STATE OF NEW YORK

3238

2021-2022 Regular Sessions

IN SENATE

January 28, 2021

Introduced by Sen. SANDERS -- 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:

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

e. "Initial Construction Period." The period of time needed for the construction of a new multiple dwelling or the period of three years immediately following commencement of construction, whichever expires sooner, provided that construction must be completed upon the expiration of this period in order for such multiple dwelling to remain eligible for the exemption provided in this section.

f. "Extended Construction Period." The period of time immediately following the initial construction period needed to complete the construction of a new multiple dwelling or the period of three years, whichever expires sooner.

§ 2. Paragraph (a) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 288 of the laws of 1985, subparagraph (i), clause (A) of subparagraph (ii) and clause (A) of subparagraph (iii) as amended by chapter 4 of the laws of 2013, clause (E) of subparagraph (iii) as added by chapter 618 of the laws of 2007, subparagraph (iv) as added by chapter 832 of the laws of 1992, clause (A) of subparagraph (iv) as amended by section 63-a of part A of chapter 20 of the laws of 2015, is amended to read as follows:

(a) (i) **(A)** Within a city having a population of one million or more, new multiple dwellings, except hotels, shall be exempt from taxation for

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

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local purposes, other than assessments for local improvements, for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of **the initial** construction **period**, but not to exceed three such tax years, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during **the initial** construction [~~so long as used at the completion of construction for dwelling purposes~~] **period** for a period not to exceed ten years in the aggregate after the taxable status date immediately following the completion [~~thereof~~] **of the initial construction period and during the extended construction period if such period is needed**, as follows:

[~~(A)~~] **a.** except as otherwise provided herein there shall be full exemption from taxation during the [~~period of construction or the period of three years immediately following commencement of construction, whichever expires sooner~~] **initial construction period**, and for two years following such period;

[~~(B)~~] **b.** followed by two years of exemption from eighty [~~per cent~~] **percent** of such taxation;

[~~(C)~~] **c.** followed by two years of exemption from sixty [~~per cent~~] **percent** of such taxation;

[~~(D)~~] **d.** followed by two years of exemption from forty [~~per cent~~] **percent** of such taxation;

[~~(E)~~] **e.** followed by two years of exemption from twenty [~~per cent~~] **percent** of such taxation;

(B) Upon the completion of the initial construction period or extended construction period, if needed, the new multiple dwelling must be used for dwelling purposes.

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

CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

	Exemption
During **Initial** Construction	100%
Period (maximum three years)	
Following completion of [~~work~~] **the initial construction period**	
Year:	
1	100%
2	100
3	80
4	80
5	60
6	60
7	40
8	40
9	20
10	20

(ii) (A) Within a city having a population of one million or more the local housing agency may adopt rules and regulations providing that except in areas excluded by local law new multiple dwellings, except hotels, shall be exempt from taxation for local purposes, other than assessments for local improvements, for the tax year or years immediately following taxable status dates occurring subsequent to the commence-

ment and prior to the completion of **the initial** construction **period**, but not to exceed three such tax years, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during [~~such~~] **the initial** construction [~~so long as used at the completion of construction for dwelling purposes~~] **period, and during the extended construction period if such period is needed,** for a period not to exceed fifteen years in the aggregate, as follows:

a. except as otherwise provided herein there shall be full exemption from taxation during the period of construction or the [~~period of three years immediately following commencement of construction, whichever expires sooner~~] **initial construction period**, and for eleven years following such period;

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

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

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

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

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

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

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

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

(D) Upon the completion of the initial construction period or extended construction period, if needed, the new multiple dwelling must be used for dwelling purposes.

The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN MULTIPLE DWELLINGS

	Exemption
During **Initial** Construction	100%
Period (maximum three years)	
Following completion of [~~work~~] **the initial construction period**	
Year:	
1 through 11	100%
12	80
13	60
14	40
15	20

