

8133

I N S E N A T E

June 14, 2016

Introduced by COMMITTEE ON RULES -- read twice and ordered printed, and
when printed to be committed to the Committee on Rules

AN ACT to amend the real property tax law, in relation to exemption of
new multiple dwellings from taxation; in relation to establishing the
affordable housing tax exemption program; and to repeal certain
provisions of such law relating thereto

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

1 Section 1. Subdivisions 16 and 16-a of section 421-a of the real prop-
2 erty tax law are REPEALED.
3 S 2. Paragraphs (a), (m) and (n) and subparagraph (i) of paragraph (f)
4 of subdivision 17 of section 421-a of the real property tax law, as
5 added by section 63-c of part A of chapter 20 of the laws of 2015, are
6 amended to read as follows:
7 (a) Definitions. For purposes of this subdivision:
8 (i) "Affordable housing eighty percent units" shall mean dwelling
9 units that: (A) are situated within the extended affordability property;
10 (B) upon initial rental and upon each subsequent rental following a
11 vacancy during the extended affordability period, are each affordable
12 and restricted to occupancy by individuals or families whose household
13 income does not exceed one hundred percent of the area median income,
14 adjusted for family size, at the time that such household initially
15 occupies such dwelling unit; and (C) upon initial rental and upon each
16 subsequent rental following a vacancy during the extended affordability
17 period, are collectively affordable and restricted to occupancy by indi-
18 viduals or families whose household income does not exceed an average of
19 eighty percent of the area median income, adjusted for family size, at
20 the time that such household initially occupies such dwelling unit.
21 (ii) "Affordable housing one hundred thirty percent units" shall mean
22 dwelling units that: (A) are situated within an extended affordability
23 property; and (B) upon initial rental and upon each subsequent rental
24 following a vacancy during the extended affordability period, are each
25 affordable and restricted to occupancy by individuals or families whose
26 household income does not exceed one hundred thirty percent of the area
27 median income, adjusted for family size, at the time that such household
28 initially occupies such dwelling unit.

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

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(iii) "Affordable housing unit" shall mean, collectively and individually, affordable housing eighty percent units and affordable housing one hundred thirty percent units.

(iv) "Agency" shall mean the department of housing preservation and development.

(v) "Application" shall mean an application for extended benefits pursuant to this subdivision.

(vi) "Building service employee" shall mean any person who is regularly employed at, and performs work in connection with the care or maintenance of, an extended affordability property, including, but not limited to, a watchman, guard, doorman, building cleaner, porter, handyman, janitor, gardener, groundskeeper, elevator operator and starter, and window cleaner, but not including persons regularly scheduled to work fewer than eight hours per week in the extended affordability property.

(vii) "Commencement date" shall mean the later of: (A) the expiration date; or (B) the restrictive declaration date.

(viii) "Expiration date" shall mean the date upon which benefits granted to A FIFTEEN YEAR BENEFIT PROPERTY, a twenty year benefit property or twenty-five year benefit property pursuant to this section prior to [the effective date of the chapter of the laws of two thousand fifteen that added this subdivision] JUNE TWENTY-SIXTH, TWO THOUSAND FIFTEEN would expire.

(ix) "Extended affordability period" shall mean, notwithstanding any earlier termination or revocation of the extended benefit, the period commencing upon the commencement date and ending: (A) fifteen years thereafter for A FIFTEEN YEAR BENEFIT PROPERTY AND a twenty year benefit property; and (B) ten years thereafter for a twenty-five year benefit property.

(x) "Extended affordability property" shall mean A FIFTEEN YEAR BENEFIT PROPERTY, a twenty year benefit property or a twenty-five year benefit property that complies with the provisions of this subdivision.

(xi) "Extended affordability requirement" shall mean that, within any extended affordability property: (A) not less than twenty percent of the dwelling units are affordable housing eighty percent units; and (B) not less than an additional five percent of the dwelling units are affordable housing one hundred thirty percent units.

(xii) "Extended benefit" shall mean, for any extended affordability property, a fifty percent exemption from real property taxation, other than assessments for local improvements, for the extended affordability period.

(xiii) "FIFTEEN YEAR BENEFIT PROPERTY" SHALL MEAN A MULTIPLE DWELLING THAT COMMENCED CONSTRUCTION PRIOR TO JULY FIRST, TWO THOUSAND EIGHT AND THAT WAS GRANTED BENEFITS PURSUANT TO THIS SECTION PRIOR TO JUNE TWENTY-SIXTH, TWO THOUSAND FIFTEEN DUE TO ITS COMPLIANCE WITH THE REQUIREMENTS OF CLAUSE (C) OF SUBPARAGRAPH (III) OF PARAGRAPH (A) OF SUBDIVISION TWO OF THIS SECTION.

(XIV) "Fiscal officer" shall mean the comptroller or other analogous officer in a city having a population of one million or more.

[(xiv)] (XV) "Floor area" shall mean the horizontal areas of the several floors, or any portion thereof, of a dwelling or dwellings, and accessory structures on a lot measured from the exterior faces of exterior walls, or from the center line of party walls.

[(xv)] (XVI) "Multiple dwelling" shall have the meaning set forth in the multiple dwelling law.

[(xvi)] (XVII) "Residential tax lot" shall mean a tax lot that contains dwelling units.

1 [(xvii)] (XVIII) "Restrictive declaration" shall mean a document
2 executed by all parties in interest to the extended affordability prop-
3 erty which provides that, during the extended affordability period, the
4 extended affordability property shall comply with the extended affor-
5 dability requirement.

6 [(xviii)] (XIX) "Restrictive declaration date" shall mean the date
7 upon which the restrictive declaration is recorded against the extended
8 affordability property.

9 [(xix)] (XX) "Twenty year benefit property" shall mean a multiple
10 dwelling that commenced construction prior to July first, two thousand
11 eight and that was granted benefits pursuant to this section prior to
12 [the effective date of the chapter of the laws of two thousand fifteen
13 that added this subdivision] JUNE TWENTY-SIXTH, TWO THOUSAND FIFTEEN due
14 to its compliance with the requirements of item b of clause (A) of
15 subparagraph (iv) of paragraph (a) of subdivision two of this section.

16 [(xx)] (XXI) "Twenty-five year benefit property" shall mean a multiple
17 dwelling that commenced construction prior to July first, two thousand
18 eight and that was granted benefits pursuant to this section prior to
19 [the effective date of the chapter of the laws of two thousand fifteen
20 that added this subdivision] JUNE TWENTY-SIXTH, TWO THOUSAND FIFTEEN due
21 to its compliance with the requirements of item b of clause (D) of
22 subparagraph (iii) of paragraph (a) of subdivision two of this section.

23 (i) Notwithstanding the provisions of PARAGRAPH (F) OF SUBDIVISION TWO
24 OF THIS SECTION, any local law for the stabilization of rents or the
25 emergency tenant protection act of nineteen seventy-four OR ANY OTHER
26 LAW RELATING TO THE CONTROL OR STABILIZATION OF RENTS IN THE CITY OF NEW
27 YORK, all affordable housing units in an extended affordability property
28 shall be fully subject to control under such local law or such act
29 during the extended affordability period, provided that tenants holding
30 a lease and in occupancy of such affordable housing units in an extended
31 affordability property at the expiration of the extended affordability
32 period shall have the right to remain as rent stabilized tenants for the
33 duration of their occupancy. Upon any vacancy of an affordable housing
34 unit after the extended affordability period, such affordable housing
35 unit shall remain fully subject to rent stabilization unless the owner
36 is entitled to remove such affordable housing unit from rent stabiliza-
37 tion upon such vacancy by reason of the monthly rent exceeding any limit
38 established thereunder.

39 (m) Applications. (i) [The application with respect to any extended
40 affordability property shall include a certification that: (A) the
41 restrictive declaration has been recorded against the extended affor-
42 dability property; and (B) the extended affordability property is in
43 compliance with such restrictive declaration and this subdivision.

