

2782

2011-2012 Regular Sessions

I N S E N A T E

February 1, 2011

Introduced by Sen. ESPAILLAT -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the real property tax law, the administrative code of the city of New York and the New York city charter, in relation to changing tax exemption programs for the development of new and affordable housing

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivision 1 of section 421-a of the real property tax law
2 is amended by adding two new paragraphs e and f to read as follows:
3 E. "INITIAL CONSTRUCTION PERIOD." THE PERIOD OF TIME NEEDED FOR THE
4 CONSTRUCTION OF A NEW MULTIPLE DWELLING OR THE PERIOD OF THREE YEARS
5 IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES
6 SOONER.
7 F. "EXTENDED CONSTRUCTION PERIOD." THE PERIOD OF TIME IMMEDIATELY
8 FOLLOWING THE INITIAL CONSTRUCTION PERIOD NEEDED TO COMPLETE THE
9 CONSTRUCTION OF A NEW MULTIPLE DWELLING OR THE PERIOD OF THREE YEARS,
10 WHICHEVER EXPIRES SOONER.
11 S 2. Paragraph (a) of subdivision 2 of section 421-a of the real prop-
12 erty tax law, as amended by chapter 288 of the laws of 1985, clause (A)
13 of subparagraph (iii) as amended by chapter 702 of the laws of 1992,
14 clause (E) of subparagraph (iii) as added and the opening paragraph of
15 item (A) of subparagraph (iv) as amended by chapter 618 of the laws of
16 2007, subparagraph (iv) as added by chapter 832 of the laws of 1992 and
17 item (A) of subparagraph (iv) as amended by chapter 432 of the laws of
18 1998, is amended to read as follows:
19 (a) (i) (A) Within a city having a population of one million or more,
20 new multiple dwellings, except hotels, shall be exempt from taxation for
21 local purposes, other than assessments for local improvements, for the
22 tax year or years immediately following taxable status dates occurring

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 subsequent to the commencement and prior to the completion of THE
 2 INITIAL construction PERIOD, but not to exceed three such tax years, and
 3 shall continue to be exempt from such taxation in tax years immediately
 4 following the taxable status date first occurring after the expiration
 5 of the exemption herein conferred during THE INITIAL construction [so
 6 long as used at the completion of construction for dwelling purposes]
 7 PERIOD for a period not to exceed ten years in the aggregate after the
 8 taxable status date immediately following the completion [thereof] OF
 9 THE INITIAL CONSTRUCTION PERIOD, as follows:

10 [(A)] A. except as otherwise provided herein there shall be full
 11 exemption from taxation during the [period of construction or the period
 12 of three years immediately following commencement of construction,
 13 whichever expires sooner] INITIAL CONSTRUCTION PERIOD, and for two years
 14 following such period;

15 [(B)] B. followed by two years of exemption from eighty [per cent]
 16 PERCENT of such taxation;

17 [(C)] C. followed by two years of exemption from sixty [per cent]
 18 PERCENT of such taxation;

19 [(D)] D. followed by two years of exemption from forty [per cent]
 20 PERCENT of such taxation;

21 [(E)] E. followed by two years of exemption from twenty [per cent]
 22 PERCENT of such taxation[;].

23 (B) UPON THE COMPLETION OF THE INITIAL CONSTRUCTION PERIOD OR EXTENDED
 24 CONSTRUCTION PERIOD, IF NEEDED, THE NEW MULTIPLE DWELLING MUST BE USED
 25 FOR DWELLING PURPOSES.

26 The following table shall illustrate the computation of the tax
 27 exemption:

CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS		Exemption
During INITIAL		
Construction PERIOD		
(maximum three years)		100%
Following completion of [work] THE INITIAL CONSTRUCTION		
PERIOD		
Year:		
1		100%
2		100
3		80
4		80
5		60
6		60
7		40
8		40
9		20
10		20

46 (ii) (A) Within a city having a population of one million or more the
 47 local housing agency may adopt rules and regulations providing that
 48 except in areas excluded by local law new multiple dwellings, except
 49 hotels, shall be exempt from taxation for local purposes, other than
 50 assessments for local improvements, for the tax year or years immediate-
 51 ly following taxable status dates occurring subsequent to the commence-
 52 ment and prior to the completion of THE INITIAL construction PERIOD, but

not to exceed three such tax years, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during [such] THE INITIAL construction [so long as used at the completion of construction for dwelling purposes] PERIOD for a period not to exceed fifteen years in the aggregate, as follows:

a. except as otherwise provided herein there shall be full exemption from taxation during the [period of construction or the period of three years immediately following commencement of construction, whichever expires sooner] INITIAL CONSTRUCTION PERIOD, and for eleven years following such period;

b. followed by one year of exemption from eighty percent of such taxation;

c. followed by one year of exemption from sixty percent of such taxation;

d. followed by one year of exemption from forty percent of such taxation;

e. followed by one year of exemption from twenty percent of such taxation.

