

8345

I N S E N A T E

June 24, 2010

Introduced by Sen. ESPADA -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the real property tax law, in relation to the tax exemption for multiple dwellings

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

1 Section 1. Paragraph (c) of subdivision 1 of section 421-a of the real
2 property tax law, as amended by chapter 447 of the laws of 2003, is
3 amended to read as follows:
4 c. "Multiple Dwelling." A dwelling which is to be occupied or is occu-
5 pied as the residence or home of three or more families living independ-
6 ently of one another, whether such dwelling is rented or owned as a
7 cooperative or condominium. A new multiple dwelling shall include new
8 residential construction and the concurrent conversion, alteration or
9 improvement of a pre-existing building or structure provided that (i)
10 for all tax lots now existing or hereafter created, no more than forty-
11 nine percent of the floor area (as defined in paragraph b of this subdivi-
12 sion) of the multiple dwelling consists of the pre-existing building
13 or structure that was converted, altered or improved, and (ii) for tax
14 lots in the city of New York now existing or hereafter created within
15 the following area in the borough of Manhattan, the new residential
16 construction and/or the concurrent conversion, alteration or improvement
17 of the pre-existing building or structure is aided by a grant, loan or
18 subsidy from any federal, state or local agency or instrumentality:
19 beginning at the intersection of the United States pierhead line in the
20 Hudson river and the center line of Chambers street extended, thence
21 easterly to the center line of Chambers street and continuing along the
22 center line of Chambers street to the center line of Centre street,
23 thence southerly along the center line of Centre street to the center
24 line of the Brooklyn Bridge to the intersection of the Brooklyn Bridge
25 and the United States pierhead line in the East river, thence northerly
26 along the United States pierhead line in the East river and the center
27 line of one hundred tenth street extended, thence westerly to the center
28 line of one hundred tenth street and continuing along the center line of

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

LBD17846-01-0

1 one hundred tenth street to its westerly terminus, thence westerly to
2 the intersection of the center line of one hundred tenth street extended
3 and the United States pierhead line in the Hudson river, thence souther-
4 ly along the United States pierhead line in the Hudson river to the
5 point of beginning. A CONVERTED MULTIPLE DWELLING SHALL INCLUDE THE
6 CONVERSION OF ALL OR PART OF AND THE CONCURRENT PHYSICAL ADDITION (IF
7 APPLICABLE) TO ANY PRE-EXISTING BUILDING OR STRUCTURE THAT IS NOT A
8 CLASS A MULTIPLE DWELLING TO A CLASS A MULTIPLE DWELLING, PROVIDED THAT,
9 FOR ALL TAX LOTS NOW EXISTING OR HEREAFTER CREATED, (I) AT LEAST SEVEN-
10 TY-FIVE PERCENT OF THE TOTAL AREA OF THE ORIGINAL PERIMETER WALLS MUST
11 REMAIN IN PLACE AS PERIMETER WALLS IN THE BUILDING, OR (II) AT LEAST
12 FIFTY PERCENT OF THE ORIGINAL FLOOR AREA OF THE BUILDING MUST REMAIN IN
13 PLACE AS FLOOR AREA, AND FURTHER PROVIDED THAT CONSTRUCTION OF SUCH
14 CONVERTED MULTIPLE DWELLING COMMENCES ON OR AFTER THE EFFECTIVE DATE OF
15 THE CHAPTER OF THE LAWS OF TWO THOUSAND TEN WHICH AMENDED THIS PARA-
16 GRAPH. WHEREVER THIS SECTION REFERS TO A MULTIPLE DWELLING OR MULTIPLE
17 DWELLINGS IT SHALL BE TAKEN TO MEAN BOTH NEW MULTIPLE DWELLINGS AND
18 CONVERTED MULTIPLE DWELLINGS, AS DEFINED IN THIS PARAGRAPH.

19 S 2. Subparagraph (i) of paragraph (a) of subdivision 2 of section
20 421-a of the real property tax law, as amended by chapter 288 of the
21 laws of 1985, is amended to read as follows:

22 (i) Within a city having a population of one million or more, new
23 multiple dwellings AND CONVERTED MULTIPLE DWELLINGS, except hotels,
24 shall be exempt from taxation for local purposes, other than assessments
25 for local improvements, for the tax year or years immediately following
26 taxable status dates occurring subsequent to the commencement and prior
27 to the completion of construction, but not to exceed three such tax
28 years, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH
29 COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH,
30 TWO THOUSAND NINE WHICH SHALL BE EXEMPT FROM TAXATION FOR LOCAL
31 PURPOSES, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, FOR THE TAX
32 YEAR OR YEARS IMMEDIATELY FOLLOWING TAXABLE STATUS DATES OCCURRING
33 SUBSEQUENT TO THE COMMENCEMENT AND PRIOR TO THE COMPLETION OF
34 CONSTRUCTION, BUT NOT TO EXCEED SIX SUCH TAX YEARS, and shall continue
35 to be exempt from such taxation in tax years immediately following the
36 taxable status date first occurring after the expiration of the
37 exemption herein conferred during construction so long as used at the
38 completion of construction for dwelling purposes for a period not to
39 exceed ten years in the aggregate after the taxable status date imme-
40 diately following the completion thereof, as follows:

