

3713

2015-2016 Regular Sessions

I N S E N A T E

February 17, 2015

Introduced by Sens. ESPAILLAT, ADDABBO, DIAZ, DILAN, GIANARIS, HASSELL-THOMPSON, LANZA, PARKER, PERALTA, PERKINS, RIVERA, SAVINO, SERRANO, 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), clause (A) of subparagraph (ii) and clause (A) of subpara-  
16 graph (iii) as amended by chapter 4 of the laws of 2013, clause (E) of  
17 subparagraph (iii) as added by chapter 618 of the laws of 2007, subpara-  
18 graph (iv) as added by chapter 832 of the laws of 1992, clause (A) of  
19 subparagraph (iv) as amended by chapter 432 of the laws of 1998, and the  
20 opening paragraph of clause (A) of subparagraph (iv) as amended by

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

LBD08842-01-5

1 section 41 of part B of chapter 97 of the laws of 2011, is amended to  
2 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, and  
9 shall continue to be exempt from such taxation in tax years immediately  
10 following the taxable status date first occurring after the expiration  
11 of the exemption herein conferred during THE INITIAL construction [so  
12 long as used at the completion of construction for dwelling purposes]  
13 PERIOD for a period not to exceed ten years in the aggregate after the  
14 taxable status date immediately following the completion [thereof] OF  
15 THE INITIAL CONSTRUCTION PERIOD AND DURING THE EXTENDED CONSTRUCTION  
16 PERIOD IF SUCH PERIOD IS NEEDED, as follows:

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

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

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

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

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

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

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

35 CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

36	Exemption
37 During INITIAL Construction	100%
38 PERIOD (maximum three years)	
39 Following completion of [work] THE INITIAL	
40 CONSTRUCTION PERIOD	
41 Year:	
42 1	100%
43 2	100
44 3	80
45 4	80
46 5	60
47 6	60
48 7	40
49 8	40
50 9	20
51 10	20

52 (ii) (A) Within a city having a population of one million or more the  
53 local housing agency may adopt rules and regulations providing that

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

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

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

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

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

24 e. followed by one year of exemption from twenty percent of such taxa-  
 25 tion.

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

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

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

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

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

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

45 CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS		46 Exemption
47 During INITIAL Construction		100%
48 PERIOD (maximum three years)		
49 Following completion of [work] THE INITIAL CONSTRUCTION		
50 PERIOD		
51 Year:		
52 1 through 11		100%
53 12		80
54 13		60





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

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

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

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

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

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

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

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

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

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

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

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

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

8 CONSTRUCTION OF CERTAIN  
9 MULTIPLE DWELLINGS

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

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

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

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

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

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

1 INITIAL construction [so long as used at the completion of construction  
2 for dwelling purposes] PERIOD, AND DURING THE EXTENDED CONSTRUCTION  
3 PERIOD IF SUCH PERIOD IS NEEDED, for a period not to exceed twenty years  
4 in the aggregate, as follows:

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

10 b. followed by two years of exemption from eighty percent of such  
11 taxation;

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

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

16 e. followed by two years of exemption from twenty percent of such  
17 taxation.

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

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

22 CONSTRUCTION OF CERTAIN  
23 MULTIPLE DWELLINGS

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

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

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

51 S 4. The opening paragraph and paragraph (iv) of subdivision 3 of  
52 section 421-a of the real property tax law, the opening paragraph as  
53 amended by chapter 655 of the laws of 1978 and paragraph (iv) as amended

1 by chapter 703 of the laws of 1976 and such section as renumbered by  
2 chapter 110 of the laws of 1977, are amended to read as follows:

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

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

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

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

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

53 b. The local housing agency [may] SHALL require a filing fee not to  
54 exceed the greater of (i) four-tenths of one percent of the total  
55 project cost, or (ii) if the building will be owned as a cooperative or  
56 condominium, four-tenths of one percent of the total project cost or

1 four-tenths of one percent of the total project sell-out price stated in  
2 the last amendment to the offering plan accepted for filing by the  
3 attorney general of the state, at the option of the applicant. Such  
4 total project cost or total project sell-out price shall be determined  
5 pursuant to rules promulgated by the local housing agency. Notwithstand-  
6 ing the foregoing, the local housing agency may promulgate rules impos-  
7 ing an additional fee if an application, or any part thereof, or  
8 submission in connection therewith, is defective and such defect delays  
9 the processing of such application or causes the local housing agency to  
10 expend additional resources in the processing of such application.

