



Legislation Details (With Text)

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On agenda: 6/13/2019

Enactment date: **Enactment #:**

Title: Resolution approving an amendment to a previously approved real property tax exemption pursuant to Section 577 of the Private Housing Finance Law for property located at (Block 1787, Lot 60), Manhattan (Preconsidered L.U. No. 444).

Sponsors: Daniel Dromm

Indexes:

Attachments: 1. Res. No. 931, 2. Housing Preservation and Development Letter, 3. Memorandum, 4. June 13, 2019 - Stated Meeting Agenda with Links to Files, 5. Hearing Transcript - Stated Meeting 6-13-19, 6. Minutes of the Recessed Meeting of May 29, 2019 Held on June 13, 2019, 7. Minutes of the Stated Meeting - June 13, 2019, 8. Minutes of the Recessed Meeting of June 13, 2019 Held on June 18, 2019, 9. Minutes of the Recessed Meeting of June 13, 2019 Held on June 19, 2019

Date	Ver.	Action By	Action	Result
6/13/2019	*	Committee on Finance	P-C Item Approved by Comm	
6/13/2019	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK RES. NO. 931

Resolution approving an amendment to a previously approved real property tax exemption pursuant to Section 577 of the Private Housing Finance Law for property located at (Block 1787, Lot 60), Manhattan (Preconsidered L.U. No. 444).

By Council Member Dromm

WHEREAS, the New York City Department of Housing Preservation and Development (“HPD”) submitted to the Council its request dated May 28, 2019 that the Council amend a previously approved tax exemption for real property located at (Block 1787, Lot 60), Manhattan (“Exemption Area”) pursuant to Section 577 of the Private Housing Finance Law;

WHEREAS, the HPD’s request for amendments is related to a previously approved Board of Estimate Resolution adopted on November 11, 1971 (Cal. No. 7-A) (the “Prior Resolution”), attached hereto as Exhibit A, granting the Exemption Area a real property tax exemption pursuant to Section 577 of the Private Housing Finance Law;

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

RESOLVED:

The Council approves the amendments to the Prior Resolution requested by HPD for the Exemption

Area pursuant to Section 577 of the Private Housing Finance Law as follows:

The introductory paragraph of section 7 of the Prior Resolution is deleted and replaced with the following:

7. That the Board of Estimate hereby approves the exemption from local and municipal taxes, other than assessments for local improvements, of all of the value of the property, including both the land and any improvements, for the period commencing with the closing of the mortgage and delivery of the deed, and terminating forty (40) years from the date upon which the benefits of the aforementioned tax exemption first become available and effective; provided:

Except as specifically amended above, all other terms, conditions, provisions and requirements of the Prior Resolution remain in full force and effect.

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 13, 2019, on file in this office.

City Clerk, Clerk of Council

Exhibit A

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upon a City-owned site located in an area generally bounded by Second Avenue, East 14th Street, Third Avenue and East 15th Street within the Ruppert urban renewal plan area.

(b) Approval of three 50-year mortgage loans from The City of New York in the total sum of \$24,597,600 or 55 per cent of the actual project cost, whichever is less.

(c) Approval of an exemption of the real property of the project from local and municipal taxes (except taxes levied on the project property) for a period of 10 years or the amount of the increase over the assessed valuation of the real property at the time of acquisition by the limited-profit housing company, provided, however, that the amount of such taxes to be paid shall not be less than 10 per centum of the annual dollar rent or net income of the project property for each year of the 10-year period. The exemption shall be in lieu of the taxes levied on the project property and shall be paid by the limited-profit housing company or its successors in interest. The exemption shall be effective from the date on which the benefits of such exemption first become available and effective on condition that the project property shall be used for the purpose of the project and shall be subject to a certificate of occupancy or a temporary certificate of occupancy for such stage.

The estimated cost of the three projects is \$24,597,600. The average monthly carrying charge on the three projects is \$205,816. The average monthly carrying charge on the three projects is \$205,816. The average monthly carrying charge on the three projects is \$205,816.