(B) The benefits of this subparagraph shall not be available in areas made ineligible for the benefits of this section by a local law enacted pursuant to paragraph (i) of THIS subdivision [two of this section], notwithstanding any exceptions to ineligibility contained in such local law for certain types of projects in such areas.

(C) Unless excluded by local law, in the city of New York the benefits of this subparagraph shall be available in the borough of Manhattan for tax lots now existing or hereafter created south of or adjacent to either side of one hundred tenth street only if:

a. the construction is carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local agency or instrumentality, or

b. the local housing agency has imposed a requirement or has certified that twenty percent of the units be affordable to families of low and moderate income.

(D) UPON THE COMPLETION OF THE INITIAL CONSTRUCTION PERIOD OR EXTENDED CONSTRUCTION PERIOD, IF NEEDED, THE NEW MULTIPLE DWELLING MUST BE USED FOR DWELLING PURPOSES.

The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

	Exemption
During INITIAL Construction PERIOD (maximum three years)	100%
Following completion of [work] THE INITIAL CONSTRUCTION PERIOD	
Year:	
1 through 11	100%
12	80
13	60
14	40
15	20

(iii) (A) Within a city having a population of one million or more the local housing agency may adopt rules and regulations providing that new

multiple dwellings, except hotels, shall be exempt from taxation for local purposes, other than assessments for local improvements, for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of THE INITIAL construction PERIOD, but not to exceed three such tax years, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during [such] THE INITIAL construction [so long as used at the completion of construction for dwelling purposes] PERIOD for a period not to exceed twenty-five years in the aggregate, provided that the area in which the project is situated is a neighborhood preservation program area as determined by the local housing agency as of June first, nineteen hundred eighty-five, or is a neighborhood preservation area as determined by the New York city planning commission as of June first, nineteen hundred eighty-five, or is an area that was eligible for mortgage insurance provided by the rehabilitation mortgage insurance corporation as of May first, nineteen hundred ninety-two or is an area receiving funding for a neighborhood preservation project pursuant to the neighborhood reinvestment corporation act (42 U.S.C. SS180 et seq.) as of June first, nineteen hundred eighty-five, as follows:

a. except as otherwise provided herein there shall be full exemption from taxation during the [period of construction or the period of three years immediately following commencement of construction, whichever expires sooner] INITIAL CONSTRUCTION PERIOD, and for twenty-one years following such period;

b. followed by one year of exemption from eighty percent of such taxation;

c. followed by one year of exemption from sixty percent of such taxation;

d. followed by one year of exemption from forty percent of such taxation;

e. followed by one year of exemption from twenty percent of such taxation.

(B) The benefits of this subparagraph shall not be available in areas made ineligible for the benefits of this section by a local law enacted pursuant to paragraph (i) of THIS subdivision [two of this section], notwithstanding any exceptions to ineligibility contained in such local law for certain types of projects.

(C) Notwithstanding the provisions of item (A) or (D) of this subparagraph, in the city of New York the benefits of this subparagraph shall not be available in the borough of Manhattan for tax lots now existing or hereafter created south of or adjacent to either side of one hundred tenth street.

(D) In addition to being available in the areas described in item (A) of this subparagraph, the benefits made available pursuant to this subparagraph shall be available where:

a. the construction is carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local agency or instrumentality, or

b. the local housing agency has imposed a requirement or has certified that twenty percent of the units be affordable to families of low and moderate income.

(E) UPON THE COMPLETION OF THE INITIAL CONSTRUCTION PERIOD OR EXTENDED CONSTRUCTION PERIOD, IF NEEDED, THE NEW MULTIPLE DWELLING MUST BE USED FOR DWELLING PURPOSES.

1 The following table shall illustrate the computation of the exemption:

2 CONSTRUCTION OF CERTAIN
3 MULTIPLE DWELLINGS

4		Exemption
5	During INITIAL	100%
6	Construction PERIOD (maximum	
7	three years)	
8	Following completion of [work]	
9	THE INITIAL CONSTRUCTION PERIOD	
10	Year:	
11	1 through 21	100%
12	22	80
13	23	60
14	24	40
15	25	20

16 [(E)] (F) A new multiple dwelling that is situated in (1) a neighbor-
17 hood preservation program area as determined by the department of hous-
18 ing preservation and development as of June first, nineteen hundred
19 eighty-five, (2) a neighborhood preservation area as determined by the
20 New York city planning commission as of June first, nineteen hundred
21 eighty-five, (3) an area that was eligible for mortgage insurance
22 provided by the rehabilitation mortgage insurance corporation as of May
23 first, nineteen hundred ninety-two, or (4) an area receiving funding for
24 a neighborhood preservation project pursuant to the neighborhood rein-
25 vestment corporation act (42 U.S.C. SS 8101 et seq.) as of June first,
26 nineteen hundred eighty-five, shall not be eligible for the benefits
27 available pursuant to this subparagraph unless it complies with the
28 provisions of subdivision seven of this section.