44 (ii) The application with respect to any extended affordability prop-
45 erty shall be filed with the agency on or before the later of: (A)
46 December thirty-first, two thousand sixteen; or (B) eighteen months
47 after the expiration date.] THE OWNER OF AN EXTENDED AFFORDABILITY PROP-
48 erty MAY FILE AN APPLICATION WITH THE AGENCY AT ANY TIME ON OR BEFORE
49 THE LATER OF (A) DECEMBER THIRTY-FIRST, TWO THOUSAND SEVENTEEN; OR (B)
50 EIGHTEEN MONTHS AFTER THE EXPIRATION DATE. THE APPLICATION SHALL
51 CONSIST OF A CERTIFICATION THAT: (I) A RESTRICTIVE DECLARATION HAS BEEN
52 RECORDED, OR SUBMITTED FOR RECORDATION, AGAINST THE EXTENDED AFFORDABIL-
53 ITY PROPERTY; AND (II) THAT THE FILING FEE HAS BEEN PAID. PROVIDED THAT
54 THE APPLICATION IS FILED AS REQUIRED BY THIS SUBPARAGRAPH, THE EXTENDED
55 AFFORDABILITY PROPERTY SHALL BE ENTITLED TO RECEIVE THE EXTENDED BENEFIT

AS PROVIDED BY THIS SUBDIVISION UNDER THE TERMS OF THIS SUBDIVISION AS SHALL BE IN EFFECT ON THE DATE OF FILING.

(ii) THE OWNER OF AN EXTENDED AFFORDABILITY PROPERTY THAT FILED AN APPLICATION PRIOR TO THE EXPIRATION OF THE EXPIRATION DATE SHALL, NOT LATER THAN THIRTY DAYS AFTER THE EXPIRATION DATE, FILE WITH THE AGENCY A CERTIFICATION THAT THE EXTENDED AFFORDABILITY PROPERTY IS IN COMPLIANCE WITH SUCH RESTRICTIVE DECLARATION AND THIS SUBDIVISION.

(iii) Notwithstanding the provisions of any general, special or local law to the contrary, the agency may require by rule that applications be filed electronically.

(iv) The agency may rely on certification by an architect or engineer submitted by an applicant in connection with [the filing of an application] A PORTION OF THE CERTIFICATION REQUIRED BY SUBPARAGRAPH (II) OF THIS PARAGRAPH. A false certification by such architect or engineer shall be deemed to be professional misconduct pursuant to section sixty-five hundred nine of the education law. Any licensee found guilty of such misconduct under the procedures prescribed in section sixty-five hundred ten of the education law shall be subject to the penalties prescribed in section sixty-five hundred eleven of the education law, and shall thereafter be ineligible to submit a certification pursuant to this subdivision.

(n) Filing fee. The agency may require a filing fee of three thousand dollars per [dwelling unit] AFFORDABLE HOUSING UNIT in connection with any application.

S 3. Paragraph (p) of subdivision 17 of section 421-a of the real property tax law is REPEALED.

S 4. The real property tax law is amended by adding a new section 421-aa to read as follows:

S 421-AA. AFFORDABLE HOUSING TAX EXEMPTION PROGRAM. 1. DEFINITIONS. FOR THE PURPOSES OF THIS SECTION:

(A) "421-AA BENEFITS" SHALL MEAN EXEMPTION FROM REAL PROPERTY TAXATION PURSUANT TO THIS SECTION.

(B) "AFFORDABILITY OPTION A" SHALL MEAN THAT, WITHIN ANY ELIGIBLE SITE: (I) NOT LESS THAN TEN PERCENT OF THE DWELLING UNITS ARE AFFORDABLE HOUSING FORTY PERCENT UNITS; (II) NOT LESS THAN AN ADDITIONAL TEN PERCENT OF THE DWELLING UNITS ARE AFFORDABLE HOUSING SIXTY PERCENT UNITS; AND (III) NOT LESS THAN AN ADDITIONAL FIVE PERCENT OF THE DWELLING UNITS ARE AFFORDABLE HOUSING ONE HUNDRED THIRTY PERCENT UNITS.

(C) "AFFORDABILITY OPTION B" SHALL MEAN THAT, WITHIN ANY ELIGIBLE SITE, (I) NOT LESS THAN TEN PERCENT OF THE DWELLING UNITS ARE AFFORDABLE HOUSING SEVENTY PERCENT UNITS, AND (II) NOT LESS THAN AN ADDITIONAL TWENTY PERCENT OF THE DWELLING UNITS ARE AFFORDABLE HOUSING ONE HUNDRED THIRTY PERCENT UNITS.

(D) "AFFORDABILITY OPTION C" SHALL MEAN THAT, WITHIN ANY ELIGIBLE SITE EXCLUDING THE GEOGRAPHIC AREA SOUTH OF NINETY-SIXTH STREET IN THE BOROUGH OF MANHATTAN, AND ALL OTHER GEOGRAPHIC AREAS IN THE CITY OF NEW YORK EXCLUDED PURSUANT TO LOCAL LAW, (I) NOT LESS THAN THIRTY PERCENT OF THE DWELLING UNITS ARE AFFORDABLE HOUSING ONE HUNDRED THIRTY PERCENT UNITS, AND (II) SUCH ELIGIBLE SITE IS DEVELOPED WITHOUT THE SUBSTANTIAL ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES PROVIDED BY A FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCY OR INSTRUMENTALITY PURSUANT TO A PROGRAM FOR THE DEVELOPMENT OF AFFORDABLE HOUSING.

(E) "AFFORDABILITY OPTION D" SHALL ONLY APPLY TO A HOMEOWNERSHIP PROJECT, OF WHICH FIFTY PERCENT OF THE UNITS SHALL HAVE AN AVERAGE ASSESSED VALUE NOT TO EXCEED SEVENTY-FIVE THOUSAND DOLLARS UPON THE FIRST ASSESSMENT FOLLOWING THE COMPLETION DATE AND WHERE EACH OWNER OF

1 ANY SUCH UNIT SHALL AGREE, IN WRITING, TO MAINTAIN SUCH UNIT AS THEIR
2 PRIMARY RESIDENCE FOR NO LESS THAN FIVE YEARS FROM THE ACQUISITION OF
3 SUCH UNIT.

4 (F) "AFFORDABILITY PERCENTAGE" SHALL MEAN A FRACTION, THE NUMERATOR OF
5 WHICH IS THE NUMBER OF AFFORDABLE HOUSING UNITS IN AN ELIGIBLE SITE AND
6 THE DENOMINATOR OF WHICH IS THE TOTAL NUMBER OF DWELLING UNITS IN SUCH
7 ELIGIBLE SITE.

8 (G) "AFFORDABLE HOUSING FORTY PERCENT UNIT" SHALL MEAN A DWELLING UNIT
9 THAT: (I) IS SITUATED WITHIN THE ELIGIBLE SITE FOR WHICH 421-AA BENEFITS
10 ARE GRANTED; AND (II) UPON INITIAL RENTAL AND UPON EACH SUBSEQUENT
11 RENTAL FOLLOWING A VACANCY DURING THE RESTRICTION PERIOD, IS AFFORDABLE
12 TO AND RESTRICTED TO OCCUPANCY BY INDIVIDUALS OR FAMILIES WHOSE HOUSE-
13 HOLD INCOME DOES NOT EXCEED FORTY PERCENT OF THE AREA MEDIAN INCOME,
14 ADJUSTED FOR FAMILY SIZE, AT THE TIME THAT SUCH HOUSEHOLD INITIALLY
15 OCCUPIES SUCH DWELLING UNIT.

16 (H) "AFFORDABLE HOUSING SIXTY PERCENT UNIT" SHALL MEAN A DWELLING UNIT
17 THAT: (I) IS SITUATED WITHIN THE ELIGIBLE SITE FOR WHICH 421-AA BENEFITS
18 ARE GRANTED; AND (II) UPON INITIAL RENTAL AND UPON EACH SUBSEQUENT
19 RENTAL FOLLOWING A VACANCY DURING THE RESTRICTION PERIOD, IS AFFORDABLE
20 TO AND RESTRICTED TO OCCUPANCY BY INDIVIDUALS OR FAMILIES WHOSE HOUSE-
21 HOLD INCOME DOES NOT EXCEED SIXTY PERCENT OF THE AREA MEDIAN INCOME,
22 ADJUSTED FOR FAMILY SIZE, AT THE TIME THAT SUCH HOUSEHOLD INITIALLY
23 OCCUPIES SUCH DWELLING UNIT.