11 S 6. Subparagraph (i) of paragraph (a) of subdivision 6 of section  
12 421-a of the real property tax law, as added by chapter 110 of the laws  
13 of 2005, is amended to read as follows:

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

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

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

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

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

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

11 (ii) "CONSTRUCTION EMPLOYEE" MEANS A LABORER, WORKER OR MECHANIC IN  
12 THE EMPLOY OF THE CONTRACTOR, SUBCONTRACTOR OR OTHER PERSON DOING OR  
13 CONTRACTING TO DO THE WHOLE OR A PORTION OF THE CONSTRUCTION OF A NEW  
14 MULTIPLE DWELLING.

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

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

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

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

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

50 (I) PROJECTS CONTAINING LESS THAN EIGHTY DWELLING UNITS; OR  
51 (II) BUILDINGS WHERE THE LOCAL HOUSING AGENCY CERTIFIES THAT AT  
52 INITIAL OCCUPANCY AT LEAST FIFTY PERCENT OF THE DWELLING UNITS ARE  
53 AFFORDABLE TO INDIVIDUALS OR FAMILIES WITH A GROSS HOUSEHOLD INCOME AT  
54 OR BELOW ONE HUNDRED TWENTY-FIVE PERCENT OF THE AREA MEDIAN INCOME AND  
55 THAT ANY SUCH UNITS WHICH ARE LOCATED IN RENTAL BUILDINGS WILL BE

1 SUBJECT TO RESTRICTIONS TO INSURE THAT THEY WILL REMAIN AFFORDABLE FOR  
2 THE ENTIRE PERIOD DURING WHICH THEY RECEIVE BENEFITS UNDER THIS SECTION.

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

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

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

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

23 S 1806. ADDITIONAL FLOOR AREA. ANY PROGRAM THAT ALLOWS FOR ADDITIONAL  
24 FLOOR AREA IN EXCHANGE FOR THE CREATION OF AFFORDABLE HOUSING SHALL  
25 REQUIRE THAT THIRTY PERCENT OF ANY ADDITIONAL FLOOR AREA GENERATED BY  
26 THE PROGRAM BE USED TO PROVIDE AFFORDABLE HOUSING.

27 S 10. The real property tax law is amended by adding a new section  
28 421-o to read as follows:

29 S 421-O. EXEMPTION OF CERTAIN PRIVATE HOMES FROM LOCAL TAXATION. 1.  
30 FOR PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOW-  
31 ING MEANINGS:

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

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

39 (C) "ELIGIBLE PROJECT" SHALL MEAN A NEWLY CONSTRUCTED PRIVATE HOME,  
40 INCLUDING BOTH LAND AND IMPROVEMENTS, TO BE OCCUPIED AS A RESIDENCE FOR  
41 THE FIRST TIME, WHICH COMMENCES CONSTRUCTION ON OR AFTER JULY FIRST, TWO  
42 THOUSAND FOURTEEN AND ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND  
43 EIGHTEEN AND COMPLETES CONSTRUCTION NO LATER THAN DECEMBER THIRTY-FIRST,  
44 TWO THOUSAND TWENTY, AND WHICH IS DESIGNED AND OCCUPIED EXCLUSIVELY FOR  
45 RESIDENTIAL PURPOSES.

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

53 (E) "INITIAL PURCHASER" SHALL MEAN THE FIRST PURCHASER OF A NEWLY  
54 CONSTRUCTED PRIVATE HOME OR, IN THE CASE OF A PRIVATE HOME IN A CONDO-  
55 MINIUM FORM OF OWNERSHIP, THE FIRST PURCHASER OF EACH DWELLING UNIT IN  
56 SUCH NEWLY CONSTRUCTED PRIVATE HOME.

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

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

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

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

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

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

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

41 (B) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (A) OF THIS SUBDIVI-  
42 SION, EXEMPTION FROM LOCAL AND MUNICIPAL TAXES UNDER THIS SECTION SHALL  
43 NOT BE AVAILABLE TO THE TAX LOT (LAND AND IMPROVEMENTS) UPON WHICH A  
44 PRIVATE HOME IS CONSTRUCTED IF ANY PORTION OF SUCH TAX LOT (LAND AND  
45 IMPROVEMENTS): (I) IS EXEMPT FROM LOCAL AND MUNICIPAL TAXES UNDER ANY  
46 OTHER LAW; OR (II) CONTAINS A PRIVATE HOME THAT EXCEEDS THE MAXIMUM  
47 PURCHASE PRICE OR AN INDIVIDUAL CONDOMINIUM UNIT THAT EXCEEDS A PURCHASE  
48 PRICE OF FOUR HUNDRED THOUSAND DOLLARS.

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 IMPLI-  
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.