29 (iv) (A) Unless excluded by local law, in the city of New York, the
30 benefits of this subparagraph shall be available in the borough of
31 Manhattan for new multiple dwellings on tax lots now existing or here-
32 after created south of or adjacent to either side of one hundred tenth
33 street which commence construction after July first, nineteen hundred
34 ninety-two and before December twenty-eighth, two thousand [ten] THIR-
35 TEEN only if:

36 a. the construction is carried out with the substantial assistance of
37 grants, loans or subsidies from any federal, state or local agency or
38 instrumentality, or

39 b. the local housing agency has imposed a requirement or has certified
40 that twenty percent of the units are affordable to families of low and
41 moderate income.

42 (B) Such new multiple dwellings, except hotels, shall be exempt from
43 taxation for local purposes, other than assessments for local improve-
44 ments for the tax year or years immediately following taxable status
45 dates occurring subsequent to the commencement and prior to the
46 completion of THE INITIAL construction PERIOD, but not to exceed three
47 such tax years, and shall continue to be exempt from such taxation in
48 tax years immediately following the taxable status dates first occurring
49 after the expiration of the exemption herein conferred during [such] THE
50 INITIAL construction [so long as used at the completion of construction
51 for dwelling purposes] PERIOD for a period not to exceed twenty years in
52 the aggregate, as follows:

a. except as otherwise provided herein, there shall be full exemption from taxation during the [period of construction or the period of three years immediately following commencement of construction, whichever expires sooner] INITIAL CONSTRUCTION PERIOD, and for twelve years following such period;

b. followed by two years of exemption from eighty percent of such taxation;

c. followed by two years of exemption from sixty percent of such taxation;

d. followed by two years of exemption from forty percent of such taxation;

e. followed by two years of exemption from twenty percent of such taxation.

(C) UPON THE COMPLETION OF THE INITIAL CONSTRUCTION PERIOD OR EXTENDED CONSTRUCTION PERIOD, IF NEEDED, THE NEW MULTIPLE DWELLING MUST BE USED FOR DWELLING PURPOSES.

The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN
MULTIPLE DWELLINGS

During [construction] INITIAL CONSTRUCTION PERIOD

(maximum three years)

Exemption 100%

Following completion of [work year:] THE INITIAL CONSTRUCTION PERIOD

YEAR:

1 through 12	100%
13-14	80%
15-16	60%
17-18	40%
19-20	20%

S 3. Subparagraph (ii) of paragraph (c) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 618 of the laws of 2007, is amended to read as follows:

(ii) construction is commenced after January first, nineteen hundred seventy-five and before December twenty-eighth, two thousand [ten] THIRTEEN provided, however, that such commencement period shall not apply to multiple dwellings eligible for benefits under subparagraph (iv) of paragraph (a) of this subdivision;

S 4. Paragraph (g) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 995 of the laws of 1981, is amended to read as follows:

(g) [For] NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN ANY OTHER STATE OR LOCAL LAW, FOR purposes of this section, construction shall be deemed "commenced" [when excavation or alteration has begun in good faith on the basis of approved construction plans] UPON THE DATE THAT, PURSUANT TO ANY PERMIT APPROVED BY A DEPARTMENT OF BUILDINGS: (I) A NEW METAL OR CONCRETE STRUCTURE THAT SHALL PERFORM A LOAD BEARING FUNCTION IS INSTALLED AS PART OF A FOUNDATION; (II) AT LEAST ONE FULLY DRIVEN PILE OR CAISSON IS INSTALLED; OR (III) THE ACTUAL CONSTRUCTION, ALTERATION, OR IMPROVEMENT OF A PRE-EXISTING BUILDING OR STRUCTURE BEGINS IN A PROJECT THAT INCLUDES NEW RESIDENTIAL CONSTRUCTION AND THE CONCURRENT CONVERSION, ALTERATION OR IMPROVEMENT OF A PRE-EXISTING BUILDING OR STRUCTURE. PROVIDED, HOWEVER, THAT WITH RESPECT TO SUBPARA-

1 GRAPHS (I), (II) AND (III) OF THIS PARAGRAPH, THE CONSTRUCTION OF SUCH
2 MULTIPLE DWELLING IS COMPLETED WITHOUT UNDUE DELAY.