TRA DUGAN, Commissioner of Real Estate

No one appeared in opposition or in favor.

The hearing was continued to November 23, 1971.

Cal. No. 6.

Public Hearing to Matter of Proposed Amended Urban Renewal Plan for Ruppert Block Building 1 Housing Development Urban Company, Inc. for Sale and Redevelopment of Site 1 of East-Hudson Block, Manhattan. Approval of Contract for Purchase by City of Revolutionary District in Housing Project.

The Secretary presented the matter for public hearing. The matter has been duly advertised in accordance with a resolution adopted October 14, 1971 (Cal. No. 280).

The Secretary also presented:

(1) Communication dated September 30, 1971, from the Housing and Development Board of the City of New York, dated September 30, 1971, recommending that the matter be referred to the Board of Estimate and Finance for its consideration and action.

(2) Report dated September 22, 1971, of the City Planning Commission, (printed in the Journal of Proceedings of the meeting of October 14, 1971—Cal. No. 280).

(3) Report dated September 22, 1971, of the City Planning Commission, (printed in the Journal of Proceedings of the meeting of October 14, 1971—Cal. No. 280).

(4) Report dated September 22, 1971, of the City Planning Commission, (printed in the Journal of Proceedings of the meeting of October 14, 1971—Cal. No. 280).

(5) Report dated September 22, 1971, of the City Planning Commission, (printed in the Journal of Proceedings of the meeting of October 14, 1971—Cal. No. 280).

No one appeared in opposition or in favor.

The hearing was continued to November 23, 1971.

Cal. No. 7.

Public Hearing to Matter of Approval of Amended Urban Renewal Plan for Ruppert Block Building 1 Housing Development Urban Company, Inc. for Sale and Redevelopment of Site 1 of East-Hudson Block, Manhattan. Approval of Contract for Purchase by City of Revolutionary District in Housing Project.

(Note—Calendar Nos. 7 to 10, inclusive, were considered together.)

(Note—The Secretary presented the matter for public hearing. The matter has been duly advertised in accordance with a resolution adopted October 22, 1971 (Cal. No. 114).

The Secretary also presented a communication dated October 22, 1971, from the

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payments at 6 per cent are increased under the revised plan from \$48,200 to \$70,500. Real estate tax payments under the shelter rent formula as provided in the plan increase as shown by the following table:

	Tax Payments	
	Original Proposal 364 DU's	Revised Proposal 532 DU's
30-Yr. City Mortgage, No Subsidy 7 per cent	\$19,000 00	\$24,500 00
30-Yr. City Mortgage, 2% Subsidy 7 per cent	52,600 00	114,600 00
40-Yr. HUD Mortgage, No Subsidy 7 per cent	16,000 00	24,000 00
40-Yr. HUD Mortgage, 2% Subsidy 7 per cent	10,000 00	17,200 00

Without the requested tax exemption, tax payments to the City would be \$64,800 under the original plan and \$94,000 under the revised plan.

Income from other than rent from the project is increased to reflect increased revenues from other than rent from the project. The total dollar amounts of these increases are: from \$39,000 to \$62,200 for parking and from \$1,500 to \$2,120 for washing and vending machines. The total dollar amounts of these increases are: from \$39,000 to \$62,200 for parking and from \$1,500 to \$2,120 for washing and vending machines.

The project is situated in an area served by several bus lines and the Lexington Avenue Subway. There are several schools in the area and a Support Educational Center has been proposed which will contain approximately 4,000 seats. No expenditures for other public facilities are included in the project.

It should be noted that the land for the development is presently City-owned. The total area of the three projects is 205,200 square feet. In the submitted financial estimates the similar line a total of \$800,000 is included for the purchase of the land. This amount will be increased to reflect the additional amount shown in the revised estimates for Ruppert Plaza, which increases the estimated land cost to the sponsor to \$972,000. No estimate of the cost of acquisition of the land by the City has been submitted. The best estimate of the cost of acquisition of the land by the City is \$800,000. The total cost to the City will be approximately \$5,500 per dwelling unit. The subsidy for land on these three projects will be \$3,640,000.