(iii) (A) Within a city having a population of one million or more the local housing agency may adopt rules and regulations providing that new multiple dwellings, except hotels, shall be exempt from taxation for local purposes, other than assessments for local improvements, for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of **the initial** construction **period**, but not to exceed three such tax years, and shall continue to be exempt from such taxation in tax years immediately following the taxable status date first occurring after the expiration of the exemption herein conferred during [~~such~~] **the initial** construction [~~so long as used at the completion of construction for dwelling purposes~~] **period, and during the extended construction period if such period is needed,** for a period not to exceed twenty-five years in the aggregate, provided that the area in which the project is situated is a neighborhood preservation program area as determined by the local housing agency as of June first, nineteen hundred eighty-five, or is a neighborhood preservation area as determined by the New York city planning commission as of June first, nineteen hundred eighty-five, or is an area that was eligible for mortgage insurance provided by the rehabilitation mortgage insurance corporation as of May first, nineteen hundred ninety-two or is an area receiving funding for a neighborhood preservation project pursuant to the neighborhood reinvestment corporation act (42 U.S.C. §§180 et seq.) as of June first, nineteen hundred eighty-five, as follows:

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

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

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

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

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

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

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

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

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

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

(E) Upon the completion of the initial construction period or extended construction period, if needed, the new multiple dwelling must be used for dwelling purposes.

The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN
MULTIPLE DWELLINGS

	Exemption
During **Initial** Construction **Period** (maximum three years)	100%
Following completion of [~~work~~] **the initial construction period**	
Year:	
1 through 21	100%
22	80
23	60
24	40
25	20

[~~(E)~~] **(F)** A new multiple dwelling that is situated in (1) a neighborhood preservation program area as determined by the department of housing preservation and development as of June first, nineteen hundred eighty-five, (2) a neighborhood preservation area as determined by the New York city planning commission as of June first, nineteen hundred eighty-five, (3) an area that was eligible for mortgage insurance provided by the rehabilitation mortgage insurance corporation as of May first, nineteen hundred ninety-two, or (4) an area receiving funding for a neighborhood preservation project pursuant to the neighborhood reinvestment corporation act (42 U.S.C. §§ 8101 et seq.) as of June first, nineteen hundred eighty-five, shall not be eligible for the benefits available pursuant to this subparagraph unless it complies with the provisions of subdivision seven of this section.

(iv) (A) Unless excluded by local law, in the city of New York, the benefits of this subparagraph shall be available in the borough of Manhattan for new multiple dwellings on tax lots now existing or hereafter created south of or adjacent to either side of one hundred tenth street that commence construction after July first, nineteen hundred ninety-two and on or before December thirty-first, two thousand fifteen provided, however, that such a multiple dwelling receives its first temporary or permanent certificate of occupancy covering all residential areas on or before December thirty-first, two thousand nineteen, and solely for purposes of determining whether this clause applies and notwithstanding any local law to the contrary, "commence" shall mean the date upon which excavation and construction of initial footings and foundations lawfully begins in good faith or, for an eligible conversion, the date upon which the actual construction of the conversion, alteration or improvement of the pre-existing building or structure lawfully begins in good faith, only if:

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

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

(B) Such new multiple dwellings, except hotels, shall be exempt from taxation for local purposes, other than assessments for local improvements for the tax year or years immediately following taxable status dates occurring subsequent to the commencement and prior to the completion of **the initial** construction **period**, but not to exceed three such tax years, and shall continue to be exempt from such taxation in tax years immediately following the taxable status dates first occurring after the expiration of the exemption herein conferred during [~~such~~] **the initial** construction [~~so long as used at the completion of construction for dwelling purposes~~] **period, and during the extended construction period if such period is needed,** for a period not to exceed twenty years in the aggregate, as follows:

a. except as otherwise provided herein, there shall be full exemption from taxation during the [~~period of construction or the period of three years immediately following commencement of construction, whichever expires sooner~~] **initial construction period**, and for twelve years following such period;

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

c. followed by two years of exemption from sixty percent of such taxation;

d. followed by two years of exemption from forty percent of such taxation;

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

(C) Upon the completion of the initial construction period or extended construction period, if needed, the new multiple dwelling must be used for dwelling purposes.

