

2102

2013-2014 Regular Sessions

I N S E N A T E

January 10, 2013

Introduced by Sens. ESPAILLAT, ADAMS, ADDABBO, DIAZ, DILAN, GIANARIS, HASSELL-THOMPSON, LANZA, PARKER, PERALTA, PERKINS, RIVERA, SAVINO, STEWART-COUSINS -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

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

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

1 Section 1. Subdivision 1 of section 421-a of the real property tax law
2 is amended by adding two new paragraphs e and f to read as follows:
3 E. "INITIAL CONSTRUCTION PERIOD." THE PERIOD OF TIME NEEDED FOR THE
4 CONSTRUCTION OF A NEW MULTIPLE DWELLING OR THE PERIOD OF THREE YEARS
5 IMMEDIATELY FOLLOWING COMMENCEMENT OF CONSTRUCTION, WHICHEVER EXPIRES
6 SOONER, PROVIDED THAT CONSTRUCTION MUST BE COMPLETED UPON THE EXPIRATION
7 OF THIS PERIOD IN ORDER FOR SUCH MULTIPLE DWELLING TO REMAIN ELIGIBLE
8 FOR THE EXEMPTION PROVIDED IN THIS SECTION.
9 F. "EXTENDED CONSTRUCTION PERIOD." THE PERIOD OF TIME IMMEDIATELY
10 FOLLOWING THE INITIAL CONSTRUCTION PERIOD NEEDED TO COMPLETE THE
11 CONSTRUCTION OF A NEW MULTIPLE DWELLING OR THE PERIOD OF THREE YEARS,
12 WHICHEVER EXPIRES SOONER.
13 S 2. Paragraph (a) of subdivision 2 of section 421-a of the real prop-
14 erty tax law, as amended by chapter 288 of the laws of 1985, subpara-
15 graph (i) as amended by section 38, clause (A) of subparagraph (ii) as
16 amended by section 39, clause (A) of subparagraph (iii) as amended by
17 section 40, and the opening paragraph of clause (A) of subparagraph (iv)
18 as amended by section 41 of part B of chapter 97 of the laws of 2011,
19 clause (E) of subparagraph (iii) as added by chapter 618 of the laws of
20 2007, subparagraph (iv) as added by chapter 832 of the laws of 1992 and

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

LBD05147-01-3

1 item (A) of subparagraph (iv) as amended by chapter 432 of the laws of
2 1998, is amended to read as follows:

3 (a) (i) (A) Within a city having a population of one million or more,
4 new multiple dwellings, except hotels, shall be exempt from taxation for
5 local purposes, other than assessments for local improvements, for the
6 tax year or years immediately following taxable status dates occurring
7 subsequent to the commencement and prior to the completion of THE
8 INITIAL construction PERIOD, but not to exceed three such tax years,
9 except for new multiple dwellings the construction of which commenced
10 between January first, two thousand seven, and June thirtieth, two thou-
11 sand nine, shall have an additional thirty-six months to complete
12 construction and shall be eligible for full exemption from taxation for
13 the first three years of the period of construction; any eligible
14 project that seeks to utilize the six-year period of construction
15 authorized by this section must apply for a preliminary certificate of
16 eligibility within one year of the effective date of the rent act of
17 2011, provided, however that such multiple dwellings shall be eligible
18 for a maximum of three years of benefits during the construction period,
19 and shall continue to be exempt from such taxation in tax years imme-
20 diately following the taxable status date first occurring after the
21 expiration of the exemption herein conferred during THE INITIAL
22 construction [so long as used at the completion of construction for
23 dwelling purposes] PERIOD for a period not to exceed ten years in the
24 aggregate after the taxable status date immediately following the
25 completion [thereof] OF THE INITIAL CONSTRUCTION PERIOD AND DURING THE
26 EXTENDED CONSTRUCTION PERIOD IF SUCH PERIOD IS NEEDED, as follows:

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

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

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

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

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

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

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

55 CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

1		Exemption
2	During INITIAL Construction PERIOD	100%
3	(maximum three years); except	
4	construction commenced between January	
5	first, two thousand seven and June	
6	thirtieth, two thousand nine (maximum	
7	three years)	
8	Following completion of [work] THE INITIAL	
9	CONSTRUCTION PERIOD	
10	Year:	
11	1	100%
12	2	100
13	3	80
14	4	80
15	5	60
16	6	60
17	7	40
18	8	40
19	9	20
20	10	20

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

45 a. except as otherwise provided herein there shall be full exemption
 46 from taxation during the [period of construction or the period of three
 47 years immediately following commencement of construction, whichever
 48 expires sooner] INITIAL CONSTRUCTION PERIOD, except for new multiple
 49 dwellings the construction of which commenced between January first, two
 50 thousand seven, and June thirtieth, two thousand nine, shall have an
 51 additional thirty-six months to complete construction and shall be
 52 eligible for full exemption from taxation for the first three years of
 53 the period of construction; any eligible project that seeks to utilize
 54 the six-year period of construction authorized by this section must

1 apply for a preliminary certificate of eligibility within one year of
2 the effective date of the rent act of 2011, provided, however that such
3 multiple dwellings shall be eligible for a maximum of three years of
4 benefits during the construction period, and for eleven years following
5 such period;

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

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

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

12 e. followed by one year of exemption from twenty percent of such taxa-
13 tion.

