§ 421-m. Exemption of certain new or substantially rehabilitated multiple dwellings from local taxation. 1. (a) A city, town or village may, by local law, provide for the exemption of multiple dwellings constructed or substantially rehabilitated in a benefit area designated in such local law from taxation and special ad valorem levies, but not special assessments, as provided in this section. Subsequent to the adoption of such a local law, any other municipal corporation in which the designated benefit area is located may likewise exempt such property from its taxation and special ad valorem levies by local law, or in the case of a school district, by resolution.

(b) As used in this section, the term "benefit area" means the area within a city, town or village, designated by local law, to which an exemption, established pursuant to this section, applies.

(c) The term "substantial rehabilitation" means all work necessary to bring a property into compliance with all applicable laws and regulations including but not limited to the installation, replacement or repair of heating, plumbing, electrical and related systems and the elimination of all hazardous and immediately hazardous violations in the structure in accordance with state and local laws and regulations of state and local agencies. Substantial rehabilitation may also include reconstruction or work to improve the habitability or prolong the useful life of the property; provided substantial rehabilitation shall not include ordinary maintenance or repair.

(d) The term "multiple dwelling" means a dwelling, other than a hotel, which is to be occupied or is occupied as the residence or home of three or more families living independently of one another, whether such dwelling is rented or owned as a cooperative or condominium.

2. (a) Eligible new or substantially rehabilitated multiple dwellings in a designated benefit area shall be exempt according to the following schedule:

CONSTRUCTION OR SUBSTANTIAL REHABILITATION OF CERTAIN MULTIPLE DWELLINGS

During construction or substantial rehabilitation (maximum three years)	Exemption 100%
Following completion of work year:	

1 through 12	100%
13-14	80%
15-16	60%
17-18	40%
19-20	20%

(b) Provided that taxes shall be paid during any such period at least in the amount of the taxes paid on such land and any improvements thereon during the tax year preceding the commencement of such exemption. Provided further that no other exemption may be granted concurrently to the same improvements under any other section of law.

3. To be eligible for exemption under this section:

(a) Such construction or substantial rehabilitation shall take place on vacant, predominantly vacant or under-utilized land, or on land improved with a non-conforming use or on land containing one or more substandard or structurally unsound dwellings, or a dwelling that has been certified as unsanitary by the local health agency.

(b) Such construction or substantial rehabilitation was commenced on or after the effective date of the local law, ordinance or resolution described in subdivision one of this section, but no later than June fifteenth, two thousand nineteen.

(c) At least twenty percent of the units shall be affordable to individuals or families of low and moderate income whose incomes at the time of initial occupancy do not exceed ninety percent of the area median income adjusted for family size and the individual or family shall pay in rent or monthly carrying charges no more than thirty percent of their adjusted gross income as reported in their federal income tax return, or would be reported if such return were required, less such personal exemptions and deductions and medical expenses as are actually taken by the taxpayer, as verified according to procedures established by the state division of housing and community renewal. Such procedures shall be published through notice in the state register without further action required for the promulgation of regulations pursuant to the state administrative procedure act.

(d) Such construction or substantial rehabilitation is carried out with the assistance of grants, loans or subsidies for the construction or substantial rehabilitation of affordable housing from any federal,

state or local agency or instrumentality thereof.

4. Application for exemption under this section shall be made on a form prescribed by the commissioner and filed with the assessor on or before the applicable taxable status date.

5. In the case of property which is used partially as a multiple dwelling and partially for commercial or other purposes, the property shall be eligible for the exemption authorized by this section if:

(a) The square footage of the portion used as a multiple dwelling represents at least fifty percent of the square footage of the entire property;

(b) At least twenty percent of the units are affordable to individuals or families of low and moderate income, as determined according to the criteria set forth in paragraph (c) of subdivision three of this section; and

(c) The requirements of this section are otherwise satisfied with respect to the portion of the property used as a multiple dwelling.

6. The exemption authorized by this section shall not be available in a jurisdiction to which the provisions of section four hundred twenty-one-a or four hundred twenty-one-c of this article are applicable.

7. A city, town or village providing an exemption pursuant to the authority of this section shall develop an income monitoring and compliance plan to meet the criteria of paragraph (c) of subdivision three of this section and such plan shall be reviewed, evaluated and approved by the state division of housing and community renewal as a condition of providing such exemption. Such plan shall include an annual certification that the multiple dwelling receiving an exemption meets the requirements of this section. Such certification shall be provided to the assessor and the state division of housing and community renewal. If such requirements are not met, then the multiple dwelling shall not qualify for the exemption in that year.