The following table shall illustrate the computation of the exemption:

CONSTRUCTION OF CERTAIN
MULTIPLE DWELLINGS

During [~~construction~~] **Initial Construction Period** (maximum three years)	Exemption 100%
Following completion of [~~work year~~] **the initial construction period**:	
Year	
1 through 12	100%
13-14	80%
15-16	60%
17-18	40%
19-20	20%

§ 3. Paragraph (g) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 995 of the laws of 1981, is amended to read as follows:

(g) [~~For~~] **Notwithstanding anything to the contrary contained in any other state or local law, for** purposes of this section**,** construction shall be deemed "commenced" [~~when excavation or alteration has begun in good faith on the basis of approved construction plans~~] **upon the date that, pursuant to any permit approved by a department of buildings: (i) a new metal or concrete structure that shall perform a load bearing function is installed as part of a foundation; (ii) at least one fully driven pile or caisson is installed; or (iii) the actual construction, alteration, or improvement of a pre-existing building or structure**

begins in a project that includes new residential construction and the concurrent conversion, alteration or improvement of a pre-existing building or structure. Provided, however, that with respect to subparagraphs (i), (ii) and (iii) of this paragraph, the construction of such multiple dwelling is completed without undue delay.

§ 4. The opening paragraph and subparagraph (iv) of paragraph a of subdivision 3 of section 421-a of the real property tax law, the opening paragraph as amended by section 63-g of part A of chapter 20 of the laws of 2015 and subparagraph (iv) as amended by chapter 703 of the laws of 1976 and such section as renumbered by chapter 110 of the laws of 1977, are amended to read as follows:

[~~Application forms for exemption under this section shall be filed with the assessors between February first and March fifteenth and, based on the certification of the local housing agency as herein provided, the assessors shall certify to the collecting officer the amount of taxes to be abated.~~] If there be in a city of one million population or more a department of housing preservation and development, the term "housing agency" shall mean only such department of housing preservation and development. [~~No such application shall be accepted by the assessors unless accompanied by a certificate of the local housing agency certifying the applicant's eligibility pursuant to subdivisions two and four of this section.~~] No [~~such~~] certification of eligibility for benefits pursuant to this section shall be issued by the local housing agency until such agency determines the initial adjusted monthly rent to be paid by tenants residing in rental dwelling units contained within the multiple dwelling and the comparative adjusted monthly rent that would have to be paid by such tenants if no tax exemption were applicable as provided by this section. The initial adjusted monthly rent will be certified by the local housing agency as the first rent for the subject dwelling units. A copy of such certification with respect to such units shall be attached by the applicant to the first effective lease or occupancy agreement. The initial adjusted monthly rent shall reflect the full tax exemption benefits as approved by the agency.

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

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

The local housing agency may promulgate rules and regulations to carry out the provisions of this section, not inconsistent with the provisions hereof, [~~and may require a reasonable filing fee in an amount provided by such rules and regulations~~] including, but not limited to, rules and

regulations relating to the filing fee authorized pursuant to paragraph b of subdivision four of this section.

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

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

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

(i) "Covered project." (A) A new building located within the Greenpoint - Williamsburg waterfront exclusion area, (B) two or more buildings which are part of one contiguous development entirely located within the Greenpoint - Williamsburg waterfront exclusion area, (C) two or more buildings which are located within the Greenpoint - Williamsburg waterfront exclusion area and are part of a single development parcel specifically identified in section [~~62-831~~] 62-931 of the local zoning resolution, or (D) where so authorized in writing by the local housing agency, one or more buildings located within the Greenpoint - Williamsburg waterfront exclusion area and one or more buildings located outside the Greenpoint - Williamsburg waterfront exclusion area but within Community District Number One in the borough of Brooklyn. The cumulative number of affordable units located outside the Greenpoint - Williamsburg waterfront exclusion area in all covered projects described in clause (D) of this subparagraph shall not exceed two hundred. A building located outside the Greenpoint - Williamsburg waterfront exclusion area which is part of a covered project described in clause (D) of this subparagraph shall not contain any affordable units with respect to which an application pending before a governmental entity on [~~the effective date of this subdivision~~] June twenty-first, two thousand five or a written agreement in effect on [~~the effective date of this subdivision~~] June twenty-first, two thousand five provided for the development of such affordable units.

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

(c) No benefits under section four hundred twenty-one-a of the real property tax law shall be conferred for any construction commenced on or after November twenty-ninth, nineteen hundred eighty-five of any multiple dwelling, or portion thereof, which is located within any district in the county of New York where a maximum base floor area ratio, as that term is defined in the zoning resolution, of fifteen or greater was permitted as of right by provisions of such resolution in effect on April fourteenth, nineteen hundred eighty-two; provided, however, that

this limitation on benefits shall not apply to any such construction commenced on or after October first, nineteen hundred ninety-three and before December [~~thirty-first~~] twenty-eighth, two thousand [~~seven~~] twenty-one.

