

5439

2011-2012 Regular Sessions

I N S E N A T E

May 20, 2011

Introduced by Sens. YOUNG, GOLDEN -- 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, in relation to the tax exemption for certain converted 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

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

LBD09665-01-1

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

24 S 2. Subparagraph (i) of paragraph (a) of subdivision 2 of section
25 421-a of the real property tax law, as amended by chapter 288 of the
26 laws of 1985, is amended to read as follows:

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

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

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

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

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

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

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

9 CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

10	Exemption
11 During Construction (maximum three 12 years); EXCEPT CONSTRUCTION 13 COMMENCED BETWEEN JANUARY FIRST, TWO 14 THOUSAND SEVEN AND JUNE THIRTIETH, TWO 15 THOUSAND NINE (MAXIMUM SIX YEARS) 16 Following completion of work 17 Year:	100%
18 1	100%
19 2	100
20 3	80
21 4	80
22 5	60
23 6	60
24 7	40
25 8	40
26 9	20
27 10	20

28 S 3. Clauses (A) and (C) of subparagraph (ii) of paragraph (a) of
29 subdivision 2 of section 421-a of the real property tax law, as amended
30 by chapter 288 of the laws of 1985, are amended to read as follows:

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

50 a. except as otherwise provided herein there shall be full exemption
51 from taxation during the period of construction or the period of three
52 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 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.

(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 OF 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);	100%
EXCEPT CONSTRUCTION COMMENCED	
BETWEEN JANUARY FIRST, TWO THOUSAND	
SEVEN AND JUNE THIRTIETH, TWO	
THOUSAND NINE (MAXIMUM SIX YEARS)	
Following completion of work	
Year:	
1 through 11	100%
12	80
13	60
14	40
15	20

S 4. 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 5. 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 OF 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)	100%
; EXCEPT CONSTRUCTION COMMENCED	
BETWEEN JANUARY FIRST, TWO THOUSAND	
SEVEN AND JUNE THIRTIETH, TWO THOUSAND	
NINE (MAXIMUM OF SIX YEARS)	
Following completion of work	
Year:	
1 through 21	100%
22	80
23	60
24	40
25	20

S 6. 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 7. 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] THIRTY-FIRST, two thousand [ten] FOURTEEN 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 OF 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

During construction (maximum three years);

Exemption 100%

1 EXCEPT CONSTRUCTION COMMENCED BETWEEN JANUARY
 2 FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO
 3 THOUSAND NINE (MAXIMUM OF SIX YEARS)
 4 Following completion of work year:

5	1 through 12	100%
6	13-14	80%
7	15-16	60%
8	17-18	40%
9	19-20	20%

10 S 8. Paragraph (b) of subdivision 2 of section 421-a of the real prop-
 11 erty tax law, as amended by chapter 401 of the laws of 1983, is amended
 12 to read as follows:

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

16 (i) (A) FOR NEW MULTIPLE DWELLINGS, real property taxes on the
 17 assessed valuation of such land and any improvements thereon in effect
 18 during the tax year preceding the commencement of such construction
 19 without regard to any exemption or abatement from real property taxation
 20 in effect prior to such construction which real property taxes shall be
 21 calculated on the tax rate in effect at the time such taxes are due; and

22 (B) FOR CONVERTED MULTIPLE DWELLINGS, REAL PROPERTY TAXES ON THE
 23 ASSESSED VALUATION OF SUCH LAND IN EFFECT DURING THE TAX YEAR PRECEDING
 24 THE COMMENCEMENT OF SUCH CONSTRUCTION WITHOUT REGARD TO ANY EXEMPTION OR
 25 ABATEMENT FROM REAL PROPERTY TAXATION IN EFFECT AT THE TIME SUCH TAXES
 26 ARE DUE; AND

27 (ii) all assessments for local improvements.

28 S 9. Paragraph (d) of subdivision 2 of section 421-a of the real prop-
 29 erty tax law, as amended by chapter 692 of the laws of 1995, is amended
 30 to read as follows:

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

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

21 S 10. Subdivision 2 of section 421-a of the real property tax law is
22 amended by adding a new paragraph (j) to read as follows:

23 (J) SUBDIVISION (C) OF SECTION 11-245 OF THE ADMINISTRATIVE CODE OF
24 THE CITY OF NEW YORK SHALL NOT BE APPLICABLE TO ANY MULTIPLE DWELLING
25 FOR WHICH CONSTRUCTION COMMENCED ON OR AFTER OCTOBER FIRST, NINETEEN
26 HUNDRED NINETY-THREE.