By adopting the three resolutions submitted by the Housing and Development Administration your Board may approve the three projects at originally submitted estimates and may also approve the revised proposal a substitute resolution will be required.

It should be noted that the revised proposal for Ruppert Plaza, changing the number of dwelling units and rental income, has not been the subject of a public hearing before the Board of Estimate and Finance. Such hearing and report may be necessary prior to action by the Board of Estimate.

To advance the development of the Ruppert Brewery Urban Renewal Area the Director of the Budget recommends that the Board of Estimate adopt the resolution recommending that the Board of Estimate approve the revised estimates for Ruppert Plaza and Yorkville Towers. In the matter of Ruppert Plaza, since the two proposals do not differ materially except for map sheets, the Director of the Budget recommends adoption of a suitable resolution approving either the original proposal for this site or the revised proposal.

DAVID A. GROSSMAN, Deputy and Acting Director of the Budget, November 9, 1971.

To the Honorable Board of Estimate:

Cal. No. 280, the Board of Estimate referred to the Committee on Real Estate three applications submitted on behalf of Frederick DeBartolo, Alvin L. DeBartolo and Seymour Deutsch for approval of City-owned limited-profit rental housing developments to be known as Ruppert Towers, Yorkville Towers and Ruppert Plaza, pursuant to the provisions of Article 11 of the Private Housing Finance Law.

The applications of the three housing companies request:

(a) Approval of City-owned rental housing developments, to be known as Ruppert Towers, Yorkville Towers and Ruppert Plaza. These projects are to be erected

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[illegible]

received by the Board of Estimate, in the City of New York, East Harlem Pilot Block Building I Housing Development Fund Company, Inc., relating to the sale and redevelopment of a portion of the Harlem-East Harlem Neighborhood Development Area as described in said contract, in conjunction with and pursuant to the provisions of Article XI of the Private Housing Finance Law and Article XV of the General Municipal Law, is hereby approved and the Mayor as Deputy Mayor is hereby authorized to execute and deliver the same, and to cause the same to be performed by the City and the City Clerk is hereby directed to attach the same and affix the seal of the City thereto; and

the City Charter; and
 3. The availability of the land required for the development of the housing development, which is being sought by the applicant, is the appropriate method of making the development possible.

and the other assets of the company, by the acquisition by said Harrison Public Block Building, Planning and Development Fund Company, Inc., of the real property described as the disposition area or holding site in said Contract of Sale in the capacity approved as necessary for the public use and benefit of said city.

6. That the Commissioners of the Department of Real Estate be and he hereby is authorized and directed to sell and deliver a deed to the disposition area or holding site to said Harrison Public Block Building, Planning and Development Fund Company, Inc., at the negotiated price paid in said Contract of Sale and upon such terms and conditions therein contained, without public auction or bidding, and to execute and deliver the deed to said Harrison Public Block Building, Planning and Development Fund Company, Inc., as amended, and Section 5762a, Subsection 2 of the Private Real Estate Law, as amended.

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required to yield twice the equivalent of four (5) per cent of the annual dollar rate on the carrying charges of the project for the period commencing with the date of the issuance of the Temporary Certificate of Decision, or if the project is not completed by the date of the expiration of the Temporary Certificate of Decision, it is construed in stages, from the date of the expiration of the Temporary Certificate of Decision to the date of completion of the project. The amount of the carrying charges shall be computed on the basis of the actual amount of the carrying charges outstanding, but in no event for a period of more than forty (40) years commencing from the date of which the carrying charges are first levied. The carrying charges shall be paid in full from the date of the closing mortgage and delivery of the deed; provided, that, from the date of the closing mortgage and delivery of the deed, the project shall be held in trust for the purpose of paying the carrying charges.