3 S 5. The opening paragraph and paragraph (iv) of subdivision 3 of
4 section 421-a of the real property tax law, the opening paragraph as
5 amended by chapter 655 of the laws of 1978 and paragraph (iv) as amended
6 by chapter 703 of the laws of 1976 and such section as renumbered by
7 chapter 110 of the laws of 1977, are amended to read as follows:

8 [Application forms for exemption under this section shall be filed
9 with the assessors between February first and March fifteenth and, based
10 on the certification of the local housing agency as herein provided, the
11 assessors shall certify to the collecting officer the amount of taxes to
12 be abated.] If there be in a city of one million population or more a
13 department of housing preservation and development, the term "housing
14 agency" shall mean only such department of housing preservation and
15 development. [No such application shall be accepted by the assessors
16 unless accompanied by a certificate of the local housing agency certify-
17 ing the applicant's eligibility pursuant to subdivisions two and four of
18 this section.] No [such] certification of eligibility FOR BENEFITS
19 PURSUANT TO THIS SECTION shall be issued by the local housing agency
20 until such agency determines the initial adjusted monthly rent to be
21 paid by tenants residing in rental dwelling units contained within the
22 multiple dwelling and the comparative adjusted monthly rent that would
23 have to be paid by such tenants if no tax exemption were applicable as
24 provided by this section. The initial adjusted monthly rent will be
25 certified by the local housing agency as the first rent for the subject
26 dwelling units. A copy of such certification with respect to such units
27 shall be attached by the applicant to the first effective lease or occu-
28 pancy agreement. The initial adjusted monthly rent shall reflect the
29 full tax exemption benefits as approved by the agency.

30 (iv) The adjusted monthly rent per room per month shall be multiplied
31 by the room count of each rental dwelling unit to provide the initial
32 adjusted monthly rent for such dwelling unit. The agency may allow
33 adjustments in the initial adjusted monthly rent for any particular
34 dwelling units provided that the total of the initial adjusted monthly
35 rents for all of the rental dwelling units in a multiple dwelling shall
36 not exceed the total expenses of such multiple dwelling.

37 The agency shall determine the estimated comparative adjusted monthly
38 rent that would have to be paid if no tax exemption were applicable as
39 provided by this section by adding to the adjusted monthly rent for each
40 dwelling unit as hereinabove computed an amount equal to (a) the differ-
41 ence between the projected real property taxes which would be levied on
42 the multiple dwelling and the land on which it is situated at the time
43 OF estimated initial occupancy if no tax abatement were applicable as
44 provided by this section and the projected real property taxes hereina-
45 bove utilized in connection with the computation of total expenses; (b)
46 divided by the room count of the building as per this section; and (c)
47 multiplied by the applicants approved room count of each such dwelling
48 unit.

49 The local housing agency may promulgate rules and regulations to carry
50 out the provisions of this section, not inconsistent with the provisions
51 hereof, [and may require a reasonable filing fee in an amount provided
52 by such rules and regulations] INCLUDING, BUT NOT LIMITED TO, RULES AND
53 REGULATIONS RELATING TO THE FILING FEE AUTHORIZED PURSUANT TO PARAGRAPH
54 B OF SUBDIVISION FOUR OF THIS SECTION.

1 S 6. Paragraph b of subdivision 4 of section 421-a of the real proper-
2 ty tax law, as added by chapter 744 of the laws of 2004, is amended to
3 read as follows:

4 b. The local housing agency [may] SHALL require a filing fee not to
5 exceed the greater of (i) four-tenths of one percent of the total
6 project cost, or (ii) if the building will be owned as a cooperative or
7 condominium, four-tenths of one percent of the total project cost or
8 four-tenths of one percent of the total project sell-out price stated in
9 the last amendment to the offering plan accepted for filing by the
10 attorney general of the state, at the option of the applicant. Such
11 total project cost or total project sell-out price shall be determined
12 pursuant to rules promulgated by the local housing agency. Notwithstand-
13 ing the foregoing, the local housing agency may promulgate rules impos-
14 ing an additional fee if an application, or any part thereof, or
15 submission in connection therewith, is defective and such defect delays
16 the processing of such application or causes the local housing agency to
17 expend additional resources in the processing of such application.

18 S 7. Subparagraph (i) of paragraph (a) of subdivision 6 of section
19 421-a of the real property tax law, as added by chapter 110 of the laws
20 of 2005, is amended to read as follows:

21 (i) "Covered project." (A) A new building located within the Green-
22 point - Williamsburg waterfront exclusion area, (B) two or more build-
23 ings which are part of one contiguous development entirely located with-
24 in the Greenpoint - Williamsburg waterfront exclusion area, (C) two or
25 more buildings which are located within the Greenpoint - Williamsburg
26 waterfront exclusion area and are part of a single development parcel
27 specifically identified in section [62-831] 62-931 of the local zoning
28 resolution, or (D) where so authorized in writing by the local housing
29 agency, one or more buildings located within the Greenpoint - Williams-
30 burg waterfront exclusion area and one or more buildings located outside
31 the Greenpoint - Williamsburg waterfront exclusion area but within
32 Community District Number One in the borough of Brooklyn. The cumulative
33 number of affordable units located outside the Greenpoint - Williamsburg
34 waterfront exclusion area in all covered projects described in clause
35 (D) of this subparagraph shall not exceed two hundred. A building
36 located outside the Greenpoint - Williamsburg waterfront exclusion area
37 which is part of a covered project described in clause (D) of this
38 subparagraph shall not contain any affordable units with respect to
39 which an application pending before a governmental entity on [the effec-
40 tive date of this subdivision] JUNE TWENTY-FIRST, TWO THOUSAND FIVE or a
41 written agreement in effect on [the effective date of this subdivision]
42 JUNE TWENTY-FIRST, TWO THOUSAND FIVE provided for the development of
43 such affordable units.