24 (I) "AFFORDABLE HOUSING SEVENTY PERCENT UNIT" SHALL MEAN A DWELLING
25 UNIT THAT: (I) IS SITUATED WITHIN THE ELIGIBLE SITE FOR WHICH 421-AA
26 BENEFITS ARE GRANTED; AND (II) UPON INITIAL RENTAL AND UPON EACH SUBSE-
27 QUENT RENTAL FOLLOWING A VACANCY DURING THE RESTRICTION PERIOD, IS
28 AFFORDABLE TO AND RESTRICTED TO OCCUPANCY BY INDIVIDUALS OR FAMILIES
29 WHOSE HOUSEHOLD INCOME DOES NOT EXCEED SEVENTY PERCENT OF THE AREA MEDI-
30 AN INCOME, ADJUSTED FOR FAMILY SIZE, AT THE TIME THAT SUCH HOUSEHOLD
31 INITIALLY OCCUPIES SUCH DWELLING UNIT.

32 (J) "AFFORDABLE HOUSING ONE HUNDRED THIRTY PERCENT UNIT" SHALL MEAN A
33 DWELLING UNIT THAT: (I) IS SITUATED WITHIN THE ELIGIBLE SITE FOR WHICH
34 421-AA BENEFITS ARE GRANTED; AND (II) UPON INITIAL RENTAL AND UPON EACH
35 SUBSEQUENT RENTAL FOLLOWING A VACANCY DURING THE RESTRICTION PERIOD, IS
36 AFFORDABLE TO AND RESTRICTED TO OCCUPANCY BY INDIVIDUALS OR FAMILIES
37 WHOSE HOUSEHOLD INCOME DOES NOT EXCEED ONE HUNDRED THIRTY PERCENT OF THE
38 AREA MEDIAN INCOME, ADJUSTED FOR FAMILY SIZE, AT THE TIME THAT SUCH
39 HOUSEHOLD INITIALLY OCCUPIES SUCH DWELLING UNIT.

40 (K) "AFFORDABLE HOUSING UNIT" SHALL MEAN, COLLECTIVELY AND INDIVIDUAL-
41 LY, AFFORDABLE HOUSING FORTY PERCENT UNITS, AFFORDABLE HOUSING SIXTY
42 PERCENT UNITS, AFFORDABLE HOUSING SEVENTY PERCENT UNITS, AND AFFORDABLE
43 HOUSING ONE HUNDRED THIRTY PERCENT UNITS.

44 (L) "AGENCY" SHALL MEAN THE DEPARTMENT OF HOUSING PRESERVATION AND
45 DEVELOPMENT.

46 (M) "APPLICATION" SHALL MEAN AN APPLICATION FOR 421-AA BENEFITS.

47 (N) "BUILDING SERVICE EMPLOYEE" SHALL MEAN ANY PERSON WHO IS REGULARLY
48 EMPLOYED AT, AND PERFORMS WORK IN CONNECTION WITH THE CARE OR MAINTENANCE
49 OF, AN ELIGIBLE SITE, INCLUDING, BUT NOT LIMITED TO, A WATCHMAN,
50 GUARD, DOORMAN, BUILDING CLEANER, PORTER, HANDYMAN, JANITOR, GARDENER,
51 GROUNDSKEEPER, ELEVATOR OPERATOR AND STARTER, AND WINDOW CLEANER, BUT
52 NOT INCLUDING PERSONS REGULARLY SCHEDULED TO WORK FEWER THAN EIGHT HOURS
53 PER WEEK AT THE ELIGIBLE SITE.

54 (O) "COMMENCEMENT DATE" SHALL MEAN, WITH RESPECT TO ANY ELIGIBLE
55 MULTIPLE DWELLING, THE DATE UPON WHICH EXCAVATION AND CONSTRUCTION OF
56 INITIAL FOOTINGS AND FOUNDATIONS LAWFULLY BEGINS IN GOOD FAITH OR, FOR

1 AN ELIGIBLE CONVERSION, THE DATE UPON WHICH THE ACTUAL CONSTRUCTION OF
2 THE CONVERSION, ALTERATION OR IMPROVEMENT OF THE PRE-EXISTING BUILDING
3 OR STRUCTURE LAWFULLY BEGINS IN GOOD FAITH.

4 (P) "COMPLETION DATE" SHALL MEAN THE DATE UPON WHICH THE LOCAL DEPART-
5 MENT OF BUILDINGS ISSUES THE FIRST TEMPORARY OR PERMANENT CERTIFICATE OF
6 OCCUPANCY COVERING ALL RESIDENTIAL AREAS OF AN ELIGIBLE MULTIPLE DWELL-
7 ING.

8 (Q) "CONSTRUCTION PERIOD" SHALL MEAN, WITH RESPECT TO ANY ELIGIBLE
9 MULTIPLE DWELLING, A PERIOD: (I) BEGINNING ON THE LATER OF THE COMMENCE-
10 MENT DATE OF SUCH ELIGIBLE MULTIPLE DWELLING OR THREE YEARS BEFORE THE
11 COMPLETION DATE OF SUCH ELIGIBLE MULTIPLE DWELLING; AND (II) ENDING ON
12 THE DAY PRECEDING THE COMPLETION DATE OF SUCH ELIGIBLE MULTIPLE DWELL-
13 ING.

14 (R) "CONSTRUCTION WORKER" SHALL MEAN ANY PERSON PERFORMING
15 CONSTRUCTION WORK ON AN ELIGIBLE SITE.

16 (S) "CONSTRUCTION WORK" SHALL MEAN WORK CARRIED OUT IN CONNECTION WITH
17 THE INITIAL CONSTRUCTION OF AN ELIGIBLE MULTIPLE DWELLING, PROVIDED THAT
18 ANY WORK PERFORMED PRIOR TO THE COMMENCEMENT OF CONSTRUCTION OR AFTER
19 COMPLETION OF CONSTRUCTION SHALL NOT BE CONSIDERED CONSTRUCTION WORK.

20 (T) "ELIGIBLE CONVERSION" SHALL MEAN THE CONVERSION, ALTERATION OR
21 IMPROVEMENT OF A PRE-EXISTING BUILDING OR STRUCTURE RESULTING IN A
22 MULTIPLE DWELLING IN WHICH NO MORE THAN FORTY-NINE PERCENT OF THE FLOOR
23 AREA CONSISTS OF SUCH PRE-EXISTING BUILDING OR STRUCTURE.

24 (U) "ELIGIBLE MULTIPLE DWELLING" SHALL MEAN A MULTIPLE DWELLING
25 CONTAINING SIX OR MORE DWELLING UNITS CREATED THROUGH NEW CONSTRUCTION
26 OR ELIGIBLE CONVERSION FOR WHICH THE COMMENCEMENT DATE IS AFTER DECEMBER
27 THIRTY-FIRST, TWO THOUSAND FIFTEEN AND ON OR BEFORE JUNE FIFTEENTH, TWO
28 THOUSAND TWENTY-ONE, AND FOR WHICH THE COMPLETION DATE IS ON OR BEFORE
29 DECEMBER THIRTY-FIRST, TWO THOUSAND TWENTY-FIVE.

30 (V) "ELIGIBLE SITE" SHALL MEAN EITHER: (A) A TAX LOT CONTAINING AN
31 ELIGIBLE MULTIPLE DWELLING; OR (B) A ZONING LOT CONTAINING TWO OR MORE
32 ELIGIBLE MULTIPLE DWELLINGS THAT ARE PART OF A SINGLE APPLICATION.

33 (W) "FISCAL OFFICER" SHALL MEAN THE COMPTROLLER OR OTHER ANALOGOUS
34 OFFICER IN A CITY HAVING A POPULATION OF ONE MILLION OR MORE.

35 (X) "FLOOR AREA" SHALL MEAN THE HORIZONTAL AREAS OF THE SEVERAL
36 FLOORS, OR ANY PORTION THEREOF, OF A DWELLING OR DWELLINGS, AND ACCESSO-
37 RY STRUCTURES ON A LOT MEASURED FROM THE EXTERIOR FACES OF EXTERIOR
38 WALLS, OR FROM THE CENTER LINE OF PARTY WALLS.

39 (Y) "FOUR PERCENT TAX CREDITS" SHALL MEAN FEDERAL LOW INCOME HOUSING
40 TAX CREDITS COMPUTED IN ACCORDANCE WITH CLAUSE (II) OF SUBPARAGRAPH (B)
41 OF PARAGRAPH (1) OF SUBSECTION (B) OF SECTION FORTY-TWO OF THE INTERNAL
42 REVENUE CODE OF NINETEEN HUNDRED EIGHTY-SIX, AS AMENDED.