1. Extension of the tax exemption to the non-residential portions of the project shall remain in effect only for the period during which those portions are used for the purposes enumerated in the project plan;
2. That East Harlem Pilot Block Building I Housing Development Fund Company, Inc. obtains a Federally-aided mortgage as defined by Subdivision 5 of Section 572 of the Private Housing Finance Law;

1. That East Harlem Pilot Block Building 1 Housing Development Fund Company, Inc., at the time the project is completed and available for occupancy, will submit a statement from the Federal Housing Administration certifying that the project has been completed in accordance with the terms of said federally-aided mortgage.

Note—This resolution was adopted subject to a favorable report of the Corporation Counsel.

The following resolution (H) was offered by the Acting President of the Borough of Manhattan:

[illegible]

as amended; now, therefore, be it
Resolved, By the Board of Estimate, as follows:

[illegible]

Which was adopted by the following vote:

Alternative—The Special Assistant to the Mayor, the Acting Comptroller, the President of the Council, the Acting President of the Borough of Manhattan, the President of the Borough of Brooklyn, the Acting President of the Borough of The Bronx, the Pres-

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lands and a tax exemption per dwelling unit subsidy of \$4,500 annually for a maximum period of forty years.

Construction of the project is to be financed by a mortgage insured under the provisions of Section 236 of the National Housing Act. The maximum rate of a mortgage interest under this Act is limited to 6 percent. The maximum rate of a mortgage interest under this Act is limited to 6 percent. The maximum rate of a mortgage interest under this Act is limited to 6 percent.

The project is to be financed by a mortgage insured under the provisions of Section 236 of the National Housing Act. The maximum rate of a mortgage interest under this Act is limited to 6 percent. The maximum rate of a mortgage interest under this Act is limited to 6 percent. The maximum rate of a mortgage interest under this Act is limited to 6 percent.

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Note—This resolution was adopted subject to a favorable report of the Corporation Council.

(See Cal. Nos. 8, 9 and 10.)

Public Hearing in Matter of Approval of Land Development Agreement with East Harlem Pilot Block Building Corporation, Inc. for Sale and Redevelopment of Site of East Harlem Pilot Block, Manhattan, Approval of Contract for Purchase by City of New York of Interest in Housing Project.

(Second Call)

(Note—Calendar Nos. 7 to 10, inclusive, were considered together.)

The Secretary presented an affidavit of publication showing that the notice has been duly advertised in accordance with a resolution adopted October 28, 1971, from the Housing and Development Administration, requesting a revision of the current agreement, a development agreement and a resolution.

The Secretary also presented a communication dated October 28, 1971, from the Housing and Development Administration, requesting a revision of the current agreement, a development agreement and a resolution.

The Secretary also presented the following report of the Director of the Budget:

November 4, 1971.

To the Board of Estimate:
Gentlemen—On October 28, 1971 (Calendar No. 115), the Board of Estimate referred to the Board of Estimate the matter of disposition of Site 2 of the Harlem-East Pilot Block to the East Harlem Pilot Block-Building 2 Housing Development Fund Company, tax exemption to the extent of all of the value of the property, and improvements included in the completed project and purchase of a reversionary interest in the completed project.

The East Harlem Pilot Block is within the Harlem-East Harlem Urban Renewal Area and is bounded by Third Avenue, East 124th Street, Second Avenue and East 125th Street in the Borough of Manhattan. A portion of the block, bounded by Third Avenue, East 124th Street and East 125th Street, is to be sold for the development of building 2 and related community and commercial facilities. The completed project block will consist of four residential buildings, community facilities and commercial structures. The non-residential portion of the project block comprises approximately 49 per cent of the total area.

The project block will be developed by the Building 2 Housing Development Fund Company. The project block will be developed by the Building 2 Housing Development Fund Company. The project block will be developed by the Building 2 Housing Development Fund Company. The project block will be developed by the Building 2 Housing Development Fund Company.

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