§ 8. Subdivision 8 of section 421-a of the real property tax law, as amended by section 63-m of part A of chapter 20 of the laws of 2015, is amended to read as follows:

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

(i) "Applicant" means an applicant for benefits pursuant to this section, any successor to such applicant, or any employer of building service employees for such applicant, including, but not limited to, a property management company or contractor.

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

(iii) **"Construction employee" means a laborer, worker or mechanic in the employ of the contractor, subcontractor or other person doing or contracting to do the whole or a portion of the construction of a new multiple dwelling.**

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

(b) All building service employees employed by the applicant in a building whose construction commenced on or after December twenty-eighth, two thousand seven shall receive the applicable prevailing wage for the duration of benefits pursuant to this section. **Notwithstanding any general, special or local law, or judicial decision to the contrary, for the purposes of this section such construction which may involve the employment of laborers, workers or mechanics, except as provided in paragraph (d) of this subdivision, shall be deemed public work for the purposes of article eight of the labor law and all contracts and subcontracts which may involve the employment of laborers, workers or mechanics shall be enforceable under article eight of the labor law.**

(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 investigate or cause an investigation to be made to determine the prevailing wages for building service employees **and construction employees**; in making such investigation, the fiscal officer may utilize wage and fringe benefit data from various sources, including, but not limited to, data and determinations of federal, state or other governmental agencies;

(ii) to institute and conduct inspections at the site of the work or elsewhere;

(iii) to examine the books, documents and records pertaining to the wages paid to, and the hours of work performed by, building service employees;

(iv) 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;

(v) to make a classification by craft, trade or other generally recognized occupational category of the building service employees **and construction employees** and to determine whether such work has been performed by the building service employees **and construction employees** in such classification;

(vi) to require the applicant to file with the fiscal officer a record of the wages actually paid by such applicant to the building service employees **or construction employees** and of their hours of work;

(vii) to delegate any of the foregoing powers to his or her deputy or other authorized representative; and

(viii) 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 local housing agency.

(e) [~~Paragraph~~] **For building service employees, paragraph** (b) of this subdivision shall not be applicable to:

(i) projects containing less than fifty dwelling units; or

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

(f) **For construction employees, paragraph (b) of this subdivision shall not be applicable to:**

(i) projects containing less than eighty dwelling units; or

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

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

[~~(g)~~] **(h)** Solely for purposes of paragraph (b) of this subdivision, construction shall be deemed to have commenced [~~when excavation or alteration has begun in good faith on the basis of approved construction plans~~] **upon the date that, pursuant to any permit approved by a department of buildings, (i) a new metal or concrete structure that shall perform a load bearing function is installed as part of a foundation, (ii) at least one fully driven pile or caisson is installed, or (iii) the actual construction, alteration, or improvement of a pre-existing building or structure begins in a project that includes new residential construction and the concurrent conversion, alteration or improvement of a pre-existing building or structure. Provided, however, that with respect to subparagraphs (i), (ii) and (iii) of this paragraph, the construction of such multiple dwelling is completed without undue delay**.

[~~(h)~~] **(i)** The eligibility criteria for benefits contained in this subdivision shall be in addition to those contained in any other law or regulation.

§ 9. The New York city charter is amended by adding a new section 1807 to read as follows:

§ 1807. Additional floor area. Any program that allows for additional floor area in exchange for the creation of affordable housing shall require that thirty percent of any additional floor area generated by the program be used to provide affordable housing.

§ 10. The real property tax law is amended by adding a new section 421-p to read as follows:

§ 421-p. Exemption of certain private homes from local taxation. 1. For purposes of this section, the following terms shall have the following meanings:

(a) "Commence construction" shall mean that the agency or department of the city having jurisdiction has issued a permit for construction of a private home and such work has begun in good faith in accordance with such permit.

(b) "Complete construction" shall mean that the agency or department of the city having jurisdiction has issued a temporary or permanent certificate of occupancy for all residential areas of the private home.

(c) "Eligible project" shall mean a newly constructed private home, including both land and improvements, to be occupied as a residence for the first time, which commences construction on or after July first, two thousand twenty and on or before December thirty-first, two thousand twenty-four and completes construction no later than December thirty-first, two thousand twenty-six, and which is designed and occupied exclusively for residential purposes.