43 (Z) "HOMEOWNERSHIP PROJECT" SHALL MEAN A MULTIPLE DWELLING OR PORTION
44 THEREOF OPERATED AS CONDOMINIUM OR COOPERATIVE HOUSING HOWEVER, IT SHALL
45 NOT INCLUDE A MULTIPLE DWELLING OR PORTION THEREOF OPERATED AS COOPER-
46 ATIVE OR CONDOMINIUM HOUSING LOCATED WITHIN THE BOROUGH OF MANHATTAN,
47 AND SHALL NOT INCLUDE A MULTIPLE DWELLING THAT CONTAINS MORE THAN THIR-
48 TY-FIVE UNITS.

49 (AA) "MARKET UNIT" SHALL MEAN A DWELLING UNIT IN AN ELIGIBLE MULTIPLE
50 DWELLING OTHER THAN AN AFFORDABLE HOUSING UNIT.

51 (BB) "MULTIPLE DWELLING" SHALL HAVE THE MEANING SET FORTH IN THE
52 MULTIPLE DWELLING LAW.

53 (CC) "NON-RESIDENTIAL TAX LOT" SHALL MEAN A TAX LOT THAT DOES NOT
54 CONTAIN ANY DWELLING UNITS.

55 (DD) "RENT STABILIZATION" SHALL MEAN, COLLECTIVELY, THE RENT STABILI-
56 ZATION LAW OF NINETEEN HUNDRED SIXTY-NINE, THE RENT STABILIZATION CODE,

1 AND THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-FOUR, ALL AS
2 IN EFFECT AS OF THE EFFECTIVE DATE OF THE CHAPTER OF THE LAWS OF TWO
3 THOUSAND SIXTEEN THAT ADDED THIS SUBDIVISION OR AS AMENDED THEREAFTER,
4 TOGETHER WITH ANY SUCCESSOR STATUTES OR REGULATIONS ADDRESSING SUBSTAN-
5 Tially THE SAME SUBJECT MATTER.

6 (EE) "RENTAL PROJECT" SHALL MEAN AN ELIGIBLE SITE IN WHICH ALL DWELL-
7 ING UNITS INCLUDED IN ANY APPLICATION ARE OPERATED AS RENTAL HOUSING.

8 (FF) "RESIDENTIAL TAX LOT" SHALL MEAN A TAX LOT THAT CONTAINS DWELLING
9 UNITS.

10 (GG) "RESTRICTION PERIOD" SHALL MEAN, FOR A RENTAL PROJECT, A PERIOD
11 COMMENCING ON THE COMPLETION DATE AND EXPIRING ON THE THIRTY-FIFTH ANNI-
12 VERSARY OF THE COMPLETION DATE, NOTWITHSTANDING ANY EARLIER TERMINATION
13 OR REVOCATION OF 421-AA BENEFITS AND FOR A HOMEOWNERSHIP, A PERIOD
14 COMMENCING ON THE COMPLETION DATE AND EXPIRING ON THE TWENTIETH ANNIVER-
15 SARY OF THE COMPLETION DATE, NOTWITHSTANDING ANY EARLIER TERMINATION OR
16 REVOCATION OF 421-AA BENEFITS.

17 (HH) "TAX EXEMPT BOND PROCEEDS" SHALL MEAN THE PROCEEDS OF AN EXEMPT
18 FACILITY BOND, AS DEFINED IN PARAGRAPH SEVEN OF SUBSECTION (A) OF
19 SECTION ONE HUNDRED FORTY-TWO OF THE INTERNAL REVENUE CODE OF NINETEEN
20 HUNDRED EIGHTY-SIX, AS AMENDED, THE INTEREST UPON WHICH IS EXEMPT FROM
21 TAXATION UNDER SECTION ONE HUNDRED THREE OF THE INTERNAL REVENUE CODE OF
22 NINETEEN HUNDRED EIGHTY-SIX, AS AMENDED.

23 (II) "THIRTY-FIVE YEAR BENEFIT" SHALL MEAN: (I) FOR THE CONSTRUCTION
24 PERIOD, A ONE HUNDRED PERCENT EXEMPTION FROM REAL PROPERTY TAXATION,
25 OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS; (II) FOR THE FIRST TWEN-
26 TY-FIVE YEARS OF THE RESTRICTION PERIOD, A ONE HUNDRED PERCENT EXEMPTION
27 FROM REAL PROPERTY TAXATION, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVE-
28 MENTS; AND (III) FOR THE FINAL TEN YEARS OF THE RESTRICTION PERIOD, AN
29 EXEMPTION FROM REAL PROPERTY TAXATION, OTHER THAN ASSESSMENTS FOR LOCAL
30 IMPROVEMENTS, EQUAL TO THE AFFORDABILITY PERCENTAGE.

31 (JJ) "TWENTY YEAR BENEFIT" SHALL MEAN: (A) FOR THE CONSTRUCTION PERI-
32 OD, A ONE HUNDRED PERCENT EXEMPTION FROM REAL PROPERTY TAXATION, OTHER
33 THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS; (B) FOR THE FIRST FOURTEEN
34 YEARS OF THE RESTRICTION PERIOD, A ONE HUNDRED PERCENT EXEMPTION FROM
35 REAL PROPERTY TAXATION, OTHER THAN ASSESSMENTS FOR LOCAL IMPROVEMENTS,
36 PROVIDED, HOWEVER, THAT NO EXEMPTION SHALL BE GIVEN FOR ANY PORTION OF A
37 UNIT'S ASSESSED VALUE THAT EXCEEDS SIXTY-FIVE THOUSAND DOLLARS; AND (C)
38 FOR THE FINAL SIX YEARS OF THE RESTRICTION PERIOD, A TWENTY-FIVE PERCENT
39 EXEMPTION FROM REAL PROPERTY TAXATION, OTHER THAN ASSESSMENTS FOR LOCAL
40 IMPROVEMENTS, PROVIDED, HOWEVER, THAT NO EXEMPTION SHALL BE GIVEN FOR
41 ANY PORTION OF A UNIT'S ASSESSED VALUE THAT EXCEEDS SIXTY-FIVE THOUSAND
42 DOLLARS.

43 2. BENEFIT. IN CITIES HAVING A POPULATION OF ONE MILLION OR MORE,
44 NOTWITHSTANDING THE PROVISIONS OF ANY OTHER SUBDIVISION OF THIS SECTION
45 OR OF ANY GENERAL, SPECIAL OR LOCAL LAW TO THE CONTRARY, NEW ELIGIBLE
46 SITES, EXCEPT HOTELS, THAT COMPLY WITH THE PROVISIONS OF THIS SECTION
47 SHALL BE EXEMPT FROM REAL PROPERTY TAXATION, OTHER THAN ASSESSMENTS FOR
48 LOCAL IMPROVEMENTS, IN THE AMOUNTS AND FOR THE PERIODS SPECIFIED IN THIS
49 SUBDIVISION. A RENTAL PROJECT THAT MEETS ALL OF THE REQUIREMENTS OF THIS
50 SECTION SHALL RECEIVE A THIRTY-FIVE YEAR BENEFIT AND A HOMEOWNERSHIP
51 PROJECT THAT MEETS ALL OF THE REQUIREMENTS OF THIS SUBDIVISION SHALL
52 RECEIVE A TWENTY YEAR BENEFIT.

53 3. TAX PAYMENTS. IN ADDITION TO ANY OTHER AMOUNTS PAYABLE PURSUANT TO
54 THIS SECTION, THE OWNER OF ANY ELIGIBLE SITE RECEIVING 421-AA BENEFITS
55 SHALL PAY, IN EACH TAX YEAR IN WHICH SUCH 421-AA BENEFITS ARE IN EFFECT,
56 REAL PROPERTY TAXES AND ASSESSMENTS AS FOLLOWS:

(A) WITH RESPECT TO EACH ELIGIBLE MULTIPLE DWELLING CONSTRUCTED ON SUCH ELIGIBLE SITE, REAL PROPERTY TAXES ON THE ASSESSED VALUATION OF SUCH LAND AND ANY IMPROVEMENTS THEREON IN EFFECT DURING THE TAX YEAR PRIOR TO THE COMMENCEMENT DATE OF SUCH ELIGIBLE MULTIPLE DWELLING, WITHOUT REGARD TO ANY EXEMPTION FROM OR ABATEMENT OF REAL PROPERTY TAXATION IN EFFECT DURING SUCH TAX YEAR, WHICH REAL PROPERTY TAXES SHALL BE CALCULATED USING THE TAX RATE IN EFFECT AT THE TIME SUCH TAXES ARE DUE; AND

(B) ALL ASSESSMENTS FOR LOCAL IMPROVEMENTS.

