

2893

2011-2012 Regular Sessions

I N S E N A T E

February 3, 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, PROVIDED THAT CONSTRUCTION MUST BE COMPLETED UPON THE EXPIRATION
7 OF THIS PERIOD IN ORDER FOR SUCH MULTIPLE DWELLING TO REMAIN ELIGIBLE
8 FOR THE EXEMPTION PROVIDED IN THIS SECTION.

9 F. "EXTENDED CONSTRUCTION PERIOD." THE PERIOD OF TIME IMMEDIATELY
10 FOLLOWING THE INITIAL CONSTRUCTION PERIOD NEEDED TO COMPLETE THE
11 CONSTRUCTION OF A NEW MULTIPLE DWELLING OR THE PERIOD OF THREE YEARS,
12 WHICHEVER EXPIRES SOONER.

13 S 2. Paragraph (a) of subdivision 2 of section 421-a of the real prop-
14 erty tax law, as amended by chapter 288 of the laws of 1985, clause (A)
15 of subparagraph (iii) as amended by chapter 702 of the laws of 1992,
16 clause (E) of subparagraph (iii) as added and the opening paragraph of
17 item (A) of subparagraph (iv) as amended by chapter 618 of the laws of
18 2007, subparagraph (iv) as added by chapter 832 of the laws of 1992 and
19 item (A) of subparagraph (iv) as amended by chapter 432 of the laws of
20 1998, is amended to read as follows:

21 (a) (i) (A) Within a city having a population of one million or more,
22 new multiple dwellings, except hotels, shall be exempt from taxation for

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

LBD07026-04-1

1 local purposes, other than assessments for local improvements, for the
 2 tax year or years immediately following taxable status dates occurring
 3 subsequent to the commencement and prior to the completion of THE
 4 INITIAL construction PERIOD, but not to exceed three such tax years, and
 5 shall continue to be exempt from such taxation in tax years immediately
 6 following the taxable status date first occurring after the expiration
 7 of the exemption herein conferred during THE INITIAL construction [so
 8 long as used at the completion of construction for dwelling purposes]
 9 PERIOD for a period not to exceed ten years in the aggregate after the
 10 taxable status date immediately following the completion [thereof] OF
 11 THE INITIAL CONSTRUCTION PERIOD AND DURING THE EXTENDED CONSTRUCTION
 12 PERIOD IF SUCH PERIOD IS NEEDED, as follows:

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

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

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

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

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

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

29 The following table shall illustrate the computation of the tax
 30 exemption:

31 CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS		32 Exemption
33 During INITIAL		
34 Construction PERIOD		
35 (maximum three years)		100%
36 Following completion of [work] THE INITIAL CONSTRUCTION		
37 PERIOD		
38 Year:		
39 1		100%
40 2		100
41 3		80
42 4		80
43 5		60
44 6		60
45 7		40
46 8		40
47 9		20
48 10		20

49 (ii) (A) Within a city having a population of one million or more the
 50 local housing agency may adopt rules and regulations providing that
 51 except in areas excluded by local law new multiple dwellings, except
 52 hotels, shall be exempt from taxation for local purposes, other than

1 assessments for local improvements, for the tax year or years immediate-
 2 ly following taxable status dates occurring subsequent to the commence-
 3 ment and prior to the completion of THE INITIAL construction PERIOD, but
 4 not to exceed three such tax years, and shall continue to be exempt from
 5 such taxation in tax years immediately following the taxable status date
 6 first occurring after the expiration of the exemption herein conferred
 7 during [such] THE INITIAL construction [so long as used at the
 8 completion of construction for dwelling purposes] PERIOD, AND DURING THE
 9 EXTENDED CONSTRUCTION PERIOD IF SUCH PERIOD IS NEEDED, for a period not
 10 to exceed fifteen years in the aggregate, as follows:

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

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

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

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

22 e. followed by one year of exemption from twenty percent of such taxa-
 23 tion.