27 S 11. Subdivision 7 of section 421-a of the real property tax law, as
28 added by chapter 618 of the laws of 2007, subparagraph (i) of paragraph
29 (a) and subparagraphs (i) and (ii) of paragraph (d) as amended by chap-
30 ter 619 of the laws of 2007, and paragraphs (b), (c) and (e) as amended
31 by chapter 15 of the laws of 2008, is amended to read as follows:

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

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

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

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

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

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

41 (1) as set forth in section 11-245 of the administrative code of the
42 city of New York on the effective date of this subdivision, OTHER THAN
43 THOSE AREAS SET FORTH IN SUBDIVISION (C) OF SUCH SECTION, notwithstand-
44 ing any exceptions to ineligibility contained in such local law for
45 certain types of projects in such areas,

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

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

51 (b) Notwithstanding any provision of this section or any local law to
52 the contrary, the benefits of this section shall not be available for
53 new multiple dwellings AND CONVERTED MULTIPLE DWELLINGS located in a
54 geographic exclusion area which commence construction after December
55 twenty-eighth, two thousand seven unless they comply with the provisions
56 of this subdivision for thirty-five years from completion of

1 construction of the building receiving benefits pursuant to this
2 section.

3 (c)(i) Not less than twenty percent of the units in [the] A NEW multi-
4 ple dwelling must, upon the initial rental or sale of the units and upon
5 all subsequent rentals of the units after a vacancy, be affordable to
6 and occupied or available for occupancy by individuals or families whose
7 incomes at the time of initial occupancy do not exceed sixty percent of
8 the area median incomes adjusted for family size or (ii) if the
9 construction of such building is carried out with substantial assistance
10 of grants, loans or subsidies from any federal, state or local agency or
11 instrumentality and such assistance is provided pursuant to a program
12 for the development of affordable housing, not less than twenty percent
13 of the units in the multiple dwelling must, either (A) upon the initial
14 rental of the units and upon all subsequent rentals of the units after a
15 vacancy, be affordable to and occupied or available for occupancy by
16 individuals or families whose incomes at the time of initial occupancy
17 do not exceed one hundred twenty percent of the area median incomes
18 adjusted for family size and, where the multiple dwelling contains more
19 than twenty-five units, do not exceed an average of ninety percent of
20 the area median incomes adjusted for family size, or (B) upon the
21 initial sale of the units, be affordable to and occupied or available
22 for occupancy by individuals or families whose incomes at the time of
23 initial occupancy do not exceed one hundred twenty-five percent of the
24 area median incomes adjusted for family size.

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

35 (E) Unless preempted by federal requirements:

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

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

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

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

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

4 S 12. Section 421-a of the real property tax law is amended by adding
5 a new subdivision 16 to read as follows:

6 16. (A) WITHIN A CITY HAVING A POPULATION OF ONE MILLION OR MORE, NEW
7 MULTIPLE DWELLINGS WHICH, ON JULY FIRST, TWO THOUSAND ELEVEN, WERE
8 EXEMPT, IN WHOLE OR IN PART, FROM TAXATION FOR LOCAL PURPOSES, OTHER
9 THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS, PURSUANT TO SUBPARAGRAPH (III)
10 OR (IV) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION SHALL BE
11 EXEMPT FROM TAXATION FOR LOCAL PURPOSES, FOR THE TAX YEAR COMMENCING
12 SUBSEQUENT TO THE ISSUANCE OF THE CERTIFICATE BY THE LOCAL HOUSING AGEN-
13 CY UNDER PARAGRAPH (C) OF THIS SUBDIVISION AND ENDING ON A DATE WHICH IS
14 THE EARLIER OF (I) THIRTY YEARS FROM THE EXPIRATION OF THE "EXTENDED
15 AFFORDABILITY PERIOD" AS SET FORTH IN SUBPARAGRAPH (I) OF PARAGRAPH (C)
16 OF THIS SUBDIVISION, OR (II) SUCH DATE AS MAY BE PROVIDED BY ANY LAW IN
17 EFFECT ON THE EFFECTIVE DATE OF THIS SUBDIVISION.