4. LIMITATION ON BENEFITS FOR NON-RESIDENTIAL SPACE. IF THE AGGREGATE FLOOR AREA OF COMMERCIAL, COMMUNITY FACILITY AND ACCESSORY USE SPACE IN AN ELIGIBLE SITE, OTHER THAN PARKING WHICH IS LOCATED NOT MORE THAN TWENTY-THREE FEET ABOVE THE CURB LEVEL, EXCEEDS TWELVE PERCENT OF THE AGGREGATE FLOOR AREA IN SUCH ELIGIBLE SITE, ANY 421-AA BENEFITS SHALL BE REDUCED BY A PERCENTAGE EQUAL TO SUCH EXCESS. IF AN ELIGIBLE SITE CONTAINS MULTIPLE TAX LOTS, THE TAX ARISING OUT OF SUCH REDUCTION IN 421-AA BENEFITS SHALL FIRST BE APPORTIONED PRO RATA AMONG ANY NON-RESIDENTIAL TAX LOTS. AFTER ANY SUCH NON-RESIDENTIAL TAX LOTS ARE FULLY TAXABLE, THE REMAINDER OF THE TAX ARISING OUT OF SUCH REDUCTION IN 421-AA BENEFITS, IF ANY, SHALL BE APPORTIONED PRO RATA AMONG THE REMAINING RESIDENTIAL TAX LOTS.

5. CALCULATION OF BENEFIT. BASED ON THE CERTIFICATION OF THE AGENCY CERTIFYING THE APPLICANT'S ELIGIBILITY FOR 421-AA BENEFITS, THE ASSESSORS SHALL CERTIFY TO THE COLLECTING OFFICER THE AMOUNT OF TAXES TO BE EXEMPTED.

6. AFFORDABILITY REQUIREMENTS. DURING THE RESTRICTION PERIOD, A RENTAL PROJECT SHALL COMPLY WITH EITHER AFFORDABILITY OPTION A, AFFORDABILITY OPTION B, OR AFFORDABILITY OPTION C OR FOR PURPOSES OF A HOMEOWNERSHIP PROJECT, SUCH PROJECT SHALL COMPLY WITH AFFORDABILITY OPTION D. SUCH ELECTION SHALL BE MADE IN THE APPLICATION AND SHALL NOT THEREAFTER BE CHANGED. THE RENTAL PROJECT SHALL ALSO COMPLY WITH ALL PROVISIONS OF THIS SUBDIVISION DURING THE RESTRICTION PERIOD AND WITH PARAGRAPH (C) OF THIS SUBDIVISION BOTH DURING AND AFTER THE RESTRICTION PERIOD TO THE EXTENT PROVIDED IN SUCH PARAGRAPH.

(A) AFFORDABLE UNITS SHALL SHARE THE SAME COMMON ENTRANCES AND COMMON AREAS AS MARKET RATE UNITS, AND SHALL NOT BE ISOLATED TO A SPECIFIC FLOOR OR AREA OF A BUILDING; PROVIDED, HOWEVER, THAT UNITS OWNED AND OPERATED AS CONDOMINIUM OR COOPERATIVE HOUSING MAY BE PROVIDED WITH A SEPARATE ENTRANCE AND WITH SEPARATE COMMON AREAS. COMMON ENTRANCES SHALL MEAN ANY AREA REGULARLY USED BY ANY RESIDENT FOR INGRESS AND EGRESS FROM A MULTIPLE DWELLING; AND

(B) UNLESS PREEMPTED BY THE REQUIREMENTS OF A FEDERAL, STATE OR LOCAL HOUSING PROGRAM, EITHER: (I) THE AFFORDABLE HOUSING UNITS IN A RENTAL PROJECT SHALL HAVE A UNIT MIX PROPORTIONAL TO THE MARKET UNITS; OR (II) AT LEAST FIFTY PERCENT OF THE AFFORDABLE HOUSING UNITS IN AN ELIGIBLE SITE SHALL HAVE TWO OR MORE BEDROOMS AND NO MORE THAN TWENTY-FIVE PERCENT OF THE AFFORDABLE HOUSING UNITS SHALL HAVE LESS THAN ONE BEDROOM.

(C) NOTWITHSTANDING ANY PROVISION OF RENT STABILIZATION TO THE CONTRARY, ALL AFFORDABLE HOUSING UNITS SHALL BE FULLY SUBJECT TO RENT STABILIZATION DURING THE RESTRICTION PERIOD, PROVIDED THAT TENANTS HOLDING A LEASE AND IN OCCUPANCY OF SUCH AFFORDABLE HOUSING UNITS AT THE EXPIRATION OF THE RESTRICTION PERIOD SHALL HAVE THE RIGHT TO REMAIN AS RENT STABILIZED TENANTS FOR THE DURATION OF THEIR OCCUPANCY.

(D) ALL RENT STABILIZATION REGISTRATIONS REQUIRED TO BE FILED PURSUANT TO PARAGRAPH (C) OF THIS SUBDIVISION SHALL CONTAIN A DESIGNATION THAT

1 SPECIFICALLY IDENTIFIES AFFORDABLE HOUSING UNITS CREATED PURSUANT TO
2 THIS SUBDIVISION AS "421-AA AFFORDABLE HOUSING UNITS" AND SHALL CONTAIN
3 AN EXPLANATION OF THE REQUIREMENTS THAT APPLY TO ALL SUCH AFFORDABLE
4 HOUSING UNITS.

5 (E) FAILURE TO COMPLY WITH THE PROVISIONS OF THIS SUBDIVISION THAT
6 REQUIRE THE CREATION, MAINTENANCE, RENT STABILIZATION COMPLIANCE AND
7 OCCUPANCY OF AFFORDABLE HOUSING UNITS SHALL RESULT IN REVOCATION OF ANY
8 421-AA BENEFITS FOR THE PERIOD OF SUCH NON-COMPLIANCE OR FOR PURPOSES OF
9 A HOMEOWNERSHIP PROJECT THE FAILURE TO COMPLY WITH AFFORDABILITY OPTION
10 D SHALL RESULT IN REVOCATION OF ANY 421-AA BENEFITS FOR THE PERIOD OF
11 SUCH NON-COMPLIANCE.

12 (F) NOTHING IN THIS SECTION SHALL: (I) PROHIBIT THE OCCUPANCY OF AN
13 AFFORDABLE HOUSING UNIT BY INDIVIDUALS OR FAMILIES WHOSE INCOME AT ANY
14 TIME IS LESS THAN THE MAXIMUM PERCENTAGE OF THE AREA MEDIAN INCOME,
15 ADJUSTED FOR FAMILY SIZE, SPECIFIED FOR SUCH AFFORDABLE HOUSING UNIT
16 PURSUANT TO THIS SUBDIVISION; OR (II) PROHIBIT THE OWNER OF AN ELIGIBLE
17 SITE FROM REQUIRING, UPON INITIAL RENTAL OR UPON ANY RENTAL FOLLOWING A
18 VACANCY, THE OCCUPANCY OF ANY AFFORDABLE HOUSING UNIT BY SUCH LOWER
19 INCOME INDIVIDUALS OR FAMILIES.

20 (G) FOLLOWING ISSUANCE OF A TEMPORARY CERTIFICATE OF OCCUPANCY AND
21 UPON EACH VACANCY THEREAFTER, AN AFFORDABLE HOUSING UNIT SHALL PROMPTLY
22 BE OFFERED FOR RENTAL BY INDIVIDUALS OR FAMILIES WHOSE INCOME DOES NOT
23 EXCEED THE MAXIMUM PERCENTAGE OF THE AREA MEDIAN INCOME, ADJUSTED FOR
24 FAMILY SIZE, SPECIFIED FOR SUCH AFFORDABLE HOUSING UNIT PURSUANT TO THIS
25 SUBDIVISION AND WHO INTEND TO OCCUPY SUCH AFFORDABLE HOUSING UNIT AS
26 THEIR PRIMARY RESIDENCE. AN AFFORDABLE HOUSING UNIT SHALL NOT BE: (I)
27 RENTED TO A CORPORATION, PARTNERSHIP OR OTHER ENTITY; OR (II) HELD OFF
28 THE MARKET FOR A PERIOD LONGER THAN IS REASONABLY NECESSARY TO PERFORM
29 REPAIRS NEEDED TO MAKE SUCH AFFORDABLE HOUSING UNIT AVAILABLE FOR OCCU-
30 PANCY.