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

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

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

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

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

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

43 CONSTRUCTION OF CERTAIN 44 MULTIPLE DWELLINGS		45 Exemption
46 During INITIAL Construction PERIOD		47 100%
48 (maximum three years)		
49 Following completion of [work] THE INITIAL CONSTRUCTION 50 PERIOD		
51 Year:		
52 1 through 11		100%
53 12		80
53 13		60

3 (iii) (A) Within a city having a population of one million or more the
4 local housing agency may adopt rules and regulations providing that new
5 multiple dwellings, except hotels, shall be exempt from taxation for
6 local purposes, other than assessments for local improvements, for the
7 tax year or years immediately following taxable status dates occurring
8 subsequent to the commencement and prior to the completion of THE
9 INITIAL construction PERIOD, but not to exceed three such tax years, and
10 shall continue to be exempt from such taxation in tax years immediately
11 following the taxable status date first occurring after the expiration
12 of the exemption herein conferred during [such] THE INITIAL construction
13 [so long as used at the completion of construction for dwelling
14 purposes] PERIOD, AND DURING THE EXTENDED CONSTRUCTION PERIOD IF SUCH
15 PERIOD IS NEEDED, for a period not to exceed twenty-five years in the
16 aggregate, provided that the area in which the project is situated is a
17 neighborhood preservation program area as determined by the local hous-
18 ing agency as of June first, nineteen hundred eighty-five, or is a
19 neighborhood preservation area as determined by the New York city plan-
20 ning commission as of June first, nineteen hundred eighty-five, or is an
21 area that was eligible for mortgage insurance provided by the rehabili-
22 tation mortgage insurance corporation as of May first, nineteen hundred
23 ninety-two or is an area receiving funding for a neighborhood preserva-
24 tion project pursuant to the neighborhood reinvestment corporation act
25 (42 U.S.C. SS180 et seq.) as of June first, nineteen hundred eighty-
26 five, as follows:

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

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

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

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

38 e. followed by one year of exemption from twenty percent of such taxa-
39 tion.

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

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

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

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

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

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

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

8 CONSTRUCTION OF CERTAIN
9 MULTIPLE DWELLINGS

	Exemption
10 During INITIAL	100%
11 Construction PERIOD (maximum	
12 three years)	
13 Following completion of [work]	
14 THE INITIAL CONSTRUCTION PERIOD	
15 Year:	
16 1 through 21	100%
17 22	80
18 23	60
19 24	40
20 25	20

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

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

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

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

48 (B) Such new multiple dwellings, except hotels, shall be exempt from
49 taxation for local purposes, other than assessments for local improve-
50 ments for the tax year or years immediately following taxable status
51 dates occurring subsequent to the commencement and prior to the
52 completion of THE INITIAL construction PERIOD, but not to exceed three
53 such tax years, and shall continue to be exempt from such taxation in

1 tax years immediately following the taxable status dates first occurring
 2 after the expiration of the exemption herein conferred during [such] THE
 3 INITIAL construction [so long as used at the completion of construction
 4 for dwelling purposes] PERIOD, AND DURING THE EXTENDED CONSTRUCTION
 5 PERIOD IF SUCH PERIOD IS NEEDED, for a period not to exceed twenty years
 6 in the aggregate, as follows:

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

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

14 c. followed by two years of exemption from sixty percent of such taxa-
 15 tion;

16 d. followed by two years of exemption from forty percent of such taxa-
 17 tion;

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

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

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

24 CONSTRUCTION OF CERTAIN
 25 MULTIPLE DWELLINGS

26	During [construction] INITIAL CONSTRUCTION PERIOD	
27	(maximum three years)	Exemption 100%
28	Following completion of [work year:] THE INITIAL CONSTRUCTION	
29	PERIOD	
30	YEAR:	
31	1 through 12	100%
32	13-14	80%
33	15-16	60%
34	17-18	40%
35	19-20	20%

36 S 3. Subparagraph (ii) of paragraph (c) of subdivision 2 of section
 37 421-a of the real property tax law, as amended by chapter 618 of the
 38 laws of 2007, is amended to read as follows:

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

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

47 (g) [For] NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN ANY
 48 OTHER STATE OR LOCAL LAW, FOR purposes of this section, construction
 49 shall be deemed "commenced" [when excavation or alteration has begun in
 50 good faith on the basis of approved construction plans] UPON THE DATE
 51 THAT, PURSUANT TO ANY PERMIT APPROVED BY A DEPARTMENT OF BUILDINGS: (I)
 52 A NEW METAL OR CONCRETE STRUCTURE THAT SHALL PERFORM A LOAD BEARING
 53 FUNCTION IS INSTALLED AS PART OF A FOUNDATION; (II) AT LEAST ONE FULLY