41 (A) except as otherwise provided herein there shall be full exemption
42 from taxation during the period of construction or the period of three
43 years immediately following commencement of construction, whichever
44 expires sooner, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF
45 WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIR-
46 TIETH, TWO THOUSAND NINE WHICH SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM
47 TAXATION DURING THE PERIOD OF CONSTRUCTION OR THE PERIOD OF SIX YEARS
48 IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES
49 SOONER, and for two years following such period;

50 (B) followed by two years of exemption from eighty per cent of such
51 taxation;

52 (C) followed by two years of exemption from sixty per cent of such
53 taxation;

54 (D) followed by two years of exemption from forty per cent of such
55 taxation;

1 (E) followed by two years of exemption from twenty per cent of such
2 taxation;

3 The following table shall illustrate the computation of the tax
4 exemption:

5 CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

6		Exemption
7	During Construction (maximum three years,	100%
8	EXCEPT FOR CONSTRUCTION	
9	COMMENCEMENT BETWEEN JANUARY FIRST,	
10	TWO THOUSAND SEVEN AND JUNE	
11	THIRTIETH, TWO THOUSAND NINE WHICH	
12	HAS A MAXIMUM OF SIX YEARS)	
13	Following completion of work	
14	Year:	
15	1	100%
16	2	100
17	3	80
18	4	80
19	5	60
20	6	60
21	7	40
22	8	40
23	9	20
24	10	20

25 S 3. Clause (A) of subparagraph (ii) of paragraph (a) of subdivision 2
26 of section 421-a of the real property tax law, as amended by chapter 288
27 of the laws of 1985, is amended to read as follows:

28 (A) Within a city having a population of one million or more the local
29 housing agency may adopt rules and regulations providing that except in
30 areas excluded by local law new multiple dwellings AND CONVERTED MULTI-
31 PLE DWELLINGS, except hotels, shall be exempt from taxation for local
32 purposes, other than assessments for local improvements, for the tax
33 year or years immediately following taxable status dates occurring
34 subsequent to the commencement and prior to the completion of
35 construction, but not to exceed three such tax years, EXCEPT FOR NEW
36 MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY
37 FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH
38 SHALL BE EXEMPT FROM TAXATION FOR LOCAL PURPOSES, OTHER THAN ASSESSMENTS
39 FOR LOCAL IMPROVEMENTS, FOR THE TAX YEAR OR YEARS IMMEDIATELY FOLLOWING
40 TAXABLE STATUS DATES OCCURRING SUBSEQUENT TO THE COMMENCEMENT AND PRIOR
41 TO THE COMPLETION OF CONSTRUCTION, BUT NOT TO EXCEED SIX SUCH TAX YEARS,
42 and shall continue to be exempt from such taxation in tax years imme-
43 diately following the taxable status date first occurring after the
44 expiration of the exemption herein conferred during such construction so
45 long as used at the completion of construction for dwelling purposes for
46 a period not to exceed fifteen years in the aggregate, as follows:

47 a. except as otherwise provided herein there shall be full exemption
48 from taxation during the period of construction or the period of three
49 years immediately following commencement of construction, whichever
50 expires sooner, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF
51 WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIR-
52 TIETH, TWO THOUSAND NINE WHICH SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM

TAXATION DURING THE PERIOD OF CONSTRUCTION OR THE PERIOD OF SIX YEARS IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES SOONER, 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.

S 4. Clause (C) of subparagraph (ii) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 288 of the laws of 1985, is amended to read as follows:

(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. FOR NEW MULTIPLE DWELLINGS:

(I) 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.] (II) 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.