31 (H) AN AFFORDABLE HOUSING UNIT SHALL NOT BE RENTED ON A TEMPORARY,
32 TRANSIENT OR SHORT-TERM BASIS. EVERY LEASE AND RENEWAL THEREOF FOR AN
33 AFFORDABLE HOUSING UNIT SHALL BE FOR A TERM OF ONE OR TWO YEARS, AT THE
34 OPTION OF THE TENANT.

35 (I) AN AFFORDABLE HOUSING UNIT SHALL NOT BE CONVERTED TO COOPERATIVE
36 OR CONDOMINIUM OWNERSHIP.

37 (J) THE AGENCY MAY ESTABLISH BY RULE SUCH REQUIREMENTS AS THE AGENCY
38 DEEMS NECESSARY OR APPROPRIATE FOR: (I) THE MARKETING OF AFFORDABLE
39 HOUSING UNITS, BOTH UPON INITIAL OCCUPANCY AND UPON ANY VACANCY; (II)
40 MONITORING COMPLIANCE WITH THE PROVISIONS OF THIS PARAGRAPH; AND (III)
41 THE MARKETING AND MONITORING OF ANY HOMEOWNERSHIP PROJECT THAT IS GRANT-
42 ED AN EXEMPTION PURSUANT TO THIS SUBDIVISION. SUCH REQUIREMENTS MAY
43 INCLUDE, BUT NEED NOT BE LIMITED TO, RETAINING A MONITOR APPROVED BY THE
44 AGENCY AND PAID FOR BY THE OWNER.

45 (K) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY,
46 UPON INITIAL OCCUPANCY AND EACH SUBSEQUENT RE-RENTAL, A MARKET UNIT
47 SHALL BE SUBJECT TO RENT STABILIZATION UNLESS, IN THE ABSENCE OF 421-AA
48 BENEFITS, THE OWNER WOULD BE ENTITLED TO REMOVE SUCH MARKET UNIT FROM
49 RENT STABILIZATION UPON VACANCY BY REASON OF THE MONTHLY RENT EXCEEDING
50 ANY LIMIT ESTABLISHED THEREUNDER.

51 7. BUILDING SERVICE EMPLOYEES. (A) FOR THE PURPOSES OF THIS SUBDIVI-
52 SION, "APPLICANT" SHALL MEAN AN APPLICANT FOR 421-AA BENEFITS, ANY
53 SUCCESSOR TO SUCH APPLICANT, OR ANY EMPLOYER OF BUILDING SERVICE EMPLOY-
54 EES FOR SUCH APPLICANT, INCLUDING, BUT NOT LIMITED TO, A PROPERTY
55 MANAGEMENT COMPANY OR CONTRACTOR.

1 (B) ALL BUILDING SERVICE EMPLOYEES EMPLOYED BY THE APPLICANT AT THE
2 ELIGIBLE SITE SHALL RECEIVE THE APPLICABLE PREVAILING WAGE FOR THE
3 ENTIRE RESTRICTION PERIOD.

4 (C) THE FISCAL OFFICER SHALL HAVE THE POWER TO ENFORCE THE PROVISIONS
5 OF THIS SUBDIVISION. IN ENFORCING SUCH PROVISIONS, THE FISCAL OFFICER
6 SHALL HAVE THE POWER:

7 (I) TO INVESTIGATE OR CAUSE AN INVESTIGATION TO BE MADE TO DETERMINE
8 THE PREVAILING WAGES FOR BUILDING SERVICE EMPLOYEES; IN MAKING SUCH
9 INVESTIGATION, THE FISCAL OFFICER MAY UTILIZE WAGE AND FRINGE BENEFIT
10 DATA FROM VARIOUS SOURCES, INCLUDING, BUT NOT LIMITED TO, DATA AND
11 DETERMINATIONS OF FEDERAL, STATE OR OTHER GOVERNMENTAL AGENCIES;

12 (II) TO INSTITUTE AND CONDUCT INSPECTIONS AT THE SITE OF THE WORK OR
13 ELSEWHERE;

14 (III) TO EXAMINE THE BOOKS, DOCUMENTS AND RECORDS PERTAINING TO THE
15 WAGES PAID TO, AND THE HOURS OF WORK PERFORMED BY, BUILDING SERVICE
16 EMPLOYEES;

17 (IV) TO HOLD HEARINGS AND, IN CONNECTION THEREWITH, TO ISSUE SUBPOE-
18 NAS, ADMINISTER OATHS AND EXAMINE WITNESSES; THE ENFORCEMENT OF A
19 SUBPOENA ISSUED UNDER THIS PARAGRAPH SHALL BE REGULATED BY THE CIVIL
20 PRACTICE LAW AND RULES;

21 (V) TO MAKE A CLASSIFICATION BY CRAFT, TRADE OR OTHER GENERALLY RECOG-
22 NIZED OCCUPATIONAL CATEGORY OF THE BUILDING SERVICE EMPLOYEES AND TO
23 DETERMINE WHETHER SUCH WORK HAS BEEN PERFORMED BY THE BUILDING SERVICE
24 EMPLOYEES IN SUCH CLASSIFICATION;

25 (VI) TO REQUIRE THE APPLICANT TO FILE WITH THE FISCAL OFFICER A RECORD
26 OF THE WAGES ACTUALLY PAID BY SUCH APPLICANT TO THE BUILDING SERVICE
27 EMPLOYEES AND OF THEIR HOURS OF WORK;

28 (VII) TO DELEGATE ANY OF THE FOREGOING POWERS TO HIS OR HER DEPUTY OR
29 OTHER AUTHORIZED REPRESENTATIVE; AND

30 (VIII) TO PROMULGATE RULES AS HE OR SHE SHALL CONSIDER NECESSARY FOR
31 THE PROPER EXECUTION OF THE DUTIES, RESPONSIBILITIES AND POWERS
32 CONFERRED UPON HIM OR HER BY THE PROVISIONS OF THIS PARAGRAPH.

33 (IX) IF THE FISCAL OFFICER FINDS THAT THE APPLICANT HAS FAILED TO
34 COMPLY WITH THE PROVISIONS OF THIS PARAGRAPH, HE OR SHE SHALL PRESENT
35 EVIDENCE OF SUCH NONCOMPLIANCE TO THE AGENCY.

36 (D) PARAGRAPH (B) OF THIS SUBDIVISION SHALL NOT BE APPLICABLE TO:

37 (I) AN ELIGIBLE MULTIPLE DWELLING CONTAINING LESS THAN THIRTY DWELLING
38 UNITS; OR

39 (II) AN ELIGIBLE MULTIPLE DWELLING IN WHICH ALL OF THE DWELLING UNITS
40 ARE AFFORDABLE HOUSING UNITS AND NOT LESS THAN FIFTY PERCENT OF SUCH
41 AFFORDABLE HOUSING UNITS, UPON INITIAL RENTAL AND UPON EACH SUBSEQUENT
42 RENTAL FOLLOWING A VACANCY DURING THE RESTRICTION PERIOD, ARE AFFORDABLE
43 TO AND RESTRICTED TO OCCUPANCY BY INDIVIDUALS OR FAMILIES WHOSE HOUSE-
44 HOLD INCOME DOES NOT EXCEED ONE HUNDRED TWENTY-FIVE PERCENT OF THE AREA
45 MEDIAN INCOME, ADJUSTED FOR FAMILY SIZE, AT THE TIME THAT SUCH HOUSEHOLD
46 INITIALLY OCCUPIES SUCH DWELLING UNIT.