44 S 8. Subdivision (c) of section 11-245 of the administrative code of
45 the city of New York, as amended by local law number 42 of the city of
46 New York for the year 2003, is amended to read as follows:

47 (c) No benefits under section four hundred twenty-one-a of the real
48 property tax law shall be conferred for any construction commenced on or
49 after November twenty-ninth, nineteen hundred eighty-five of any multi-
50 ple dwelling, or portion thereof, which is located within any district
51 in the county of New York where a maximum base floor area ratio, as that
52 term is defined in the zoning resolution, of fifteen or greater was
53 permitted as of right by provisions of such resolution in effect on
54 April fourteenth, nineteen hundred eighty-two; provided, however, that
55 this limitation on benefits shall not apply to any such construction
56 commenced on or after October first, nineteen hundred ninety-three and

1 before December [thirty-first] TWENTY-EIGHTH, two thousand [seven] THIR-
2 TEEN.

3 S 9. Subdivision 8 of section 421-a of the real property tax law, as
4 added by chapter 618 of the laws of 2007, subparagraph (i) of paragraph
5 (a) and paragraph (c) as amended by chapter 15 of the laws of 2008 and
6 paragraphs (d) and (e) as amended by chapter 619 of the laws of 2007, is
7 amended to read as follows:

8 8. (a) As used in this subdivision, the following terms shall have the
9 following meanings:

10 (i) "Building service employee" means any person who is regularly
11 employed at a building who performs work in connection with the care or
12 maintenance of such building. "Building service employee" includes, but
13 is not limited to superintendent, watchman, guard, doorman, building
14 cleaner, porter, handyman, janitor, gardener, groundskeeper, elevator
15 operator and starter, and window cleaner, but shall not include persons
16 regularly scheduled to work fewer than eight hours per week in the
17 building.

18 (ii) "CONSTRUCTION EMPLOYEE" MEANS A LABORER, WORKER OR MECHANIC IN
19 THE EMPLOY OF THE CONTRACTOR, SUBCONTRACTOR OR OTHER PERSON DOING OR
20 CONTRACTING TO DO THE WHOLE OR A PORTION OF THE CONSTRUCTION OF A NEW
21 MULTIPLE DWELLING.

22 (III) "Prevailing wage" means the wage determined by the fiscal offi-
23 cer to be prevailing for the various classes of building service employ-
24 ees in the locality pursuant to section two hundred thirty of the labor
25 law, OR THE WAGE DETERMINED BY THE FISCAL OFFICER TO BE PREVAILING FOR
26 THE VARIOUS CLASSES OF CONSTRUCTION EMPLOYEES IN THE LOCALITY PURSUANT
27 TO SECTION TWO HUNDRED TWENTY OF THE LABOR LAW.

28 (b) No benefits under this section shall be conferred for any
29 construction commenced on or after December twenty-eighth, two thousand
30 seven for any tax lots now existing or hereafter created except where
31 the applicant agrees that all building service employees AND
32 CONSTRUCTION EMPLOYEES employed at the building, whether employed
33 directly by the applicant or its successors, or through a property
34 management company [or], a contractor OR A SUBCONTRACTOR, shall receive
35 the applicable prevailing wage for the duration of the building's tax
36 exemption.

37 (c) The limitations contained in paragraph (b) of this subdivision FOR
38 BUILDING SERVICE EMPLOYEES shall not be applicable to:

39 (i) projects containing less than fifty dwelling units; or

40 (ii) buildings where the local housing agency certifies that at
41 initial occupancy at least fifty percent of the dwelling units are
42 affordable to individuals or families with a gross household income at
43 or below one hundred twenty-five percent of the area median income and
44 that any such units which are located in rental buildings will be
45 subject to restrictions to insure that they will remain affordable for
46 the entire period during which they receive benefits under this section.

