

2595

2013-2014 Regular Sessions

I N S E N A T E

January 22, 2013

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

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

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

1 Section 1. Subdivision 1 of section 421-a of the real property tax law  
2 is amended by adding two new paragraphs e and f to read as follows:

3 E. "INITIAL CONSTRUCTION PERIOD." THE PERIOD OF TIME NEEDED FOR THE  
4 CONSTRUCTION OF A NEW MULTIPLE DWELLING OR THE PERIOD OF THREE YEARS  
5 IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES  
6 SOONER.

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

11 S 2. Paragraph (a) of subdivision 2 of section 421-a of the real prop-  
12 erty tax law, as amended by chapter 288 of the laws of 1985, subpara-  
13 graph (i) as amended by section 38, clause (A) of subparagraph (ii) as  
14 amended by section 39, clause (A) of subparagraph (iii) as amended by  
15 section 40 and the opening paragraph of clause (A) of subparagraph (iv)  
16 as amended by section 41 of part B of chapter 97 of the laws of 2011,  
17 clause (E) of subparagraph (iii) as added by chapter 618 of the laws of  
18 2007, subparagraph (iv) as added by chapter 832 of the laws of 1992 and  
19 clause (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.

LBD07066-01-3

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,  
 5 except for new multiple dwellings the construction of which commenced  
 6 between January first, two thousand seven, and June thirtieth, two thou-  
 7 sand nine, shall have an additional thirty-six months to complete  
 8 construction and shall be eligible for full exemption from taxation for  
 9 the first three years of the period of construction; any eligible  
 10 project that seeks to utilize the six-year period of construction  
 11 authorized by this section must apply for a preliminary certificate of  
 12 eligibility within one year of the effective date of the rent act of  
 13 2011, provided, however that such multiple dwellings shall be eligible  
 14 for a maximum of three years of benefits during the construction period,  
 15 and shall continue to be exempt from such taxation in tax years imme-  
 16 diately following the taxable status date first occurring after the  
 17 expiration of the exemption herein conferred during THE INITIAL  
 18 construction [so long as used at the completion of construction for  
 19 dwelling purposes] PERIOD for a period not to exceed ten years in the  
 20 aggregate after the taxable status date immediately following the  
 21 completion [thereof] OF THE INITIAL CONSTRUCTION PERIOD, as follows:

22 [(A)] A. except as otherwise provided herein there shall be full  
 23 exemption from taxation during the [period of construction or the period  
 24 of three years immediately following commencement of construction,  
 25 whichever expires sooner] INITIAL CONSTRUCTION PERIOD, except for new  
 26 multiple dwellings the construction of which commenced between January  
 27 first, two thousand seven, and June thirtieth, two thousand nine, shall  
 28 have an additional thirty-six months to complete construction and shall  
 29 be eligible for full exemption from taxation for the first three years  
 30 of the period of construction; any eligible project that seeks to  
 31 utilize the six-year period of construction authorized by this section  
 32 must apply for a preliminary certificate of eligibility within one year  
 33 of the effective date of the rent act of 2011, provided, however that  
 34 such multiple dwellings shall be eligible for a maximum of three years  
 35 of benefits during the construction period, and for two years following  
 36 such period;

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

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

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

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

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

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

50 CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

	Exemption
51 During INITIAL Construction PERIOD 52 (maximum three years);	100%
53 except construction commenced between January 54	

1 first, two thousand seven and June  
 2 thirtieth, two thousand nine (maximum  
 3 three years)  
 4 Following completion of [work] THE INITIAL  
 5 CONSTRUCTION PERIOD  
 6 Year:

