S T A T E   O F   N E W   Y O R K

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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:

Section 1. Paragraph c of subdivision 1 of section 421-a of the real property tax law, as amended by chapter 447 of the laws of 2003, is amended to read as follows:

c. "Multiple Dwelling." A dwelling which is to be occupied or is occupied as the residence or home of three or more families living independently of one another, whether such dwelling is rented or owned as a cooperative or condominium. A new multiple dwelling shall include new residential construction and the concurrent conversion, alteration or improvement of a pre-existing building or structure provided that (i) for all tax lots now existing or hereafter created, no more than forty-nine percent of the floor area (as defined in paragraph b of this subdivision) of the multiple dwelling consists of the pre-existing building or structure that was converted, altered or improved, and (ii) for tax lots in the city of New York now existing or hereafter created within the following area in the borough of Manhattan, the new residential construction and/or the concurrent conversion, alteration or improvement of the pre-existing building or structure is aided by a grant, loan or subsidy from any federal, state or local agency or instrumentality: beginning at the intersection of the United States pierhead line in the Hudson river and the center line of Chambers street extended, thence easterly to the center line of Chambers street and continuing along the center line of Chambers street to the center line of Centre street, thence southerly along the center line of Centre street to the center 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.

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

S 2. Subparagraph (i) 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:

(i) Within a city having a population of one million or more, 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 date first occurring after the expiration of the exemption herein conferred during construction so long as used at the completion of construction for dwelling purposes for a period not to exceed ten years in the aggregate after the taxable status date immediately following the completion thereof, 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 two years following such period;

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

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

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

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

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

CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

	Exemption
During Construction (maximum three years); EXCEPT CONSTRUCTION COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE (MAXIMUM SIX YEARS)	100%
Following completion of work Year:	
1	100%
2	100
3	80
4	80
5	60
6	60
7	40
8	40
9	20
10	20

S 3. Clauses (A) and (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, are 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 except in areas excluded by local law 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 date 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 fifteen years in the aggregate, as follows:

a. except as otherwise provided herein there shall be full exemption from taxation during the period of construction or the period of three years immediately following commencement of construction, whichever expires sooner, 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); EXCEPT CONSTRUCTION COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE (MAXIMUM SIX YEARS)	100%
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 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 date 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-five years in the aggregate, provided that the area in which the project is situated is a neighborhood preservation program area as determined by the local housing agency as of June first, nineteen hundred eighty-five, or is a neighborhood preservation area as determined by the New York city planning commission as of June first, nineteen hundred eighty-five, or is an area that was eligible for mortgage insurance provided by the rehabilitation mortgage insurance corporation as of May first, nineteen hundred ninety-two or is an area receiving funding for a neighborhood preservation project pursuant to the neighborhood reinvestment corporation act (42 U.S.C. SS180 et seq.) as of June first, nineteen hundred eighty-five, as follows:

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

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

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

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

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

S 5. Clause (D) of subparagraph (iii) 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:

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

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) ; EXCEPT CONSTRUCTION COMMENCED BETWEEN JANUARY FIRST, TWO THOUSAND SEVEN AND JUNE THIRTIETH, TWO THOUSAND NINE (MAXIMUM OF SIX YEARS)	100%
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%

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

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

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

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

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

(ii) all assessments for local improvements.

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

(d) As of July first, nineteen hundred seventy-five, if the aggregate floor area of commercial, community facility and accessory use space exceeds twelve per cent of the aggregate floor area, as defined herein, of any building granted tax exemption pursuant to this section on or subsequent to July first, nineteen hundred seventy-one, tax exemption shall be reduced by an amount equal to the per cent of the aggregate floor area by which the aggregate floor area of commercial, community facility and accessory use space exceeds twelve per cent of the aggregate floor area of the building provided, however, that accessory use space shall not include accessory parking located not more than twenty-three feet above the curb level and provided, further, that whenever a building containing two or more separately assessed parcels of real property has commercial, community facility and accessory use space in excess of such twelve percent, the tax arising out of the reduction in exemption for such excess space shall not be apportioned pro rata among all of the separately assessed parcels in the building but shall be applied first to those separately assessed parcels which are unrelated to the residential use of the building; and only after such unrelated parcels are fully taxable shall the remainder of such tax be apportioned pro rata among the remaining separately assessed parcels and provided further, that no such exemption for commercial, community facility and accessory use space shall be applicable prior to July first, nineteen hundred seventy-five. To be eligible for exemption under this section [such] THE construction OF A NEW MULTIPLE DWELLING shall take place on land which, thirty-six months prior to the commencement of such construction, was vacant, predominantly vacant, under-utilized, or improved with a non-conforming use, provided that if such new multiple dwelling displaces or replaces a building or buildings containing more than twenty-five occupied dwelling units in existence on December thirty-first, nineteen hundred seventy-four and administered under the local emergency housing rent control act, the rent stabilization law of nineteen hundred sixty-nine, or the emergency tenant protection act of nineteen seventy-four, such new multiple dwelling shall not be eligible in the city of New York unless a certificate of eviction has been issued for any of the displaced or replaced units pursuant to the powers granted by the city rent and rehabilitation law, and that the sale, transfer or utilization of air rights over residential buildings that were not demolished shall not be construed as a displacement or replacement of the dwelling units contained within those buildings within the meaning of this subdivision. THE LAND UPON WHICH TAKES PLACE THE CONSTRUCTION OF A CONVERTED MULTIPLE DWELLING SHALL BE DEEMED UNDER-UTILIZED THIRTY-SIX MONTHS PRIOR TO THE COMMENCEMENT OF SUCH CONSTRUCTION AND SHALL NOT BE SUBJECT TO ANY SITE REQUIREMENTS NOW EXISTING OR HEREAFTER CREATED BY ANY LOCAL LAW OR ANY RULE OR REGULATION PROMULGATED BY THE LOCAL HOUSING AGENCY.