47 (d) THE LIMITATIONS CONTAINED IN PARAGRAPH (B) OF THIS SUBDIVISION FOR
48 CONSTRUCTION EMPLOYEES SHALL NOT BE APPLICABLE TO:

49 (I) PROJECTS CONTAINING LESS THAN EIGHTY DWELLING UNITS; OR

50 (II) BUILDINGS WHERE THE LOCAL HOUSING AGENCY CERTIFIES THAT AT
51 INITIAL OCCUPANCY AT LEAST FIFTY PERCENT OF THE DWELLING UNITS ARE
52 AFFORDABLE TO INDIVIDUALS OR FAMILIES WITH A GROSS HOUSEHOLD INCOME AT
53 OR BELOW ONE HUNDRED TWENTY-FIVE PERCENT OF THE AREA MEDIAN INCOME AND
54 THAT ANY SUCH UNITS WHICH ARE LOCATED IN RENTAL BUILDINGS WILL BE
55 SUBJECT TO RESTRICTIONS TO INSURE THAT THEY WILL REMAIN AFFORDABLE FOR
56 THE ENTIRE PERIOD DURING WHICH THEY RECEIVE BENEFITS UNDER THIS SECTION.

(E) The local housing agency shall prescribe appropriate sanctions for failure to comply with the provisions of this subdivision.

[(e)] (F) Solely for purposes of paragraph (b) of this subdivision, construction shall be deemed to have commenced [when excavation or alteration has begun in good faith on the basis of approved construction plans] UPON THE DATE THAT, PURSUANT TO ANY PERMIT APPROVED BY A DEPARTMENT OF BUILDINGS, (I) A NEW METAL OR CONCRETE STRUCTURE THAT SHALL PERFORM A LOAD BEARING FUNCTION IS INSTALLED AS PART OF A FOUNDATION, (II) AT LEAST ONE FULLY DRIVEN PILE OR CAISSON IS INSTALLED, OR (III) THE ACTUAL CONSTRUCTION, ALTERATION, OR IMPROVEMENT OF A PRE-EXISTING BUILDING OR STRUCTURE BEGINS IN A PROJECT THAT INCLUDES NEW RESIDENTIAL CONSTRUCTION AND THE CONCURRENT CONVERSION, ALTERATION OR IMPROVEMENT OF A PRE-EXISTING BUILDING OR STRUCTURE. PROVIDED, HOWEVER, THAT WITH RESPECT TO SUBPARAGRAPHS (I), (II) AND (III) OF THIS PARAGRAPH, THE CONSTRUCTION OF SUCH MULTIPLE DWELLING IS COMPLETED WITHOUT UNDUE DELAY.

[(f)] (G) The limitations on eligibility for benefits contained in this subdivision shall be in addition to those contained in any other law or regulation.

S 10. The New York city charter is amended by adding a new section 1806 to read as follows:

S 1806. ADDITIONAL FLOOR AREA. ANY PROGRAM THAT ALLOWS FOR ADDITIONAL FLOOR AREA IN EXCHANGE FOR THE CREATION OF AFFORDABLE HOUSING SHALL REQUIRE THAT THIRTY PERCENT OF ANY ADDITIONAL FLOOR AREA GENERATED BY THE PROGRAM BE USED TO PROVIDE AFFORDABLE HOUSING.

S 11. The real property tax law is amended by adding a new section 421-l to read as follows:

S 421-L. EXEMPTION OF CERTAIN PRIVATE HOMES FROM LOCAL TAXATION. 1. FOR PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(A) "COMMENCE CONSTRUCTION" SHALL MEAN THAT THE AGENCY OR DEPARTMENT OF THE CITY HAVING JURISDICTION HAS ISSUED A PERMIT FOR CONSTRUCTION OF A PRIVATE HOME AND SUCH WORK HAS BEGIN IN GOOD FAITH IN ACCORDANCE WITH SUCH PERMIT.

(B) "COMPLETE CONSTRUCTION" SHALL MEAN THAT THE AGENCY OR DEPARTMENT OF THE CITY HAVING JURISDICTION HAS ISSUED A TEMPORARY OR PERMANENT CERTIFICATE OF OCCUPANCY FOR ALL RESIDENTIAL AREAS OF THE PRIVATE HOME.

(C) "ELIGIBLE PROJECT" SHALL MEAN A NEWLY CONSTRUCTED PRIVATE HOME, INCLUDING BOTH LAND AND IMPROVEMENTS, TO BE OCCUPIED AS A RESIDENCE FOR THE FIRST TIME, WHICH COMMENCES CONSTRUCTION ON OR AFTER JULY FIRST, TWO THOUSAND NINE AND ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND THIRTEEN AND COMPLETES CONSTRUCTION NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND FIFTEEN, AND WHICH IS DESIGNED AND OCCUPIED EXCLUSIVELY FOR RESIDENTIAL PURPOSES.