18 (B) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVI-
19 SION, A MULTIPLE DWELLING RECEIVING AN EXEMPTION PURSUANT TO THIS SUBDI-
20 VISION, SHALL BE REQUIRED TO PAY TAXES IN AN AMOUNT EQUAL TO TWENTY
21 PERCENT OF THE ANNUAL SHELTER RENT. FOR PURPOSES OF THIS SUBDIVISION,
22 "SHELTER RENT" SHALL MEAN THE TOTAL RENTS RECEIVED FROM OCCUPANTS OF A
23 MULTIPLE DWELLING LESS THE COST OF PROVIDING TO THE OCCUPANTS ELECTRIC-
24 ITY, GAS, HEAT AND OTHER UTILITIES.

25 (C) TO BE ELIGIBLE FOR THE EXEMPTION PURSUANT TO THIS SUBDIVISION,
26 (I) THE OWNER OF A MULTIPLE DWELLING MUST FILE WITH THE LOCAL HOUSING
27 AGENCY AN APPLICATION AT LEAST ONE YEAR PRIOR TO THE EXPIRATION OF THE
28 TAX EXEMPTION RECEIVED BY SUCH MULTIPLE DWELLING PURSUANT TO SUBDIVISION
29 TWO OF THIS SECTION. SUCH APPLICATION SHALL BE ON FORMS AS SPECIFIED BY
30 THE LOCAL HOUSING AGENCY PROVIDED THAT THE LOCAL HOUSING AGENCY SHALL
31 NOT ACCEPT ANY APPLICATION FILED AFTER THE DATE WHICH IS THREE YEARS
32 FROM THE ENACTMENT OF THIS SUBDIVISION. THE LOCAL HOUSING AGENCY SHALL
33 CERTIFY THE ELIGIBILITY OF SUCH MULTIPLE DWELLING FOR THE EXEMPTION
34 PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION AND SUCH EXEMPTION SHALL
35 BE EFFECTIVE COMMENCING IN THE TAX YEAR (A) SET FORTH IN THE APPLICATION
36 FOR SUCH MULTIPLE DWELLINGS WHOSE PHASE-IN OF THE PARTIAL TAX EXEMPTION
37 PURSUANT TO SUBDIVISION TWO OF THIS SECTION HAD COMMENCED PRIOR TO THE
38 DATE OF FILING OF SUCH APPLICATION, AND (B) IMMEDIATELY FOLLOWING THE
39 THIRD FULL YEAR OF PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO
40 SUBPARAGRAPH (III) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION
41 OR THE SIXTH FULL YEAR OF PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT
42 TO SUBPARAGRAPH (IV) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS
43 SECTION, FOR SUCH MULTIPLE DWELLINGS WHOSE PHASE-IN OF THE PARTIAL TAX
44 EXEMPTION PURSUANT TO SUBDIVISION TWO OF THIS SECTION HAD NOT COMMENCED
45 PRIOR TO THE DATE OF FILING OF THE APPLICATION; AND

46 (II) THE LOCAL HOUSING AGENCY HAS (A) CERTIFIED THAT THE MULTIPLE
47 DWELLING IS SUBJECT TO A REGULATORY AGREEMENT WHICH IS IN EFFECT ON THE
48 DATE OF THE APPLICATION REFERRED TO IN SUBPARAGRAPH (I) OF THIS PARA-
49 GRAPH AND WHICH PROVIDES THAT TWENTY PERCENT OF THE UNITS IN SUCH MULTI-
50 PLE DWELLING ARE AFFORDABLE TO FAMILIES OF LOW AND MODERATE INCOME,
51 "AFFORDABILITY REQUIREMENT" AND (B) IMPOSED A REQUIREMENT OR CERTIFIED
52 THAT THE AFFORDABILITY REQUIREMENT SET FORTH IN THE REGULATORY AGREEMENT
53 IN EFFECT ON THE DATE OF THE APPLICATION HAS BEEN EXTENDED FOR THIRTY
54 YEARS, "EXTENDED AFFORDABILITY PERIOD".

