46, Community District 3, Borough of the Bronx (L.U. No. 364; 20165576 HAX).

By Council Members Greenfield and Dickens

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on April 19, 2016 its request dated April 11, 2016 that the Council take the following actions regarding a tax exemption for the real property located at Block 2962, Lot 46, Community District 3, Borough of the Bronx (the "Exemption Area"):

Approve a tax exemption of the Exemption Area from real property taxes pursuant to the Private Housing Finance Law (PHFL) Section 577 and terminate the current tax exemption in order to ensure the continued affordability of the exemption area (the "Tax Exemption");

WHEREAS, upon due notice, the Council held a public hearing on the Tax Exemption on May 17, 2016; and

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

RESOLVED:

The Council approves the Tax Exemption for the Exemption Area pursuant to Section 577 of the Private Housing Finance Law as follows:

1. For the purposes hereof, the following terms shall have the following meanings:
 - (a) "Effective Date" shall mean the date that HPD and the Owner enter into the Regulatory Agreement.
 - (b) "Exemption Area" shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 2962, Lot 46 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 forty (40) years from the Effective Date, (ii) the date of 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) “Gross Residential Revenue” shall mean the total rents received from the residential occupants of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8, rent supplements, and rental assistance).
 - (e) “Gross Residential Revenue Tax” shall mean an amount equal to two percent (2%) of Gross Residential Revenue.
 - (f) “HDFC” shall mean 775 Jennings Street Housing Development Fund Corporation.
 - (g) “HPD” shall mean the City of New York Department of Housing Preservation and Development.
 - (h) “New Exemption” shall mean the exemption from real property taxation provided hereunder.
 - (i) “Owner” shall mean the HDFC or any future owner of the Exemption Area.
 - (j) “Prior Exemption” shall mean the exemption from real property taxation for the Exemption Area approved by the City Council on July 27, 2005 (Res. No.1103).
 - (k) “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 on 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 Owner shall make real property tax payments in the sum of the Gross Residential Revenue 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 tax exemption or abatement 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) the Exemption Area is conveyed 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 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.

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 May 25, 2016, on file in this office.

City Clerk, Clerk of The Council