7	1	100%
8	2	100
9	3	80
10	4	80
11	5	60
12	6	60
13	7	40
14	8	40
15	9	20
16	10	20

17 (ii) (A) Within a city having a population of one million or more the  
 18 local housing agency may adopt rules and regulations providing that  
 19 except in areas excluded by local law new multiple dwellings, except  
 20 hotels, shall be exempt from taxation for local purposes, other than  
 21 assessments for local improvements, for the tax year or years immediate-  
 22 ly following taxable status dates occurring subsequent to the commence-  
 23 ment and prior to the completion of THE INITIAL construction PERIOD, but  
 24 not to exceed three such tax years, except for new multiple dwellings  
 25 the construction of which commenced between January first, two thousand  
 26 seven, and June thirtieth, two thousand nine, shall have an additional  
 27 thirty-six months to complete construction and shall be eligible for  
 28 full exemption from taxation for the first three years of the period of  
 29 construction; any eligible project that seeks to utilize the six-year  
 30 period of construction authorized by this section must apply for a  
 31 preliminary certificate of eligibility within one year of the effective  
 32 date of the rent act of 2011, provided, however that such multiple  
 33 dwellings shall be eligible for a maximum of three years of benefits  
 34 during the INITIAL construction period, and shall continue to be exempt  
 35 from such taxation in tax years immediately following the taxable status  
 36 date first occurring after the expiration of the exemption herein  
 37 conferred during [such] THE INITIAL construction [so long as used at the  
 38 completion of construction for dwelling purposes] PERIOD for a period  
 39 not to exceed fifteen years in the aggregate, as follows:

40 a. except as otherwise provided herein there shall be full exemption  
 41 from taxation during the [period of construction or the period of three  
 42 years immediately following commencement of construction, whichever  
 43 expires sooner] INITIAL CONSTRUCTION PERIOD, except for new multiple  
 44 dwellings the construction of which commenced between January first, two  
 45 thousand seven, and June thirtieth, two thousand nine, shall have an  
 46 additional thirty-six months to complete construction and shall be  
 47 eligible for full exemption from taxation for the first three years of  
 48 the period of construction; any eligible project that seeks to utilize  
 49 the six-year period of construction authorized by this section must  
 50 apply for a preliminary certificate of eligibility within one year of  
 51 the effective date of the rent act of 2011, provided, however that such  
 52 multiple dwellings shall be eligible for a maximum of three years of  
 53 benefits during the INITIAL construction period, and for eleven years  
 54 following such period;

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

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

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

7 e. followed by one year of exemption from twenty percent of such taxa-  
8 tion.

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

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

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

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

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

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

CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS		Exemption
30		
31	During INITIAL Construction PERIOD	
32	(maximum three years)	100%
33	Following completion of [work] THE INITIAL	
34	CONSTRUCTION PERIOD	
35	Year:	
36	1 through 11	100%
37	12	80
38	13	60
39	14	40
40	15	20

41 (iii) (A) Within a city having a population of one million or more the  
42 local housing agency may adopt rules and regulations providing that new  
43 multiple dwellings, except hotels, shall be exempt from taxation for  
44 local purposes, other than assessments for local improvements, for the  
45 tax year or years immediately following taxable status dates occurring  
46 subsequent to the commencement and prior to the completion of THE  
47 INITIAL construction PERIOD, but not to exceed three such tax years,  
48 except for new multiple dwellings the construction of which commenced  
49 between January first, two thousand seven, and June thirtieth, two thou-  
50 sand nine, shall have an additional thirty-six months to complete  
51 construction and shall be eligible for full exemption from taxation for  
52 the first three years of the period of construction; any eligible  
53 project that seeks to utilize the six-year period of construction

1 authorized by this section must apply for a preliminary certificate of  
2 eligibility within one year of the effective date of the rent act of  
3 2011, provided, however that such multiple dwellings shall be eligible  
4 for a maximum of three years of benefits during the INITIAL construction  
5 period, and shall continue to be exempt from such taxation in tax years  
6 immediately following the taxable status date first occurring after the  
7 expiration of the exemption herein conferred during [such] THE INITIAL  
8 construction [so long as used at the completion of construction for  
9 dwelling purposes] PERIOD for a period not to exceed twenty-five years  
10 in the aggregate, provided that the area in which the project is situ-  
11 ated is a neighborhood preservation program area as determined by the  
12 local housing agency as of June first, nineteen hundred eighty-five, or  
13 is a neighborhood preservation area as determined by the New York city  
14 planning commission as of June first, nineteen hundred eighty-five, or  
15 is an area that was eligible for mortgage insurance provided by the  
16 rehabilitation mortgage insurance corporation as of May first, nineteen  
17 hundred ninety-two or is an area receiving funding for a neighborhood  
18 preservation project pursuant to the neighborhood reinvestment corpo-  
19 ration act (42 U.S.C. SS180 et seq.) as of June first, nineteen hundred  
20 eighty-five, as follows:

21 a. except as otherwise provided herein there shall be full exemption  
22 from taxation during the [period of construction or the period of three  
23 years immediately following commencement of construction, whichever  
24 expires sooner] INITIAL CONSTRUCTION PERIOD, except for new multiple  
25 dwellings the construction of which commenced between January first, two  
26 thousand seven, and June thirtieth, two thousand nine, shall have an  
27 additional thirty-six months to complete construction and shall be  
28 eligible for full exemption from taxation for the first three years of  
29 the period of construction; any eligible project that seeks to utilize  
30 the six-year period of construction authorized by this section must  
31 apply for a preliminary certificate of eligibility within one year of  
32 the effective date of the rent act of 2011, provided, however that such  
33 multiple dwellings shall be eligible for a maximum of three years of  
34 benefits during the INITIAL construction period, and for twenty-one  
35 years following such period;

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

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

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

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

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

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

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

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

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

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

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

11 CONSTRUCTION OF CERTAIN  
12 MULTIPLE DWELLINGS

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

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

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

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

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

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

1 such tax years, and shall continue to be exempt from such taxation in  
 2 tax years immediately following the taxable status dates first occurring  
 3 after the expiration of the exemption herein conferred during [such] THE  
 4 INITIAL construction [so long as used at the completion of construction  
 5 for dwelling purposes] PERIOD for a period not to exceed twenty years in  
 6 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 PERIOD, and for twelve years following such  
 11 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	Exemption
27 (maximum three years)	100%
28 Following completion of [work year:]	
29 THE INITIAL CONSTRUCTION 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. Paragraph (g) of subdivision 2 of section 421-a of the real prop-  
 37 erty tax law, as amended by chapter 995 of the laws of 1981, is amended  
 38 to read as follows:

39 (g) [For] NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN ANY  
 40 OTHER STATE OR LOCAL LAW, FOR purposes of this section, construction  
 41 shall be deemed "commenced" [when excavation or alteration has begun in  
 42 good faith on the basis of approved construction plans] UPON THE DATE  
 43 THAT, PURSUANT TO ANY PERMIT APPROVED BY A DEPARTMENT OF BUILDINGS: (I)  
 44 A NEW METAL OR CONCRETE STRUCTURE THAT SHALL PERFORM A LOAD BEARING  
 45 FUNCTION IS INSTALLED AS PART OF A FOUNDATION; (II) AT LEAST ONE FULLY  
 46 DRIVEN PILE OR CAISSON IS INSTALLED; OR (III) THE ACTUAL CONSTRUCTION,  
 47 ALTERATION, OR IMPROVEMENT OF A PRE-EXISTING BUILDING OR STRUCTURE  
 48 BEGINS IN A PROJECT THAT INCLUDES NEW RESIDENTIAL CONSTRUCTION AND THE  
 49 CONCURRENT CONVERSION, ALTERATION OR IMPROVEMENT OF A PRE-EXISTING  
 50 BUILDING OR STRUCTURE. PROVIDED, HOWEVER, THAT WITH RESPECT TO SUBPARA-  
 51 GRAPHS (I), (II) AND (III) OF THIS PARAGRAPH, THE CONSTRUCTION OF SUCH  
 52 MULTIPLE DWELLING IS COMPLETED WITHOUT UNDUE DELAY.

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

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

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

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

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

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

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

15 S 6. Subparagraph (i) of paragraph (a) of subdivision 6 of section  
16 421-a of the real property tax law, as added by chapter 110 of the laws  
17 of 2005, is amended to read as follows:

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

41 S 7. Subdivision (c) of section 11-245 of the administrative code of  
42 the city of New York, as amended by local law number 42 of the city of  
43 New York for the year 2003, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 S 9. The New York city charter is amended by adding a new section 1806  
18 to read as follows:

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

23 S 10. The real property tax law is amended by adding a new section  
24 421-n to read as follows:

25 S 421-N. EXEMPTION OF CERTAIN PRIVATE HOMES FROM LOCAL TAXATION. 1.  
26 FOR PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOW-  
27 ING MEANINGS:

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

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

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

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

49 (E) "INITIAL PURCHASER" SHALL MEAN THE FIRST PURCHASER OF A NEWLY  
50 CONSTRUCTED PRIVATE HOME OR, IN THE CASE OF A PRIVATE HOME IN A CONDO-  
51 MINIUM FORM OF OWNERSHIP, THE FIRST PURCHASER OF EACH DWELLING UNIT IN  
52 SUCH NEWLY CONSTRUCTED PRIVATE HOME.

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

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

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

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

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

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

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

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

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

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

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

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

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