1 DRIVEN PILE OR CAISSON IS INSTALLED; OR (III) THE ACTUAL CONSTRUCTION,
2 ALTERATION, OR IMPROVEMENT OF A PRE-EXISTING BUILDING OR STRUCTURE
3 BEGINS IN A PROJECT THAT INCLUDES NEW RESIDENTIAL CONSTRUCTION AND THE
4 CONCURRENT CONVERSION, ALTERATION OR IMPROVEMENT OF A PRE-EXISTING
5 BUILDING OR STRUCTURE. PROVIDED, HOWEVER, THAT WITH RESPECT TO SUBPARA-
6 GRAPHS (I), (II) AND (III) OF THIS PARAGRAPH, THE CONSTRUCTION OF SUCH
7 MULTIPLE DWELLING IS COMPLETED WITHOUT UNDUE DELAY.

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

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

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

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

54 The local housing agency may promulgate rules and regulations to carry
55 out the provisions of this section, not inconsistent with the provisions
56 hereof, [and may require a reasonable filing fee in an amount provided

1 by such rules and regulations] INCLUDING, BUT NOT LIMITED TO, RULES AND
2 REGULATIONS RELATING TO THE FILING FEE AUTHORIZED PURSUANT TO PARAGRAPH
3 B OF SUBDIVISION FOUR OF THIS SECTION.

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

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

21 S 7. Subparagraph (i) of paragraph (a) of subdivision 6 of section
22 421-a of the real property tax law, as added by chapter 110 of the laws
23 of 2005, is amended to read as follows:

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

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

50 (c) No benefits under section four hundred twenty-one-a of the real
51 property tax law shall be conferred for any construction commenced on or
52 after November twenty-ninth, nineteen hundred eighty-five of any multi-
53 ple dwelling, or portion thereof, which is located within any district
54 in the county of New York where a maximum base floor area ratio, as that
55 term is defined in the zoning resolution, of fifteen or greater was
56 permitted as of right by provisions of such resolution in effect on

1 April fourteenth, nineteen hundred eighty-two; provided, however, that
2 this limitation on benefits shall not apply to any such construction
3 commenced on or after October first, nineteen hundred ninety-three and
4 before December [thirty-first] TWENTY-EIGHTH, two thousand [seven] THIR-
5 TEEN.

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

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

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

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

25 (III) "Prevailing wage" means the [wage] RATE OF WAGES AND SUPPLEMENTS
26 determined by the fiscal officer to be prevailing for the various class-
27 es of building service employees in the locality pursuant to section two
28 hundred thirty of the labor law, OR THE RATE OF WAGES AND SUPPLEMENTS
29 DETERMINED BY THE FISCAL OFFICER TO BE PREVAILING FOR THE VARIOUS CLASS-
30 ES OF CONSTRUCTION EMPLOYEES IN THE LOCALITY PURSUANT TO SECTION TWO
31 HUNDRED TWENTY OF THE LABOR LAW.

32 (b) No benefits under this section shall be conferred for any
33 construction commenced on or after December twenty-eighth, two thousand
34 seven for any tax lots now existing or hereafter created except where
35 the applicant agrees that all building service employees AND
36 CONSTRUCTION EMPLOYEES employed at the building, whether employed
37 directly by the applicant or its successors, or through a property
38 management company [or], a contractor OR A SUBCONTRACTOR, shall receive
39 the applicable prevailing wage for the duration of the building's tax
40 exemption. NOTWITHSTANDING ANY GENERAL, SPECIAL OR LOCAL LAW, OR JUDI-
41 CIAL DECISION TO THE CONTRARY, FOR THE PURPOSES OF THIS SECTION SUCH
42 CONSTRUCTION WHICH MAY INVOLVE THE EMPLOYMENT OF LABORERS, WORKERS OR
43 MECHANICS, EXCEPT AS PROVIDED IN PARAGRAPH (D) OF THIS SUBDIVISION,
44 SHALL BE DEEMED PUBLIC WORK FOR THE PURPOSES OF ARTICLE EIGHT OF THE
45 LABOR LAW AND ALL CONTRACTS AND SUBCONTRACTS WHICH MAY INVOLVE THE
46 EMPLOYMENT OF LABORERS, WORKERS OR MECHANICS SHALL BE ENFORCEABLE UNDER
47 ARTICLE EIGHT OF THE LABOR LAW.