B. FOR CONVERTED MULTIPLE DWELLINGS:

(I) THE CONSTRUCTION IS CARRIED OUT WITH THE SUBSTANTIAL ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR INSTRUMENTALITY, OR

(II) THE LOCAL HOUSING AGENCY HAS IMPOSED A REQUIREMENT OR HAS CERTIFIED THAT TWENTY PERCENT OF THE UNITS BE AFFORDABLE TO FAMILIES WHOSE INCOMES ARE NOT IN EXCESS OR ONE HUNDRED PERCENT OF AREA MEDIAN INCOME. The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

	Exemption
During Construction (maximum three years, EXCEPT FOR CONSTRUCTION COMMENCEMENT BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH HAS A MAXIMUM OF SIX YEARS)	100%
Following completion of work	
Year:	
1 through 11	100%
12	80
13	60
14	40
15	20

S 5. Clause (A) of subparagraph (iii) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 702 of the laws of 1992, is amended to read as follows:

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

1 ple dwellings AND CONVERTED MULTIPLE DWELLINGS, except hotels, shall be
2 exempt from taxation for local purposes, other than assessments for
3 local improvements, for the tax year or years immediately following
4 taxable status dates occurring subsequent to the commencement and prior
5 to the completion of construction, but not to exceed three such tax
6 years, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH
7 COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH,
8 TWO THOUSAND NINE WHICH SHALL BE EXEMPT FROM TAXATION FOR LOCAL
9 PURPOSES, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, FOR THE TAX
10 YEAR OR YEARS IMMEDIATELY FOLLOWING TAXABLE STATUS DATES OCCURRING
11 SUBSEQUENT TO THE COMMENCEMENT AND PRIOR TO THE COMPLETION OF
12 CONSTRUCTION, BUT NOT TO EXCEED SIX SUCH TAX YEARS, and shall continue
13 to be exempt from such taxation in tax years immediately following the
14 taxable status date first occurring after the expiration of the
15 exemption herein conferred during such construction so long as used at
16 the completion of construction for dwelling purposes for a period not to
17 exceed twenty-five years in the aggregate, provided that the area in
18 which the project is situated is a neighborhood preservation program
19 area as determined by the local housing agency as of June first, nine-
20 teen hundred eighty-five, or is a neighborhood preservation area as
21 determined by the New York city planning commission as of June first,
22 nineteen hundred eighty-five, or is an area that was eligible for mort-
23 gage insurance provided by the rehabilitation mortgage insurance corpo-
24 ration as of May first, nineteen hundred ninety-two or is an area
25 receiving funding for a neighborhood preservation project pursuant to
26 the neighborhood reinvestment corporation act (42 U.S.C. SS180 et seq.)
27 as of June first, nineteen hundred eighty-five, as follows:

28 a. except as otherwise provided herein there shall be full exemption
29 from taxation during the period of construction or the period of three
30 years immediately following commencement of construction, whichever
31 expires sooner, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF
32 WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIR-
33 TIETH, TWO THOUSAND NINE WHICH SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM
34 TAXATION DURING THE PERIOD OF CONSTRUCTION OR THE PERIOD OF SIX YEARS
35 IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES
36 SOONER, and for twenty-one years following such period;

37 b. followed by one year of exemption from eighty percent of such taxa-
38 tion;

39 c. followed by one year of exemption from sixty percent of such taxa-
40 tion;

41 d. followed by one year of exemption from forty percent of such taxa-
42 tion;

43 e. followed by one year of exemption from twenty percent of such taxa-
44 tion.

45 S 6. Clause (D) of subparagraph (iii) of paragraph (a) of subdivision
46 2 of section 421-a of the real property tax law, as amended by chapter
47 288 of the laws of 1985, is amended to read as follows:

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

51 a. FOR NEW MULTIPLE DWELLINGS:

52 (I) the construction is carried out with the substantial assistance of
53 grants, loans or subsidies from any federal, state or local agency or
54 instrumentality, or

[b.] (II) 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.

B. FOR CONVERTED MULTIPLE DWELLINGS:

(I) THE CONSTRUCTION IS CARRIED OUT WITH THE SUBSTANTIAL ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR INSTRUMENTALITY, OR

(II) THE LOCAL HOUSING AGENCY HAS IMPOSED A REQUIREMENT OR HAS CERTIFIED THAT TWENTY PERCENT OF THE UNITS BE AFFORDABLE TO FAMILIES WHOSE INCOMES ARE NOT IN EXCESS OR ONE HUNDRED PERCENT OF AREA MEDIAN INCOME.

The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN
MULTIPLE DWELLINGS

	Exemption
During Construction (maximum three years, EXCEPT FOR CONSTRUCTION COMMENCEMENT BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH HAS A MAXIMUM OF SIX YEARS)	100%
Following completion of work	
Year:	
1 through 21	100%
22	80
23	60
224	40
25	20

S 7. Clause (E) of subparagraph (iii) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as added by chapter 618 of the laws of 2007, is amended to read as follows:

(E) A new multiple dwelling OR A CONVERTED MULTIPLE DWELLING that is situated in (1) a neighborhood preservation program area as determined by the department of housing preservation and development as of June first, nineteen hundred eighty-five, (2) a neighborhood preservation area as determined by the New York city planning commission as of June first, nineteen hundred eighty-five, (3) an area that was eligible for mortgage insurance provided by the rehabilitation mortgage insurance corporation as of May first, nineteen hundred ninety-two, or (4) an area receiving funding for a neighborhood preservation project pursuant to the neighborhood reinvestment corporation act (42 U.S.C. SS 8101 et seq.) as of June first, nineteen hundred eighty-five, shall not be eligible for the benefits available pursuant to this subparagraph unless it complies with the provisions of subdivision seven of this section.