(D) "EXEMPTION COMMENCEMENT DATE" SHALL MEAN THE FIRST TAXABLE STATUS DATE AFTER THE LATER TO OCCUR OF THE COMPLETION OF SUCH CONSTRUCTION OR THE SALE TO THE INITIAL PURCHASER OR, IN THE CASE OF A PRIVATE HOME IN A CONDOMINIUM FORM OF OWNERSHIP, THE FIRST TAXABLE STATUS DATE AFTER THE LATER TO OCCUR OF THE COMPLETION OF SUCH CONSTRUCTION OR THE SALE TO THE FIRST INITIAL PURCHASER OF A CONDOMINIUM DWELLING UNIT IN SUCH PRIVATE HOME.

(E) "INITIAL PURCHASER" SHALL MEAN THE FIRST PURCHASER OF A NEWLY CONSTRUCTED PRIVATE HOME OR, IN THE CASE OF A PRIVATE HOME IN A CONDOMINIUM FORM OF OWNERSHIP, THE FIRST PURCHASER OF EACH DWELLING UNIT IN SUCH NEWLY CONSTRUCTED PRIVATE HOME.

(F) "LOCAL HOUSING AGENCY" SHALL MEAN AN "AGENCY" AS DEFINED PURSUANT TO SECTION SIX HUNDRED NINETY-TWO OF THE GENERAL MUNICIPAL LAW.

(G) "PURCHASE PRICE" SHALL MEAN THE ACTUAL PURCHASE PRICE TO BE PAID FOR THE PRIVATE HOME BY THE INITIAL PURCHASER.

(H) "MAXIMUM PURCHASE PRICE" SHALL MEAN THE PURCHASE PRICE OF THE PRIVATE HOME WHICH, IF EXCEEDED, WILL MAKE ANY EXEMPTION HEREUNDER UNAVAILABLE.

(I) "MAXIMUM EXEMPTION AMOUNT" SHALL MEAN THE PORTION OF THE PURCHASE PRICE TO BE EXEMPTED FROM TAXATION OF: (I) SIX HUNDRED SEVENTY-ONE THOUSAND DOLLARS IN THE CASE OF A PRIVATE HOME CONTAINING ONE DWELLING UNIT, (II) SEVEN HUNDRED FIFTY-FIVE THOUSAND FIVE HUNDRED FORTY DOLLARS IN THE CASE OF A PRIVATE HOME CONTAINING TWO DWELLING UNITS, (III) NINE HUNDRED FOURTEEN THOUSAND SEVEN HUNDRED FIFTY DOLLARS IN THE CASE OF A PRIVATE HOME CONTAINING THREE DWELLING UNITS, AND (IV) FOUR HUNDRED THOUSAND DOLLARS FOR EACH INDIVIDUAL CONDOMINIUM UNIT IN THE CASE OF CONDOMINIUM FORM OF OWNERSHIP IN A PRIVATE HOME. THE MAXIMUM PURCHASE PRICES PROVIDED IN SUBPARAGRAPHS (I), (II), (III) AND (IV) OF THIS PARAGRAPH SHALL BE THE LIMIT FOR THE APPLICATION OF ANY EXEMPTION FROM TAXATION UNDER THIS SECTION. NO EXEMPTION SHALL BE AVAILABLE WHERE THE MAXIMUM PURCHASE PRICE EXEMPTION IS IN EXCESS OF NINE HUNDRED FIFTY THOUSAND DOLLARS FOR A ONE, TWO, OR THREE FAMILY PRIVATE HOME OR FOUR HUNDRED THOUSAND DOLLARS FOR AN INDIVIDUAL CONDOMINIUM UNIT.

(J) "MULTIPLE DWELLING" SHALL MEAN A MULTIPLE DWELLING WITHIN THE MEANING OF SECTION FOUR OF THE MULTIPLE DWELLING LAW.

(K) "PRIVATE HOME" SHALL MEAN AN OWNER OCCUPIED PRIVATE OR MULTIPLE DWELLING CONTAINING NOT MORE THAN THREE DWELLING UNITS, AS INDICATED ON THE CERTIFICATE OF OCCUPANCY FOR SUCH STRUCTURE.

2. (A) WITHIN A CITY HAVING A POPULATION OF ONE MILLION OR MORE, AN ELIGIBLE PROJECT SHALL BE EXEMPT FROM ALL LOCAL AND MUNICIPAL TAXES, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, DURING THE TAX YEAR OR YEARS NEXT FOLLOWING THE EXEMPTION COMMENCEMENT DATE AS FOLLOWS: WITH RESPECT TO PRIVATE HOMES CONTAINING LESS THAN FOUR DWELLING UNITS, TWO YEARS OF EXEMPTION FROM ALL SUCH TAXES; FOLLOWED BY ONE YEAR OF EXEMPTION FROM SEVENTY-FIVE PERCENT OF SUCH TAXES; FOLLOWED BY ONE YEAR OF EXEMPTION FROM SIXTY-TWO AND ONE-HALF PERCENT OF SUCH TAXES; FOLLOWED BY ONE YEAR OF EXEMPTION FROM FIFTY PERCENT OF SUCH TAXES; FOLLOWED BY ONE YEAR OF EXEMPTION FROM THIRTY-SEVEN AND ONE-HALF PERCENT OF SUCH TAXES; FOLLOWED BY ONE YEAR OF EXEMPTION FROM TWENTY-FIVE PERCENT OF SUCH TAXES; AND FOLLOWED BY ONE YEAR OF EXEMPTION FROM TWELVE AND ONE-HALF PERCENT OF SUCH TAXES.