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

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

51 (ii) buildings where the local housing agency certifies that at
52 initial occupancy at least fifty percent of the dwelling units are
53 affordable to individuals or families with a gross household income at
54 or below one hundred twenty-five percent of the area median income and
55 that any such units which are located in rental buildings will be

1 subject to restrictions to insure that they will remain affordable for
2 the entire period during which they receive benefits under this section.

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

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

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

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

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

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

31 S 10. The New York city charter is amended by adding a new section
32 1806 to read as follows:

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

37 S 11. The real property tax law is amended by adding a new section
38 421-1 to read as follows:

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

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

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

49 (C) "ELIGIBLE PROJECT" SHALL MEAN A NEWLY CONSTRUCTED PRIVATE HOME,
50 INCLUDING BOTH LAND AND IMPROVEMENTS, TO BE OCCUPIED AS A RESIDENCE FOR
51 THE FIRST TIME, WHICH COMMENCES CONSTRUCTION ON OR AFTER JULY FIRST, TWO
52 THOUSAND TEN AND ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND FOUR-
53 TEEN AND COMPLETES CONSTRUCTION NO LATER THAN DECEMBER THIRTY-FIRST, TWO
54 THOUSAND SIXTEEN, AND WHICH IS DESIGNED AND OCCUPIED EXCLUSIVELY FOR
55 RESIDENTIAL PURPOSES.

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

8 (E) "INITIAL PURCHASER" SHALL MEAN THE FIRST PURCHASER OF A NEWLY
9 CONSTRUCTED PRIVATE HOME OR, IN THE CASE OF A PRIVATE HOME IN A CONDO-
10 MINIUM FORM OF OWNERSHIP, THE FIRST PURCHASER OF EACH DWELLING UNIT IN
11 SUCH NEWLY CONSTRUCTED PRIVATE HOME.

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

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

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

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

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

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

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

52 (B) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVI-
53 SION, EXEMPTION FROM LOCAL AND MUNICIPAL TAXES UNDER THIS SECTION SHALL
54 NOT BE AVAILABLE TO THE TAX LOT (LAND AND IMPROVEMENTS) UPON WHICH A
55 PRIVATE HOME IS CONSTRUCTED IF ANY PORTION OF SUCH TAX LOT (LAND AND
56 IMPROVEMENTS): (I) IS EXEMPT FROM LOCAL AND MUNICIPAL TAXES UNDER ANY

1 OTHER LAW; OR (II) CONTAINS A PRIVATE HOME THAT EXCEEDS THE MAXIMUM
2 PURCHASE PRICE OR AN INDIVIDUAL CONDOMINIUM UNIT THAT EXCEEDS A PURCHASE
3 PRICE OF FOUR HUNDRED THOUSAND DOLLARS.

4 (C) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVI-
5 SION, THE TAX LOT (LAND AND IMPROVEMENTS) UPON WHICH THE PRIVATE HOME IS
6 CONSTRUCTED SHALL AT ALL TIMES BE SUBJECT TO LOCAL AND MUNICIPAL TAXES
7 IN AN AMOUNT NOT LESS THAN THE AMOUNT OF LOCAL AND MUNICIPAL TAXES THAT
8 WOULD BE PAYABLE THEREON BASED UPON THE ASSESSED VALUATION OF THE LAND
9 APPEARING ON THE ASSESSMENT ROLL IN THE FIRST YEAR AFTER COMPLETION OF
10 CONSTRUCTION.

11 3. (A) BASED ON THE CERTIFICATION OF THE LOCAL HOUSING AGENCY PURSUANT
12 TO THIS SECTION CERTIFYING ELIGIBILITY FOR EXEMPTION PURSUANT TO THIS
13 SECTION, THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK SHALL IMPLE-
14 MENT THE AMOUNT OF EXEMPTION FROM LOCAL AND MUNICIPAL TAXES.

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

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

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