47 8. CONSTRUCTION WORKERS. (A) ALL CONSTRUCTION WORKERS SHALL BE PAID,
48 AN HOURLY COMPENSATION PACKAGE THAT IS NO LESS THAN THE SUM OF THE
49 AFFORDABLE HOUSING WAGE RATE AND THE HEALTH BENEFITS SUPPLEMENT RATE FOR
50 EACH WORK HOUR WORKED. AS OF THE EFFECTIVE DATE OF THIS CHAPTER, THE
51 AFFORDABLE HOUSING WAGE RATE SHALL BE FIFTEEN DOLLARS PER HOUR AND THE
52 HEALTH BENEFITS SUPPLEMENT RATE SHALL BE ONE DOLLAR AND FIFTY CENTS PER
53 HOUR. THE PORTION OF THE HOURLY COMPENSATION PACKAGE CONSISTING OF THE
54 HEALTH BENEFITS SUPPLEMENT RATE MAY BE PROVIDED IN THE FORM OF CASH
55 WAGES, HEALTH BENEFITS OR ANY COMBINATION OF THE TWO. THE VALUE OF ANY
56 HEALTH BENEFITS RECEIVED SHALL BE DETERMINED BASED ON THE PRORATED HOUR-

LY COST TO THE EMPLOYER OF THE HEALTH BENEFITS RECEIVED BY THE EMPLOYEE. EFFECTIVE JANUARY FIRST, TWO THOUSAND SEVENTEEN, THE AFFORDABLE HOUSING WAGE RATE SHALL BE INCREASED TO SIXTEEN DOLLARS AND FIFTY CENTS. EFFECTIVE JANUARY FIRST, TWO THOUSAND EIGHTEEN, THE AFFORDABLE HOUSING WAGE RATE SHALL BE INCREASED TO EIGHTEEN DOLLARS. EFFECTIVE JANUARY FIRST, TWO THOUSAND NINETEEN, THE AFFORDABLE HOUSING WAGE RATE SHALL BE INCREASED TO NINETEEN DOLLARS AND FIFTY CENTS. EFFECTIVE JANUARY FIRST, TWO THOUSAND TWENTY, THE AFFORDABLE HOUSING WAGE RATE SHALL BE INCREASED TO TWENTY-ONE DOLLARS.

(B) FOR ELIGIBLE SITES LOCATED IN THE BOROUGH OF MANHATTAN SOUTH OF NINETY-SIXTH STREET WHICH CONTAIN MORE THAN THREE HUNDRED DWELLING UNITS, CONSTRUCTION WORKERS IN THE AGGREGATE SHALL BE PAID AN AVERAGE HOURLY WAGE, INCLUSIVE OF FRINGE BENEFITS, OF NO LESS THAN FIFTY-FIVE DOLLARS PER HOUR. THE PRECEDING REQUIREMENT SHALL NOT BE APPLICABLE TO AN ELIGIBLE MULTIPLE DWELLING IN WHICH AT LEAST FIFTY PERCENT OF THE DWELLING UNITS ARE, UPON INITIAL RENTAL AND UPON EACH SUBSEQUENT RENTAL FOLLOWING A VACANCY DURING THE RESTRICTION PERIOD, AFFORDABLE TO AND RESTRICTED TO OCCUPANCY BY INDIVIDUALS OR FAMILIES WHOSE HOUSEHOLD INCOME DOES NOT EXCEED ONE HUNDRED TWENTY-FIVE PERCENT OF THE AREA MEDIAN INCOME, ADJUSTED FOR FAMILY SIZE.

(C) THE FISCAL OFFICER SHALL HAVE THE POWER TO ENFORCE THE PROVISIONS OF THIS SUBDIVISION. IN ENFORCING SUCH PROVISIONS, THE FISCAL OFFICER SHALL HAVE THE POWER:

(I) TO INSTITUTE AND CONDUCT INSPECTIONS AT THE SITE OF THE WORK OR ELSEWHERE;

(II) TO EXAMINE THE BOOKS, DOCUMENTS AND RECORDS PERTAINING TO THE WAGES PAID TO, AND THE HOURS OF WORK PERFORMED BY, CONSTRUCTION WORKERS;

(III) TO HOLD HEARINGS AND, IN CONNECTION THEREWITH, TO ISSUE SUBPOENAS, ADMINISTER OATHS AND EXAMINE WITNESSES; THE ENFORCEMENT OF A SUBPOENA ISSUED UNDER THIS SUBDIVISION SHALL BE REGULATED BY THE CIVIL PRACTICE LAW AND RULES;

(IV) TO REQUIRE THE APPLICANT TO FILE WITH THE FISCAL OFFICER A RECORD OF THE WAGES ACTUALLY PAID BY SUCH APPLICANT TO THE CONSTRUCTION WORKERS AND OF THEIR HOURS OF WORK;

(V) TO DELEGATE ANY OF THE FOREGOING POWERS TO HIS OR HER DEPUTY OR OTHER AUTHORIZED REPRESENTATIVE; AND

(VI) TO PROMULGATE RULES AS HE OR SHE SHALL CONSIDER NECESSARY FOR THE PROPER EXECUTION OF THE DUTIES, RESPONSIBILITIES AND POWERS CONFERRED UPON HIM OR HER BY THE PROVISIONS OF THIS PARAGRAPH.

(D) IF THE FISCAL OFFICER FINDS THAT THE APPLICANT HAS FAILED TO COMPLY WITH THE PROVISIONS OF THIS SUBDIVISION, HE OR SHE SHALL PRESENT EVIDENCE OF SUCH NONCOMPLIANCE TO THE AGENCY.

9. REPLACEMENT RATIO. IF THE LAND ON WHICH AN ELIGIBLE SITE IS LOCATED CONTAINED ANY DWELLING UNITS THREE YEARS PRIOR TO THE COMMENCEMENT DATE OF THE FIRST ELIGIBLE MULTIPLE DWELLING THEREON, THEN SUCH ELIGIBLE SITE SHALL CONTAIN AT LEAST ONE AFFORDABLE HOUSING UNIT FOR EACH DWELLING UNIT THAT EXISTED ON SUCH DATE AND WAS THEREAFTER DEMOLISHED, REMOVED OR RECONFIGURED.

10. CONCURRENT EXEMPTIONS OR ABATEMENTS. AN ELIGIBLE MULTIPLE DWELLING RECEIVING 421-AA BENEFITS SHALL NOT RECEIVE ANY EXEMPTION FROM OR ABATEMENT OF REAL PROPERTY TAXATION UNDER ANY OTHER LAW.

11. VOLUNTARY RENUNCIATION OR TERMINATION. NOTWITHSTANDING THE PROVISIONS OF ANY GENERAL, SPECIAL OR LOCAL LAW TO THE CONTRARY, AN OWNER SHALL NOT BE ENTITLED TO VOLUNTARILY RENOUNCE OR TERMINATE ANY 421-AA BENEFITS UNLESS THE AGENCY AUTHORIZES SUCH RENUNCIATION OR TERMINATION IN CONNECTION WITH THE COMMENCEMENT OF A NEW TAX EXEMPTION PURSU-

ANT TO EITHER THE PRIVATE HOUSING FINANCE LAW OR SECTION FOUR HUNDRED TWENTY-C OF THIS TITLE.

12. TERMINATION OR REVOCATION. THE AGENCY MAY TERMINATE OR REVOKE 421-AA BENEFITS FOR NONCOMPLIANCE WITH THIS SECTION. IF 421-AA BENEFITS ARE TERMINATED OR REVOKED FOR NONCOMPLIANCE WITH THIS SECTION, ALL OF THE AFFORDABLE HOUSING UNITS SHALL REMAIN SUBJECT TO RENT STABILIZATION OR FOR A HOMEOWNERSHIP PROJECT SUCH PROJECT SHALL CONTINUE TO COMPLY WITH AFFORDABILITY OPTION D OF THIS SUBDIVISION AND ALL OTHER REQUIREMENTS OF THIS SECTION FOR THE RESTRICTION PERIOD AND ANY ADDITIONAL PERIOD EXPRESSLY PROVIDED IN THIS SECTION, AS IF THE 421-AA BENEFITS HAD NOT BEEN TERMINATED OR REVOKED.

13. POWERS CUMULATIVE. THE ENFORCEMENT PROVISIONS OF THIS SECTION SHALL NOT BE EXCLUSIVE, AND ARE IN ADDITION TO ANY OTHER RIGHTS, REMEDIES, OR ENFORCEMENT POWERS SET FORTH IN ANY OTHER LAW OR AVAILABLE AT LAW OR IN EQUITY.