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

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

23 a. the construction is carried out with the substantial assistance of
24 grants, loans or subsidies from any federal, state or local agency or
25 instrumentality, or

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

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

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

33 CONSTRUCTION OF CERTAIN
34 MULTIPLE DWELLINGS

	Exemption
35 During INITIAL Construction PERIOD	
36 (maximum three years)	100%
37 Following completion of [work] THE INITIAL CONSTRUCTION	
38 PERIOD	
39 Year:	
40 1 through 11	100%
41 12	80
42 13	60
43 14	40
44 15	20

46 (iii) (A) Within a city having a population of one million or more the
47 local housing agency may adopt rules and regulations providing that new
48 multiple dwellings, except hotels, shall be exempt from taxation for
49 local purposes, other than assessments for local improvements, for the
50 tax year or years immediately following taxable status dates occurring
51 subsequent to the commencement and prior to the completion of THE
52 INITIAL construction PERIOD, but not to exceed three such tax years,
53 except for new multiple dwellings the construction of which commenced

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

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

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

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

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

48 e. followed by one year of exemption from twenty percent of such taxa-
49 tion.

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

55 (C) Notwithstanding the provisions of item (A) or (D) of this subpara-
56 graph, in the city of New York the benefits of this subparagraph shall

1 not be available in the borough of Manhattan for tax lots now existing
2 or hereafter created south of or adjacent to either side of one hundred
3 tenth street.

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

7 a. the construction is carried out with the substantial assistance of
8 grants, loans or subsidies from any federal, state or local agency or
9 instrumentality, or

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

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

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

17 CONSTRUCTION OF CERTAIN
18 MULTIPLE DWELLINGS

19		Exemption
20	During INITIAL	100%
21	Construction PERIOD (maximum	
22	three years)	
23	Following completion of [work]	
24	THE INITIAL CONSTRUCTION PERIOD	
25	Year:	
26	1 through 21	100%
27	22	80
28	23	60
29	24	40
30	25	20

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

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

50 a. the construction is carried out with the substantial assistance of
51 grants, loans or subsidies from any federal, state or local agency or
52 instrumentality, or

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

4 (B) Such new multiple dwellings, except hotels, shall be exempt from
5 taxation for local purposes, other than assessments for local improve-
6 ments for the tax year or years immediately following taxable status
7 dates occurring subsequent to the commencement and prior to the
8 completion of THE INITIAL construction PERIOD, but not to exceed three
9 such tax years, and shall continue to be exempt from such taxation in
10 tax years immediately following the taxable status dates first occurring
11 after the expiration of the exemption herein conferred during [such] THE
12 INITIAL construction [so long as used at the completion of construction
13 for dwelling purposes] PERIOD, AND DURING THE EXTENDED CONSTRUCTION
14 PERIOD IF SUCH PERIOD IS NEEDED, for a period not to exceed twenty years
15 in the aggregate, as follows:

16 a. except as otherwise provided herein, there shall be full exemption
17 from taxation during the [period of construction or the period of three
18 years immediately following commencement of construction, whichever
19 expires sooner] INITIAL CONSTRUCTION PERIOD, and for twelve years
20 following such period;

21 b. followed by two years of exemption from eighty percent of such
22 taxation;

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

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

27 e. followed by two years of exemption from twenty percent of such
28 taxation.

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

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

33 CONSTRUCTION OF CERTAIN
34 MULTIPLE DWELLINGS

35	During [construction] INITIAL CONSTRUCTION PERIOD	
36	(maximum three years)	Exemption 100%
37	Following completion of [work] THE INITIAL	
38	CONSTRUCTION PERIOD:	
39	YEAR:	
40	1 through 12	100%
41	13-14	80%
42	15-16	60%
43	17-18	40%
44	19-20	20%

45 S 3. Paragraph (g) of subdivision 2 of section 421-a of the real prop-
46 erty tax law, as amended by chapter 995 of the laws of 1981, is amended
47 to read as follows:

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

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

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

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

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

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

55 The local housing agency may promulgate rules and regulations to carry
56 out the provisions of this section, not inconsistent with the provisions

1 hereof, [and may require a reasonable filing fee in an amount provided
2 by such rules and regulations] INCLUDING, BUT NOT LIMITED TO, RULES AND
3 REGULATIONS RELATING TO THE FILING FEE AUTHORIZED PURSUANT TO PARAGRAPH
4 B OF SUBDIVISION FOUR OF THIS SECTION.

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

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

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

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

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

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

1 permitted as of right by provisions of such resolution in effect on
2 April fourteenth, nineteen hundred eighty-two; provided, however, that
3 this limitation on benefits shall not apply to any such construction
4 commenced on or after October first, nineteen hundred ninety-three and
5 before December [thirty-first] TWENTY-EIGHTH, two thousand [seven]
6 FIFTEEN.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 S 10. The real property tax law is amended by adding a new section
38 421-n to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 S 11. This act shall take effect immediately; provided, however, that
30 the amendments made to subdivision (c) of section 11-245 of the adminis-
31 trative code of the city of New York shall be deemed to have been in
32 full force and effect as of December 31, 2007.