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

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

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

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

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

(ii) "geographic exclusion areas" shall mean:

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

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

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

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

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

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

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

(c)(i) Not less than twenty percent of the units in [the] A NEW multiple dwelling must, upon the initial rental or sale of the units and upon all subsequent rentals of the units after a vacancy, be affordable to and occupied or available for occupancy by individuals or families whose incomes at the time of initial occupancy do not exceed sixty percent of the area median incomes adjusted for family size or (ii) if the construction of such building is carried out with substantial assistance of grants, loans or subsidies from any federal, state or local agency or instrumentality and such assistance is provided pursuant to a program for the development of affordable housing, not less than twenty percent of the units in the multiple dwelling must, either (A) upon the initial rental of the units and upon all subsequent rentals of the units after a vacancy, be affordable to and occupied or available for occupancy by individuals or families whose incomes at the time of initial occupancy do not exceed one hundred twenty percent of the area median incomes adjusted for family size and, where the multiple dwelling contains more than twenty-five units, do not exceed an average of ninety percent of the area median incomes adjusted for family size, or (B) upon the initial sale of the units, be affordable to and occupied or available for occupancy by individuals or families whose incomes at the time of initial occupancy do not exceed one hundred twenty-five percent of the area median incomes adjusted for family size.

(d) (I) NOT LESS THAN TWENTY PERCENT OF THE UNITS IN A CONVERTED MULTIPLE DWELLING MUST, UPON THE INITIAL RENTAL OR SALE OF THE UNITS AND UPON ALL SUBSEQUENT RENTALS OF THE UNITS AFTER A VACANCY, BE AFFORDABLE TO AND OCCUPIED OR AVAILABLE FOR OCCUPANCY BY INDIVIDUALS OR FAMILIES WHOSE INCOMES AT THE TIME OF INITIAL OCCUPANCY DO NOT EXCEED ONE HUNDRED PERCENT OF THE AREA MEDIAN INCOMES ADJUSTED FOR FAMILY SIZE OR (II) IF THE CONSTRUCTION OF SUCH BUILDING IS CARRIED OUT WITH SUBSTANTIAL ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES FROM ANY FEDERAL, STATE OR LOCAL AGENCY OR INSTRUMENTALITY, SUCH ASSISTANCE MUST BE PROVIDED PURSUANT 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 12. 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 ELEVEN, 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 AND ENDING ON A DATE WHICH IS THE EARLIER OF (I) THIRTY YEARS FROM THE EXPIRATION OF THE "EXTENDED AFFORDABILITY PERIOD" AS SET FORTH IN SUBPARAGRAPH (I) OF PARAGRAPH (C) OF THIS SUBDIVISION, OR (II) SUCH DATE AS MAY BE PROVIDED BY ANY LAW IN EFFECT ON THE EFFECTIVE DATE 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 TWENTY 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 THE DATE WHICH IS THREE YEARS FROM THE ENACTMENT OF THIS SUBDIVISION. THE LOCAL HOUSING AGENCY SHALL CERTIFY THE ELIGIBILITY OF SUCH MULTIPLE DWELLING FOR THE EXEMPTION PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION AND SUCH EXEMPTION SHALL BE EFFECTIVE COMMENCING IN THE TAX YEAR (A) SET FORTH IN THE APPLICATION FOR SUCH MULTIPLE DWELLINGS WHOSE PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBDIVISION TWO OF THIS SECTION HAD COMMENCED PRIOR TO THE DATE OF FILING OF SUCH APPLICATION, AND (B) IMMEDIATELY FOLLOWING THE THIRD FULL YEAR OF PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION OR THE SIXTH FULL YEAR OF PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBPARAGRAPH (IV) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION, FOR SUCH MULTIPLE DWELLINGS WHOSE PHASE-IN OF THE PARTIAL TAX EXEMPTION PURSUANT TO SUBDIVISION TWO OF THIS SECTION HAD NOT COMMENCED PRIOR TO THE DATE OF FILING OF THE APPLICATION; AND

(II) THE LOCAL HOUSING AGENCY HAS (A) CERTIFIED THAT THE MULTIPLE DWELLING IS SUBJECT TO A REGULATORY AGREEMENT WHICH IS IN EFFECT ON THE DATE OF THE APPLICATION REFERRED TO IN SUBPARAGRAPH (I) OF THIS PARAGRAPH AND WHICH PROVIDES THAT TWENTY PERCENT OF THE UNITS IN SUCH MULTIPLE DWELLING ARE AFFORDABLE TO FAMILIES OF LOW AND MODERATE INCOME, "AFFORDABILITY REQUIREMENT" AND (B) IMPOSED A REQUIREMENT OR CERTIFIED THAT THE AFFORDABILITY REQUIREMENT SET FORTH IN THE REGULATORY AGREEMENT IN EFFECT ON THE DATE OF THE APPLICATION HAS BEEN EXTENDED FOR THIRTY YEARS, "EXTENDED AFFORDABILITY PERIOD".

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

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

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

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

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

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

S 13. Paragraph (i) of subdivision 2 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:

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

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

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

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