14. MULTIPLE TAX LOTS. IF AN ELIGIBLE SITE CONTAINS MULTIPLE TAX LOTS, AN APPLICATION MAY BE SUBMITTED WITH RESPECT TO ONE OR MORE OF SUCH TAX LOTS. THE AGENCY SHALL DETERMINE ELIGIBILITY FOR 421-AA BENEFITS BASED UPON THE TAX LOTS INCLUDED IN SUCH APPLICATION AND BENEFITS FOR EACH MULTIPLE DWELLING SHALL COMMENCE UPON COMMENCEMENT OF CONSTRUCTION OF SUCH MULTIPLE DWELLING AND SATISFACTION OF THE REQUIREMENTS OF SUBDIVISION SIX OF THIS SECTION.

15. APPLICATIONS. (A) THE APPLICATION WITH RESPECT TO ANY ELIGIBLE MULTIPLE DWELLING SHALL BE FILED WITH THE AGENCY NOT LATER THAN ONE YEAR AFTER THE COMPLETION DATE OF SUCH ELIGIBLE MULTIPLE DWELLING.

(B) NOTWITHSTANDING THE PROVISIONS OF ANY GENERAL, SPECIAL OR LOCAL LAW TO THE CONTRARY, THE AGENCY MAY REQUIRE BY RULE THAT APPLICATIONS BE FILED ELECTRONICALLY.

(C) THE AGENCY MAY RELY ON CERTIFICATION BY AN ARCHITECT OR ENGINEER SUBMITTED BY AN APPLICANT IN CONNECTION WITH THE FILING OF AN APPLICATION. A FALSE CERTIFICATION BY SUCH ARCHITECT OR ENGINEER SHALL BE DEEMED TO BE PROFESSIONAL MISCONDUCT PURSUANT TO SECTION SIXTY-FIVE HUNDRED NINE OF THE EDUCATION LAW. ANY LICENSEE FOUND GUILTY OF SUCH MISCONDUCT UNDER THE PROCEDURES PRESCRIBED IN SECTION SIXTY-FIVE HUNDRED TEN OF THE EDUCATION LAW SHALL BE SUBJECT TO THE PENALTIES PRESCRIBED IN SECTION SIXTY-FIVE HUNDRED ELEVEN OF THE EDUCATION LAW, AND SHALL THEREAFTER BE INELIGIBLE TO SUBMIT A CERTIFICATION PURSUANT TO THIS SECTION.

16. FILING FEE. THE AGENCY MAY REQUIRE A FILING FEE OF THREE THOUSAND DOLLARS PER DWELLING UNIT IN CONNECTION WITH ANY APPLICATION. HOWEVER, THE AGENCY MAY PROMULGATE RULES IMPOSING A LESSER FEE FOR ELIGIBLE SITES CONTAINING ELIGIBLE MULTIPLE DWELLINGS CONSTRUCTED WITH THE SUBSTANTIAL ASSISTANCE OF GRANTS, LOANS OR SUBSIDIES PROVIDED BY A FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCY OR INSTRUMENTALITY PURSUANT TO A PROGRAM FOR THE DEVELOPMENT OF AFFORDABLE HOUSING.

17. RULES. THE AGENCY MAY PROMULGATE ANY NECESSARY RULES TO CARRY OUT THE PROVISIONS OF THIS SECTION.

18. ELECTION. NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE CONTRARY, A RENTAL PROJECT OR HOMEOWNERSHIP PROJECT WITH A COMMENCEMENT DATE ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND FIFTEEN THAT HAS NOT RECEIVED BENEFITS PURSUANT TO SECTION 421-A OF THE REAL PROPERTY TAX LAW MAY ELECT TO COMPLY WITH THIS SECTION AND RECEIVE 421-AA BENEFITS PURSUANT TO THIS SECTION.

S 5. Paragraph (c) of subdivision 13 of section 421-a of the real property tax law, as added by chapter 15 of the laws of 2008, is amended to read as follows:

1 (c) With respect to any multiple dwelling in a UDC Large Scale Project
2 that meets the requirements of paragraph (c) of subdivision seven of
3 this section, the period of tax benefits awarded to such multiple dwell-
4 ing shall be the same as the period of tax benefits awarded under clause
5 (A) of subparagraph (iii) of paragraph (a) of subdivision two of this
6 section. With respect to any multiple dwelling in a UDC Large Scale
7 Project that does not meet the requirements of paragraph (c) of subdivi-
8 sion seven of this section, the period of tax benefits awarded to such
9 multiple dwelling shall be the same as the period of tax benefits
10 awarded under clause (A) of subparagraph (ii) of paragraph (a) of subdivi-
11 sion two of this section AND THE PROVISIONS OF SUBDIVISION NINE OF
12 THIS SECTION SHALL NOT APPLY. The tax benefits awarded to any multiple
13 dwelling in a UDC Large Scale Project shall commence upon the commence-
14 ment of construction of such multiple dwelling, provided, however, that
15 such multiple dwelling meets all of the requirements for tax benefits
16 pursuant to this section. For each successive fifteen hundred units of a
17 UDC Large Scale Project, the local housing agency must certify the
18 completion of any affordable units, as defined in subparagraph (i) of
19 paragraph (a) of subdivision seven of this section, required to qualify
20 any multiple dwelling or multiple dwellings comprising such fifteen
21 hundred units for any tax benefits awarded pursuant to this paragraph.
22 The existence of such special certification requirement and its finan-
23 cial impact upon all units, including, but not limited to, revocation of
24 tax benefits awarded pursuant to this paragraph if such special certif-
25 ication requirement is not met, shall be disclosed as a special risk in
26 any offering plan for any units in a UDC Large Scale Project.

27 S 6. Subdivision 13 of section 421-a of the real property tax law is
28 amended by adding two new paragraphs (e) and (f) to read as follows:

29 (E) "COMMENCEMENT DATE" SHALL MEAN, WITH RESPECT TO ANY BUILDING IN A
30 UDC LARGE SCALE PROJECT AND NOTWITHSTANDING ANY LOCAL LAW TO THE CONTRA-
31 RY, THE DATE UPON WHICH EXCAVATION AND CONSTRUCTION OF INITIAL FOOTINGS
32 AND FOUNDATIONS LAWFULLY BEGINS IN GOOD FAITH OR, FOR AN ELIGIBLE
33 CONVERSION, THE DATE UPON WHICH THE ACTUAL CONSTRUCTION OF THE CONVER-
34 SION, ALTERATION OR IMPROVEMENT OF THE PRE-EXISTING BUILDING OR STRUC-
35 TURE LAWFULLY BEGINS IN GOOD FAITH.

36 (F) ALL MULTIPLE DWELLINGS IN A UDC LARGE SCALE PROJECT SHALL BE
37 ELIGIBLE FOR EXEMPTION FROM TAXATION PURSUANT TO PARAGRAPH (C) OF THIS
38 SUBDIVISION AND TO THE EXTENT PERMITTED BY THIS SECTION, PROVIDED THAT:

39 (I) ANY MULTIPLE DWELLING IN A UDC LARGE SCALE PROJECT HAS A COMMENCE-
40 MENT DATE ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND FIFTEEN; AND

41 (II) ANY MULTIPLE DWELLING WITH A COMMENCEMENT DATE SUBSEQUENT TO DECEM-
42 BER THIRTY-FIRST, TWO THOUSAND FIFTEEN RECEIVES ITS FIRST TEMPORARY OR
43 PERMANENT CERTIFICATE OF OCCUPANCY COVERING ALL RESIDENTIAL AREAS ON OR
44 BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND THIRTY-FIVE.

45 S 7. Severability clause. If any clause, sentence, paragraph, subdivi-
46 sion, section or part of this act shall be adjudged by any court of
47 competent jurisdiction to be invalid, such judgment shall not affect,
48 impair, or invalidate the remainder thereof, but shall be confined in
49 its operation to the clause, sentence, paragraph, subdivision, section
50 or part thereof directly involved in the controversy in which such judg-
51 ment shall have been rendered. It is hereby declared to be the intent of
52 the legislature that this act would have been enacted even if such
53 invalid provisions had not been included herein.

54 S 8. This act shall take effect immediately and be deemed to have been
55 in full force and effect on and after January 1, 2016.