S 8. Subparagraph (iv) of paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as added by chapter 832 of the laws of 1992, item (A) as amended by chapter 432 of the laws of 1998, the opening paragraph of item (A) as amended by chapter 618 of the laws of 2007, is amended to read as follows:

(iv) (A) 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 new multiple dwellings OR CONVERTED MULTIPLE DWELLINGS on tax lots now existing or hereafter created south of or adjacent to

either side of one hundred tenth street which commence construction after July first, nineteen hundred ninety-two and before December twenty-eighth, two thousand ten only if:

a. FOR NEW MULTIPLE DWELLINGS:

(I) 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.] (II) the local housing agency has imposed a requirement or has certified that twenty percent of the units are affordable to families of low and moderate income.

B. FOR CONVERTED MULTIPLE DWELLINGS:

(I) THE CONSTRUCTION IS CARRIED OUT WITH THE SUBSTANTIAL ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR INSTRUMENTALITY, OR

(II) THE LOCAL HOUSING AGENCY HAS IMPOSED A REQUIREMENT OR HAS CERTIFIED THAT TWENTY PERCENT OF THE UNITS BE AFFORDABLE TO FAMILIES WHOSE INCOMES ARE NOT IN EXCESS OR ONE HUNDRED PERCENT OF AREA MEDIAN INCOME.

(B) Such new multiple dwellings AND CONVERTED 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 construction, but not to exceed three such tax years, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH 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 CONSTRUCTION, BUT NOT TO EXCEED SIX SUCH TAX YEARS, and shall continue to be exempt from such taxation in tax years immediately following the taxable status dates first occurring after the expiration of the exemption herein conferred during such construction so long as used at the completion of construction for dwelling purposes for a period not to exceed twenty 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, EXCEPT FOR NEW MULTIPLE DWELLINGS THE CONSTRUCTION OF WHICH COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE WHICH SHALL BE ELIGIBLE FOR FULL EXEMPTION FROM TAXATION DURING THE PERIOD OF CONSTRUCTION OR THE PERIOD OF SIX YEARS IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES SOONER, 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.

The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN
MULTIPLE DWELLINGS

1	During construction (maximum three	Exemption 100%
2	years, EXCEPT FOR CONSTRUCTION COMMENCEMENT	
3	BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE	
4	THIRTIETH, TWO THOUSAND NINE WHICH HAS A MAXIMUM OF	
5	SIX YEARS)	
6	Following completion of work year:	
7	1 through 12	100%
8	13-14	80%
9	15-16	60%
10	17-18	40%
11	19-20	20%

12 S 9. Paragraph (b) of subdivision 2 of section 421-a of the real prop-
 13 erty tax law, as amended by chapter 401 of the laws of 1983, is amended
 14 to read as follows:

15 (b) In addition to the taxes payable pursuant to the table above, the
 16 owner shall pay in each tax year in which such full or partial exemption
 17 is in effect, real property taxes and assessments as follows:

18 (i) (A) FOR NEW MULTIPLE DWELLINGS, real property taxes on the
 19 assessed valuation of such land and any improvements thereon in effect
 20 during the tax year preceding the commencement of such construction
 21 without regard to any exemption or abatement from real property taxation
 22 in effect prior to such construction which real property taxes shall be
 23 calculated on the tax rate in effect at the time such taxes are due; and
 24 (B) FOR CONVERTED MULTIPLE DWELLINGS, REAL PROPERTY TAXES ON THE
 25 ASSESSED VALUATION OF SUCH LAND IN EFFECT DURING THE TAX YEAR PRECEDING
 26 THE COMMENCEMENT OF SUCH CONSTRUCTION WITHOUT REGARD TO ANY EXEMPTION OR
 27 ABATEMENT FROM REAL PROPERTY TAXATION IN EFFECT AT THE TIME SUCH TAXES
 28 ARE DUE; AND

29 (ii) all assessments for local improvements.

