File #: Res 0541-2018, **Version:** *

THE COUNCIL OF THE CITY OF NEW YORK
RES. NO. 541

Resolution approving an exemption from real property taxes for property located at (Block 1612, Lot 1) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 230).

By Council Member Dromm

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated June 25, 2018 that the Council take the following action regarding a housing project located at (Block 1612, Lot 1) Manhattan ("Exemption Area"):

> Approve an 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 has considered the financial implications relating to the Tax Exemption;

RESOLVED:

The Council hereby grants an exemption from real property taxes as follows:

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

   a. "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.

   b. "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1612, Lot 1 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 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.

   d. "HDFC" shall mean Lakeview Apartments Housing Development Fund Corporation or a housing development fund company that acquires the Exemption Area with the prior written consent of HPD.

e. "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.

f. "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.

g. "Nominal Tax" shall mean the amount of one-thousand dollars ($1,000).

h. "Owner" shall mean, collectively, the HDFC and the Partnership.

i. "Partnership" shall mean Fifth and 106th St. Associates, L.P. or an entity that acquires the beneficial interest in the Exemption Area with the prior written consent of HPD.

j. "Prior Exemption" shall mean the existing tax exemption for the Exemption Area pursuant to Section 33 of the Private Housing Finance Law.

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 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 Nominal 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 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 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, 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.

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c. Nothing herein shall entitle the HDFC, the Owner, or any other person or 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.

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 26, 2018, on file in this office.

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City Clerk, Clerk of Council