(B) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVISION, EXEMPTION FROM LOCAL AND MUNICIPAL TAXES UNDER THIS SECTION SHALL NOT BE AVAILABLE TO THE TAX LOT (LAND AND IMPROVEMENTS) UPON WHICH A PRIVATE HOME IS CONSTRUCTED IF ANY PORTION OF SUCH TAX LOT (LAND AND IMPROVEMENTS): (I) IS EXEMPT FROM LOCAL AND MUNICIPAL TAXES UNDER ANY OTHER LAW; (II) CONTAINS A PRIVATE HOME THAT EXCEEDS THE MAXIMUM PURCHASE PRICE OR AN INDIVIDUAL CONDOMINIUM UNIT THAT EXCEEDS A PURCHASE PRICE OF FOUR HUNDRED THOUSAND DOLLARS; OR (III) PREVIOUSLY CONTAINED A PRIVATE OR MULTIPLE DWELLING THAT HAS BEEN FULLY DEMOLISHED AND REMOVED AND LESS THAN THREE YEARS HAVE ELAPSED BETWEEN THE DATE OF ISSUANCE OF THE PERMIT AUTHORIZING SUCH DEMOLITION AND REMOVAL AND THE DATE THAT THE NEW PRIVATE HOME COMMENCES CONSTRUCTION.

(C) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVISION, THE TAX LOT (LAND AND IMPROVEMENTS) UPON WHICH THE PRIVATE HOME IS CONSTRUCTED SHALL AT ALL TIMES BE SUBJECT TO LOCAL AND MUNICIPAL TAXES IN AN AMOUNT NOT LESS THAN THE AMOUNT OF LOCAL AND MUNICIPAL TAXES THAT WOULD BE PAYABLE THEREON BASED UPON THE ASSESSED VALUATION OF THE LAND

1 APPEARING ON THE ASSESSMENT ROLL IN THE FIRST YEAR AFTER COMPLETION OF
2 CONSTRUCTION.

3 3. (A) BASED ON THE CERTIFICATION OF THE LOCAL HOUSING AGENCY PURSUANT
4 TO THIS SECTION CERTIFYING ELIGIBILITY FOR EXEMPTION PURSUANT TO THIS
5 SECTION, THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK SHALL IMPE-
6 MENT THE AMOUNT OF EXEMPTION FROM LOCAL AND MUNICIPAL TAXES.

7 (B) THE LOCAL HOUSING AGENCY MAY PROMULGATE RULES AND REGULATIONS TO
8 CARRY OUT THE PROVISIONS OF THIS SECTION AND MAY REQUIRE PAYMENT OF A
9 NON-REFUNDABLE FILING FEE IN THE AMOUNT OF TWO HUNDRED DOLLARS PER
10 DWELLING UNIT FOR EACH APPLICATION FOR TAX EXEMPTION PURSUANT TO THIS
11 SECTION.

12 (C) UPON A FINDING BY THE LOCAL HOUSING AGENCY OR BY ANOTHER AGENCY
13 DESIGNATED BY SUCH LOCAL HOUSING AGENCY THAT A PRIVATE HOME IS NOT BEING
14 USED FOR RESIDENTIAL PURPOSES, IS THE SUBJECT OF A VIOLATION FOR AN
15 ILLEGAL OCCUPANCY, OR NOT OWNER OCCUPIED, EXEMPTION FROM TAXATION UNDER
16 THIS SECTION SHALL BE REVOKED AND SHALL TERMINATE PROSPECTIVELY;
17 PROVIDED, HOWEVER, THAT IN THE CASE OF AN ILLEGAL OCCUPANCY, THE OWNER
18 SHALL REPAY ALL TAXES, WITH INTEREST, FROM WHICH SUCH PRIVATE HOME WAS
19 EXEMPTED AND SUCH AMOUNT, IF UNPAID, SHALL BECOME A TAX LIEN AGAINST THE
20 PROPERTY.

21 S 12. This act shall take effect immediately; provided, however, that
22 the amendments made to subdivision (c) of section 11-245 of the adminis-
23 trative code of the city of New York shall be deemed to have been in
24 full force and effect as of December 31, 2007, and the amendments to
25 clause (A) of subparagraph (iv) of paragraph (a) of subdivision 2 of
26 section 421-a of the real property tax law made by section two of this
27 act, shall be deemed to have been in full force and effect as of Decem-
28 ber 28, 2010.