

NOTICE OF ADOPTION OF RULES GOVERNING TAX EXEMPTION UNDER §421-a OF THE REAL PROPERTY TAX LAW OF THE STATE OF NEW YORK

Notice is hereby given that pursuant to the authority vested in the Commissioner of the Department of Housing Preservation and Development by §1802 of the New York City Charter and Section 421-a of the Real Property Tax Law ("421-a Program"), and in accordance with the requirements of §1043 of the New York City Charter, the Department of Housing Preservation and Development is amending its rules governing the 421-a Program.

A public hearing was held on October 4, 2013.

Material to be added is underlined. Material to be deleted is in [brackets].

Section 1. Subdivision (c) of Section 6-01 of Chapter 6 of Title 28 of the Rules of the City of New York is amended by adding a new definition of "Covered Project" to read as follows:

Covered Project. "Covered Project" shall mean a "covered project" as defined in subparagraph (i) of paragraph (a) of subdivision six of §421-a of the Real Property Tax Law. For purposes of clause (B) of such subparagraph, two or more buildings shall be considered part of one contiguous development if such buildings are located on tax lots existing on or after June 21, 2005 that (1) are adjacent for at least ten linear feet, or (2) but for the intervention of streets, sidewalks or street intersections, would be adjacent for at least ten linear feet. All tax lots apportioned from such tax lots shall be deemed part of one contiguous development.

Statement of Basis and Purpose of Rule

Real Property Tax Law §421-a provides a real property tax exemption for new multiple dwellings. HPD determines eligibility for §421-a real property tax exemptions. HPD is amending Chapter 6 of Title 28 of the Rules of the City of New York (the "421-a Rules") in order to clarify the requirements for obtaining §421-a benefits in the Greenpoint-Williamsburg Waterfront Exclusion Area, whose boundaries are spelled out in Real Property Tax Law §421-a(6)(a)(ii). Real Property Tax Law §421-a(6) limits benefits in the Greenpoint-Williamsburg Waterfront Exclusion Area to "covered projects" as defined in Real Property Tax Law §421-a(6)(a)(i) that meet the affordability requirements specified by Real Property Tax Law §421-a(6)(b) (20% of the dwelling units at or below 80% of AMI or 10% at or below 80% AMI plus an additional 15% of the units at or below 125% of AMI). The rule amendment clarifies the requirements for one type of covered project that would be eligible for benefits in this area if it meets the prescribed affordability requirements. Buildings located on tax lots existing on or after June 21, 2005, the effective date of Real Property Tax Law §421-a(6), can be considered one contiguous development, which constitutes one of the potential types of covered projects, even if their buildings are separated by streets, sidewalks or street intersections, provided that they otherwise would be adjacent for at least ten linear feet. All tax lots apportioned from such tax lots shall be deemed part of one contiguous development.

March 26, 2014