30 S 10. Paragraph (d) of subdivision 2 of section 421-a of the real
 31 property tax law, as amended by chapter 692 of the laws of 1995, is
 32 amended to read as follows:

33 (d) As of July first, nineteen hundred seventy-five, if the aggregate
 34 floor area of commercial, community facility and accessory use space
 35 exceeds twelve per cent of the aggregate floor area, as defined herein,
 36 of any building granted tax exemption pursuant to this section on or
 37 subsequent to July first, nineteen hundred seventy-one, tax exemption
 38 shall be reduced by an amount equal to the per cent of the aggregate
 39 floor area by which the aggregate floor area of commercial, community
 40 facility and accessory use space exceeds twelve per cent of the aggre-
 41 gate floor area of the building provided, however, that accessory use
 42 space shall not include accessory parking located not more than twenty-
 43 three feet above the curb level and provided, further, that whenever a
 44 building containing two or more separately assessed parcels of real
 45 property has commercial, community facility and accessory use space in
 46 excess of such twelve percent, the tax arising out of the reduction in
 47 exemption for such excess space shall not be apportioned pro rata among
 48 all of the separately assessed parcels in the building but shall be
 49 applied first to those separately assessed parcels which are unrelated
 50 to the residential use of the building; and only after such unrelated
 51 parcels are fully taxable shall the remainder of such tax be apportioned
 52 pro rata among the remaining separately assessed parcels and provided
 53 further, that no such exemption for commercial, community facility and
 54 accessory use space shall be applicable prior to July first, nineteen
 55 hundred seventy-five. To be eligible for exemption under this section

1 [such] THE construction OF A NEW MULTIPLE DWELLING shall take place on
2 land which, thirty-six months prior to the commencement of such
3 construction, was vacant, predominantly vacant, under-utilized, or
4 improved with a non-conforming use, provided that if such new multiple
5 dwelling displaces or replaces a building or buildings containing more
6 than twenty-five occupied dwelling units in existence on December thir-
7 ty-first, nineteen hundred seventy-four and administered under the local
8 emergency housing rent control act, the rent stabilization law of nine-
9 teen hundred sixty-nine, or the emergency tenant protection act of nine-
10 teen seventy-four, such new multiple dwelling shall not be eligible in
11 the city of New York unless a certificate of eviction has been issued
12 for any of the displaced or replaced units pursuant to the powers grant-
13 ed by the city rent and rehabilitation law, and that the sale, transfer
14 or utilization of air rights over residential buildings that were not
15 demolished shall not be construed as a displacement or replacement of
16 the dwelling units contained within those buildings within the meaning
17 of this subdivision. THE LAND UPON WHICH TAKES PLACE THE CONSTRUCTION
18 OF A CONVERTED MULTIPLE DWELLING SHALL BE DEEMED UNDER-UTILIZED THIRTY-
19 SIX MONTHS PRIOR TO THE COMMENCEMENT OF SUCH CONSTRUCTION AND SHALL NOT
20 BE SUBJECT TO ANY SITE REQUIREMENTS NOW EXISTING OR HEREAFTER CREATED BY
21 ANY LOCAL LAW OR ANY RULE OR REGULATION PROMULGATED BY THE LOCAL HOUSING
22 AGENCY.

23 S 11. Paragraph (g) of subdivision 2 of section 421-a of the real
24 property tax law, as amended by chapter 995 of the laws of 1981, is
25 amended to read as follows:

26 (g) For purposes of this section construction shall be deemed
27 "commenced" when excavation or alteration has begun in good faith on the
28 basis of approved [construction] ARCHITECTURAL AND STRUCTURAL plans.

29 S 12. Subdivision 2 of section 421-a of the real property tax law is
30 amended by adding a new paragraph (j) to read as follows:

31 (J) SUBDIVISION (C) OF SECTION 11-245 OF THE ADMINISTRATIVE CODE OF
32 THE CITY OF NEW YORK SHALL NOT BE APPLICABLE TO ANY MULTIPLE DWELLING
33 FOR WHICH CONSTRUCTION COMMENCED ON OR AFTER OCTOBER FIRST, NINETEEN
34 HUNDRED NINETY-THREE. THE PROVISIONS OF THIS PARAGRAPH SHALL BE DEEMED
35 RETROACTIVE TO AND IN EFFECT AS OF DECEMBER THIRTIETH, TWO THOUSAND
36 SEVEN.

37 S 13. Subparagraph (a) of paragraph (ii) of subdivision 3 of section
38 421-a of the real property tax law, as amended by chapter 857 of the
39 laws of 1975 and renumbered by chapter 110 of the laws of 1977, is
40 amended to read as follows:

41 (a) The amount that the agency determines to be the reasonable annual
42 costs for the continuing maintenance and operation of the multiple
43 dwelling in accordance with subdivision four of this section. IF THE
44 MULTIPLE DWELLING AND/OR LAND ON WHICH IT IS SITUATED IS BEING DEVELOP-
45 MENT PURSUANT TO A GROUND LEASE OR NET LEASE, THE REASONABLE ANNUAL
46 COSTS FOR THE CONTINUING MAINTENANCE AND OPERATION OF THE MULTIPLE
47 DWELLING SHALL INCLUDE THE AVERAGE ANNUAL GROUND RENT PAYABLE OVER THE
48 DURATION OF BENEFITS PURSUANT TO THIS SECTION;