(d) "Exemption commencement date" shall mean the first taxable status date after the later to occur of the completion of such construction or the sale to the initial purchaser or, in the case of a private home in a condominium form of ownership, the first taxable status date after the later to occur of the completion of such construction or the sale to the first initial purchaser of a condominium dwelling unit in such private home.

(e) "Initial purchaser" shall mean the first purchaser of a newly constructed private home or, in the case of a private home in a condominium form of ownership, the first purchaser of each dwelling unit in such newly constructed private home.

(f) "Local housing agency" shall mean an "agency" as defined pursuant to section six hundred ninety-two of the general municipal law.

(g) "Purchase price" shall mean the actual purchase price to be paid for the private home by the initial purchaser.

(h) "Maximum purchase price" shall mean the purchase price of the private home which, if exceeded, will make any exemption hereunder unavailable.

(i) "Maximum exemption amount" shall mean the portion of the purchase price to be exempted from taxation of: (i) six hundred seventy-one thousand dollars in the case of a private home containing one dwelling unit, (ii) seven hundred fifty-five thousand five hundred forty dollars in the case of a private home containing two dwelling units, (iii) nine hundred fourteen thousand seven hundred fifty dollars in the case of a private home containing three dwelling units, and (iv) four hundred thousand dollars for each individual condominium unit in the case of condominium form of ownership in a private home. The maximum purchase prices provided in subparagraphs (i), (ii), (iii) and (iv) of this paragraph shall be the limit for the application of any exemption from taxation under this section. No exemption shall be available where the maximum purchase price exemption is in excess of nine hundred fifty thousand dollars for a one, two, or three family private home or four hundred thousand dollars for an individual condominium unit.

(j) "Multiple dwelling" shall mean a multiple dwelling within the meaning of section four of the multiple dwelling law.

(k) "Private home" shall mean an owner occupied private or multiple dwelling containing not more than three dwelling units, as indicated on the certificate of occupancy for such structure.

2. (a) Within a city having a population of one million or more, an eligible project shall be exempt from all local and municipal taxes, other than assessments for local improvements, during the tax year or years next following the exemption commencement date as follows: with respect to private homes containing less than four dwelling units, two years of exemption from all such taxes; followed by one year of exemption from seventy-five percent of such taxes; followed by one year of exemption from sixty-two and one-half percent of such taxes; followed by one year of exemption from fifty percent of such taxes; followed by one year of exemption from thirty-seven and one-half percent of such taxes; followed by one year of exemption from twenty-five percent of such taxes; and followed by one year of exemption from twelve and one-half percent of such taxes.

(b) Notwithstanding the provisions of paragraph (a) of this subdivision, exemption from local and municipal taxes under this section shall not be available to the tax lot (land and improvements) upon which a private home is constructed if any portion of such tax lot (land and improvements): (i) is exempt from local and municipal taxes under any other law; or (ii) contains a private home that exceeds the maximum purchase price or an individual condominium unit that exceeds a purchase price of four hundred thousand dollars.

(c) Notwithstanding the provisions of paragraph (a) of this subdivision, the tax lot (land and improvements) upon which the private home is constructed shall at all times be subject to local and municipal taxes in an amount not less than the amount of local and municipal taxes that would be payable thereon based upon the assessed valuation of the land appearing on the assessment roll in the first year after completion of construction.

3. (a) Based on the certification of the local housing agency pursuant to this section certifying eligibility for exemption pursuant to this section, the department of finance of the city of New York shall implement the amount of exemption from local and municipal taxes.

(b) The local housing agency may promulgate rules and regulations to carry out the provisions of this section and may require payment of a non-refundable filing fee in the amount of two hundred dollars per dwelling unit for each application for tax exemption pursuant to this section.

(c) Upon a finding by the local housing agency or by another agency designated by such local housing agency that a private home is not being used for residential purposes, is the subject of a violation for an illegal occupancy, or not owner occupied, exemption from taxation under this section shall be revoked and shall terminate prospectively; provided, however, that in the case of an illegal occupancy, the owner shall repay all taxes, with interest, from which such private home was exempted and such amount, if unpaid, shall become a tax lien against the property.

§ 11. This act shall take effect immediately.