55 UPON COMMENCEMENT OF THE EXEMPTION PURSUANT TO THIS SUBDIVISION, THE
56 PARTIAL TAX EXEMPTION UNDER SUBPARAGRAPH (III) OR (IV) OF PARAGRAPH (A)

1 OF SUBDIVISION TWO OF THIS SECTION SHALL TERMINATE; PROVIDED, HOWEVER,
2 ALL UNITS IN SUCH MULTIPLE DWELLING SHALL REMAIN SUBJECT TO THE
3 PROVISIONS OF LAW FOR THE STABILIZATION OF RENTS IN DWELLINGS OR THE
4 EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR, UNTIL SUCH
5 PARTIAL TAX EXEMPTION WAS ORIGINALLY SCHEDULED TO EXPIRE.

6 (D) NOTWITHSTANDING THE PROVISIONS OF ANY LOCAL LAW FOR THE STABILIZA-
7 TION OF RENTS IN MULTIPLE DWELLINGS OR THE EMERGENCY TENANT PROTECTION
8 ACT OF NINETEEN SEVENTY-FOUR, THE RENTING OF A UNIT THAT IS SUBJECT TO A
9 REGULATORY AGREEMENT CONTAINING AN EXTENDED AFFORDABILITY PERIOD FOR
10 SUCH UNIT SHALL BE FULLY SUBJECT TO CONTROL UNDER SUCH LOCAL LAW OR SUCH
11 ACT FOR THE ENTIRE EXTENDED AFFORDABILITY PERIOD.

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

15 (I) NO BENEFITS UNDER THIS SUBDIVISION SHALL BE CONFERRED TO ANY
16 MULTIPLE DWELLING CONTAINING MORE THAN FIFTY DWELLING UNITS EXCEPT WHERE
17 THE OWNER AGREES THAT ALL BUILDING SERVICE EMPLOYEES EMPLOYED AT THE
18 BUILDING, WHETHER EMPLOYED DIRECTLY BY THE OWNER OR ITS SUCCESSORS, OR
19 THROUGH A PROPERTY MANAGEMENT COMPANY OR A CONTRACTOR, SHALL RECEIVE THE
20 APPLICABLE PREVAILING WAGE FOR THE DURATION OF THE MULTIPLE DWELLING'S
21 TAX EXEMPTION.

22 (II) THE LIMITATIONS CONTAINED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH
23 SHALL NOT BE APPLICABLE TO BUILDINGS WHERE THE LOCAL HOUSING AGENCY
24 CERTIFIES THAT AT INITIAL OCCUPANCY AT LEAST FIFTY PERCENT OF THE DWELL-
25 ING UNITS ARE AFFORDABLE TO INDIVIDUALS OR FAMILIES WITH A GROSS HOUSE-
26 HOLD INCOME AT OR BELOW ONE HUNDRED TWENTY-FIVE PERCENT OF THE AREA
27 MEDIAN INCOME.

28 S 13. Paragraph (i) of subdivision 2 of section 421-a of the real
29 property tax law, as amended by chapter 619 of the laws of 2007, is
30 amended to read as follows:

31 (i) Authority of city to enact local law. Except as otherwise speci-
32 fied in this section, a city to which this section is applicable may
33 enact a local law to restrict, limit or condition the eligibility, scope
34 or amount of the benefits under this section in any manner provided that
35 such local law may not grant benefits beyond those provided in this
36 section and provided further that in the city of New York such local law
37 shall not take effect sooner than one year after it is enacted.
38 Notwithstanding the foregoing, the provisions of any local law shall not
39 alter the effect of subdivisions twelve, thirteen, fourteen, [and]
40 fifteen AND SIXTEEN of this section as they apply on the effective date
41 of such subdivisions, notwithstanding any subsequent amendments to the
42 provisions of law referred to in such subdivisions.

43 S 14. Subparagraph (ii) of paragraph (c) of subdivision 2 of section
44 421-a of the real property tax law, as amended by chapter 618 of the
45 laws of 2007, is amended to read as follows:

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

51 S 15. This act shall take effect immediately; except that section ten
52 of this act shall be deemed to have been in full force and effect on and
53 after December 30, 2007.