49 S 14. Subdivision 7 of section 421-a of the real property tax law, as
50 added by chapter 618 of the laws of 2007, subparagraph (i) of paragraph
51 (a), subparagraphs (i) and (ii) of paragraph (d) as amended by chapter
52 619 of the laws of 2007, and paragraphs (b), (c) and (e) as amended by
53 chapter 15 of the laws of 2008, is amended to read as follows:

54 7. (a) For the purposes of this subdivision:

55 (i) "affordable units" shall mean units which meet the affordability
56 requirements set forth in paragraph (c) of this subdivision.

1 (ii) "geographic exclusion areas" shall mean:

2 (A) areas described in subdivision eleven of this section,

3 (B) in the borough of Manhattan tax lots now existing or hereafter
4 created south of or adjacent to either side of one hundred tenth street,
5 and

6 (C) areas made ineligible for the benefits of this section:

7 (1) as set forth in section 11-245 OTHER THAN THOSE AREAS SET FORTH IN
8 SUBDIVISION (C) OF SECTION 11-245 of the administrative code of the city
9 of New York on the effective date of this subdivision, notwithstanding
10 any exceptions to ineligibility contained in such local law for certain
11 types of projects in such areas,

12 (2) as set forth in local law number fifty-eight of the city of New
13 York for the year two thousand six, notwithstanding any exceptions to
14 ineligibility contained in such local law for certain types of projects
15 in such areas and notwithstanding the effective date of such law, and

16 (3) by local law after the effective date of this subdivision.

17 (b) Notwithstanding any provision of this section or any local law to
18 the contrary, the benefits of this section shall not be available for
19 new multiple dwellings AND CONVERTED MULTIPLE DWELLINGS located in a
20 geographic exclusion area which commence construction after December
21 twenty-eighth, two thousand seven unless they comply with the provisions
22 of this subdivision for thirty-five years from completion of
23 construction of the building receiving benefits pursuant to this
24 section.

25 (c)(i) Not less than twenty percent of the units in [the] A NEW multi-
26 ple dwelling must, upon the initial rental or sale of the units and upon
27 all subsequent rentals of the units after a vacancy, be affordable to
28 and occupied or available for occupancy by individuals or families whose
29 incomes at the time of initial occupancy do not exceed sixty percent of
30 the area median incomes adjusted for family size or (ii) if the
31 construction of such building is carried out with substantial assistance
32 of grants, loans or subsidies from any federal, state or local agency or
33 instrumentality and such assistance is provided pursuant to a program
34 for the development of affordable housing, not less than twenty percent
35 of the units in the multiple dwelling must, either (A) upon the initial
36 rental of the units and upon all subsequent rentals of the units after a
37 vacancy, be affordable to and occupied or available for occupancy by
38 individuals or families whose incomes at the time of initial occupancy
39 do not exceed one hundred twenty percent of the area median incomes
40 adjusted for family size and, where the multiple dwelling contains more
41 than twenty-five units, do not exceed an average of ninety percent of
42 the area median incomes adjusted for family size, or (B) upon the
43 initial sale of the units, be affordable to and occupied or available
44 for occupancy by individuals or families whose incomes at the time of
45 initial occupancy do not exceed one hundred twenty-five percent of the
46 area median incomes adjusted for family size.

47 (d) (I) NOT LESS THAN TWENTY PERCENT OF THE UNITS IN A CONVERTED
48 MULTIPLE DWELLING MUST, UPON THE INITIAL RENTAL OR SALE OF THE UNITS AND
49 UPON ALL SUBSEQUENT RENTALS OF THE UNITS AFTER A VACANCY, BE AFFORDABLE
50 TO AND OCCUPIED OR AVAILABLE FOR OCCUPANCY BY INDIVIDUALS OR FAMILIES
51 WHOSE INCOMES AT THE TIME OF INITIAL OCCUPANCY DO NOT EXCEED ONE HUNDRED
52 PERCENT OF THE AREA MEDIAN INCOMES ADJUSTED FOR FAMILY SIZE OR (II) IF
53 THE CONSTRUCTION OF SUCH BUILDING IS CARRIED OUT WITH SUBSTANTIAL
54 ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES FROM ANY FEDERAL, STATE OR
55 LOCAL AGENCY OR INSTRUMENTALITY, SUCH ASSISTANCE MUST BE PROVIDED PURSU-
56 ANT TO A PROGRAM FOR THE DEVELOPMENT OF AFFORDABLE HOUSING.

(E) Unless preempted by federal requirements:

(i) all affordable units must have a comparable number of bedrooms as market rate units and a unit mix proportional to the market rate units, or at least fifty percent of the affordable units must have two or more bedrooms and no more than fifty percent of the remaining units can be smaller than one bedroom or in addition to the requirements of paragraph (c) of this subdivision, the floor area of affordable units is no less than twenty percent of the total floor area of all dwelling units; and

(ii) residents of the community board where the multiple dwelling which receives the benefits provided in this section is located shall, upon initial occupancy, have priority for the purchase or rental of fifty percent of the affordable units.

[(e)] (F) Notwithstanding any provision of law to the contrary, affordable rental units must remain as rent stabilized units for thirty-five years from completion of construction provided that tenants holding a lease and in occupancy at the expiration of the rent stabilization period shall have the right to remain as rent stabilized tenants for the duration of their occupancy.

[(f)] (G) All affordable units must be situated onsite. For the purposes of this section, "onsite" shall mean that affordable units shall be situated within the building or buildings for which benefits pursuant to this section are being granted.

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

S 15. Paragraph (e) of subdivision 8 of section 421-a of the real property tax law, as amended by chapter 619 of the laws of 2007, is amended to read as follows:

(e) 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] ARCHITECTURAL AND STRUCTURAL plans.

S 16. Section 421-a of the real property tax law is amended by adding a new subdivision 16 to read as follows:

16. (A) WITHIN A CITY HAVING A POPULATION OF ONE MILLION OR MORE, NEW MULTIPLE DWELLINGS WHICH, ON JULY FIRST, TWO THOUSAND TEN, WERE EXEMPT, IN WHOLE OR IN PART, FROM TAXATION FOR LOCAL PURPOSES, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, PURSUANT TO SUBPARAGRAPH (III) OR (IV) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION SHALL BE EXEMPT FROM TAXATION FOR LOCAL PURPOSES, FOR THE TAX YEAR COMMENCING SUBSEQUENT TO THE ISSUANCE OF THE CERTIFICATE BY THE LOCAL HOUSING AGENCY UNDER PARAGRAPH (C) OF THIS SUBDIVISION.

(B) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVISION, A MULTIPLE DWELLING RECEIVING AN EXEMPTION PURSUANT TO THIS SUBDIVISION, SHALL BE REQUIRED TO PAY TAXES IN AN AMOUNT EQUAL TO TWELVE PERCENT OF THE ANNUAL "SHELTER RENT". FOR PURPOSES OF THIS SUBDIVISION, "SHELTER RENT" SHALL MEAN THE TOTAL RENTS RECEIVED FROM OCCUPANTS OF A MULTIPLE DWELLING LESS THE COST OF PROVIDING TO THE OCCUPANTS ELECTRICITY, GAS, HEAT AND OTHER UTILITIES.

(C) TO BE ELIGIBLE FOR THE EXEMPTION PURSUANT TO THIS SUBDIVISION:

(I) THE OWNER OF A MULTIPLE DWELLING MUST FILE WITH THE LOCAL HOUSING AGENCY AN APPLICATION AT LEAST ONE YEAR PRIOR TO THE EXPIRATION OF THE TAX EXEMPTION RECEIVED BY SUCH MULTIPLE DWELLING PURSUANT TO SUBDIVISION TWO OF THIS SECTION. SUCH APPLICATION SHALL BE ON FORMS AS SPECIFIED BY THE LOCAL HOUSING AGENCY PROVIDED THAT THE LOCAL HOUSING AGENCY SHALL NOT ACCEPT ANY APPLICATION FILED AFTER DECEMBER TWENTY-EIGHTH, TWO THOU-

1 SAND THIRTEEN. THE LOCAL HOUSING AGENCY SHALL CERTIFY THE ELIGIBILITY OF
2 SUCH MULTIPLE DWELLING FOR THE EXEMPTION PURSUANT TO PARAGRAPH (A) OF
3 THIS SUBDIVISION AND SUCH EXEMPTION SHALL BE EFFECTIVE COMMENCING IN THE
4 TAX YEAR: (A) SET FORTH IN THE APPLICATION FOR SUCH MULTIPLE DWELLING
5 WHOSE PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBDIVISION TWO
6 OF THIS SECTION HAD COMMENCED PRIOR TO THE DATE OF FILING OF SUCH APPLI-
7 CATION, AND (B) IMMEDIATELY FOLLOWING (I) THE SECOND FULL YEAR OF
8 PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBPARAGRAPH (III) OF
9 PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION OR (II) THE FOURTH FULL
10 YEAR OF PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBPARAGRAPH
11 (IV) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION, FOR SUCH
12 MULTIPLE DWELLINGS WHOSE PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT
13 TO SUBDIVISION TWO OF THIS SECTION HAD NOT COMMENCED PRIOR TO THE DATE
14 OF FILING OF THE APPLICATION; AND

15 (II) THE LOCAL HOUSING AGENCY HAS IMPOSED A REQUIREMENT OR HAS CERTI-
16 FIED THAT TWENTY PERCENT OF THE UNITS IN SUCH MULTIPLE DWELLING ARE
17 AFFORDABLE TO FAMILIES OF LOW AND MODERATE INCOME, WHICH AFFORDABILITY
18 REQUIREMENT SHALL REMAIN IN EFFECT FOR SO LONG AS SUCH MULTIPLE DWELLING
19 IS RECEIVING AN EXEMPTION PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION.

20 UPON COMMENCEMENT OF THE EXEMPTION PURSUANT TO THIS SUBDIVISION, THE
21 PARTIAL TAX EXEMPTION UNDER SUBPARAGRAPH (III) OR (IV) OF PARAGRAPH (A)
22 OF SUBDIVISION TWO OF THIS SECTION SHALL TERMINATE.

23 (D) NOTWITHSTANDING THE PROVISIONS OF ANY LOCAL LAW FOR THE STABILIZA-
24 TION OF RENTS IN MULTIPLE DWELLINGS OR THE EMERGENCY TENANT PROTECTION
25 ACT OF NINETEEN SEVENTY-FOUR, THE RENTS OF A UNIT SHALL BE FULLY SUBJECT
26 TO CONTROL UNDER SUCH LOCAL LAW OR SUCH ACT FOR THE ENTIRE PERIOD DURING
27 WHICH THE PROPERTY IS RECEIVING TAX EXEMPTION PURSUANT TO THIS SUBDIVI-
28 SION. UPON CONVERSION OF A MULTIPLE DWELLING TO COOPERATIVE OR CONDOMIN-
29 IUM OWNERSHIP, THE EXEMPTION PROVIDED IN THIS SUBDIVISION SHALL TERMI-
30 NATE.

31 (E) AS USED IN THIS PARAGRAPH, THE TERMS "BUILDING SERVICE EMPLOYEE"
32 AND "PREVAILING WAGE" SHALL HAVE THE MEANINGS SET FORTH IN SUBDIVISION
33 EIGHT OF THIS SECTION.

34 (F) NO BENEFITS UNDER THIS SUBDIVISION SHALL BE CONFERRED TO ANY
35 MULTIPLE DWELLING CONTAINING MORE THAN FIFTY DWELLING UNITS EXCEPT WHERE
36 THE OWNER AGREES THAT ALL BUILDING SERVICE EMPLOYEES EMPLOYED AT THE
37 BUILDING, WHETHER EMPLOYED DIRECTLY BY THE OWNER OR ITS SUCCESSORS, OR
38 THROUGH A PROPERTY MANAGEMENT COMPANY OR A CONTRACTOR, SHALL RECEIVE THE
39 APPLICABLE PREVAILING WAGE FOR THE DURATION OF THE MULTIPLE DWELLING'S
40 TAX EXEMPTION.

41 (G) THE LIMITATIONS CONTAINED IN PARAGRAPH (F) OF THIS SUBDIVISION
42 SHALL NOT BE APPLICABLE TO BUILDINGS WHERE THE LOCAL HOUSING AGENCY
43 CERTIFIES THAT AT INITIAL OCCUPANCY AT LEAST FIFTY PERCENT OF THE DWELL-
44 ING UNITS ARE AFFORDABLE TO INDIVIDUALS OR FAMILIES WITH A GROSS HOUSE-
45 HOLD INCOME AT OR BELOW ONE HUNDRED TWENTY-FIVE PERCENT OF THE AREA
46 MEDIAN INCOME.

47 S 17. Paragraph (i) of subdivision 2 of section 421-a of the real
48 property tax law, as amended by chapter 619 of the laws of 2007, is
49 amended to read as follows:

50 (i) Authority of city to enact local law. Except as otherwise speci-
51 fied in this section, a city to which this section is applicable may
52 enact a local law to restrict, limit or condition the eligibility, scope
53 or amount of the benefits under this section in any manner provided that
54 such local law may not grant benefits beyond those provided in this
55 section and provided further that in the city of New York such local law
56 shall not take effect sooner than one year after it is enacted.

1 Notwithstanding the foregoing, the provisions of any local law shall not
2 alter the effect of subdivisions twelve, thirteen, fourteen, [and] ,
3 fifteen AND SIXTEEN of this section as they apply on the effective date
4 of such subdivisions, notwithstanding any subsequent amendments to the
5 provisions of law referred to in such subdivisions.
6 S 18. This act shall take effect immediately.