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**Office of Development**

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## **421-a Online Application: Frequently Asked Questions (FAQ)**

### **Important References:**

- If your project commenced construction after June 30, 2008, it will be subject to the new 421-a statutory requirements described in the 421-a Legislation Overview (<http://www.nyc.gov/html/hpd/downloads/pdf/421a-FAQ.pdf>). Although that document includes useful, general information about the new 421-a provisions, it is important to rely only upon the actual text of the applicable statutes and rules and to consult with an attorney as to their meaning.
- In addition, HPD implemented new rules for the 421-a program in June 2008, which you may access at <http://24.97.137.100/nyc/rcny/entered.htm> by selecting Title 28, Chapter 6.
- *The most recent FAQ for architects and professional engineers:*  
<http://www.nyc.gov/html/hpd/downloads/pdf/421a-faqs-061704.pdf> .

### **Online Filing Basics**

1. ***Why should I submit a 421-a application electronically instead of using the traditional paper forms? What is the difference between the two methods?***

HPD designed the 421-a Online Application with the goal of facilitating filing on your end, and processing on our end. You will notice, for example, that some of the paper application forms have been consolidated or eliminated in the Online Application. In other cases, supporting documentation you are required to submit for a paper application is not required for the Online Application. For us, the Online Application includes built-in checks facilitating faster processing. Our 421-a staff will use HPD and other City databases to verify a number of the items that are no longer necessary for submission when using the Online Application. Some innovative features of the Online Application include your ability to know immediately whether your proposed rents are approved and whether the property is site eligible. In addition, the online application will remind you of which supporting documents to submit to facilitate your submission of a complete application package.

Used correctly, the Online Application speeds up processing and reduces the time it takes to issue a preliminary certificate of eligibility.

2. ***I am unclear about the relationship between the paper application and the online application - Do I need to submit both?***

No. If you file online, you do not need to file a paper application simultaneously.

We encourage you to electronically re-file a previously submitted paper application, please remember to re-submit the surveys, the RP-604, Notification to the Community Board, and Appraisals. (You do not need to re-submit building plans if you have done so already.) Remember, you also need to print out the online application and submit it along with the documents mentioned in Question 6.

3. ***I noticed at the bottom of the 421-a Online Application homepage that it says “Please note that all 421-a applications submitted to HPD are subject to audit.” What does this mean?***

In order to ensure the integrity of the online certification process, some applications will be randomly audited prior to the issuance of the Preliminary Certificate of Eligibility. Applications selected for audit will go through a full review process. Therefore, it is possible that some of the new applications you are submitting online, and the applications that you are re-filing online that you previously submitted in paper form, will be selected for audit.

4. ***I think some of my 421-a applications are just too messy and complicated and may not be able to be handled by the online system. Am I better off submitting a traditional paper application?***

The 421-a Online Application has been designed and tested to handle a wide variety of 421-a submissions. Therefore, we strongly urge you to consider filing online. You always have the option to submit a paper application. Recognize, however, that a paper submission takes longer to process.

5. ***I have an unusual project and am unable to file my application online. What do I do?***

Please call the Online Help Desk at 212-863-5760 to ensure that your project cannot be filed online, which is more convenient and faster. If we confirm that the online application cannot accommodate the circumstances of your project, you may file a traditional paper application and note in your cover letter that it could not be filed electronically.

6. ***What do I do after I've transmitted my 421-a Online Application electronically?***

You must provide us with: (a) a printed final version of the application that you submitted electronically; (b) all documents on the application checklist, including, but not limited to: Owner Affidavit, Architect's/Engineer's Certification, Opinion of Counsel, and payment of fee (if not previously paid or if filing a rejected application).

7. ***What are my payment options?***

The initial \$100.00 filing fee can only be paid by certified check, money order, or bank check, and must be payable to the “NYC Commissioner of Finance.” Preliminary Certificate and Final Certificate fees can be paid in the same manner, or the applicant has the choice of doing an

Account Clearing House wire transfer (ACH). The instructions for completing a wire transfer are on the fee letter or bill. The wire transfer option can only be utilized for the preliminary and final application fees. We do not accept personal checks as a form of payment for any fees.

**8. *I received a checklist from HPD subsequent to filing my application. What does this mean?***

The 421-a staff began processing your application and determined that there were inconsistencies and/or missing data. You have 4 weeks from the date of the checklist to provide all of the necessary clarification and/or documentation to address the deficiencies listed on the checklist. If the checklist is extensive and will require corrections by the owner, attorney, and architect, you may consider re-filing electronically to address the deficiencies in the original submission.

**9. *I received a letter from HPD rejecting my application. What does this mean?***

The rejection letter explains that the 421-a program was unable to determine the eligibility of your application because there were deficiencies and/or inconsistencies that were not addressed completely and/or within the 4-week response time. You may re-file the application with the correct information by submitting a new online application under this docket number. A hard copy of your new application with the accompanying affidavits and documentation must be delivered to the 421-a Program along with a new \$100 non-refundable deposit towards the application fee.

## **Troubleshooting Online Filing Issues**

**10. *Can I submit a 421-a Online Application using a PC and a Mac? Can I use any version of Microsoft Windows with the Application? Can I use any internet browser with the Application?***

Currently submissions can only be made on a PC, on Microsoft Windows 2000 and higher (but not Vista), and on Microsoft Internet Explorer Version 6 or higher.

**11. *I logged into the 421-a application but the text is jumbled, how do I fix this?***

If the text appears jumbled, or like the letters are on top of one another, you may want to adjust the text size in your browser. In your Internet Explorer browser, go to the "View" menu and select "Text Size." If you select Medium or anything smaller, this problem should be fixed.

**12. *I've been entering a number of 421-a Online Applications over the past couple of months, how will recently released changes to the application affect my submission?***

Changes in functionality may affect applications entered but not yet submitted to HPD. After you log in, go to the Modify Application section and select your application. As you work your way from section to section, please review the information you previously entered to ensure that it is accurate. You may be prompted to modify the information you previously entered or you may be prompted to enter new information on particular screens due to enhancements in system functionality.

In addition, any modifications you make such as changes to square footage of the site, Commencement of Construction date, number of lots on the site, and aggregate floor area (AFA) of the new multiple dwelling, may affect site eligibility screens. Therefore, please update each site eligibility screen for each lot. If your project commenced construction after June 30, 2008, it will be subject to the new 421-a statutory requirements described in the 421-a Legislation Overview (<http://www.nyc.gov/html/hpd/downloads/pdf/421a-FAQ.pdf>).

**13. *What do I do if I see the message “Error has occurred. Please try again later” after entering in my 421-a Online Application?***

If you receive this message, there is a good chance there is an error in one or more of the entries you made during the course of completing your online application. You need to double-check your entries throughout the application and make sure you “save” or “update” once you complete all the required fields in each section of the application. Once you complete your application, print a draft copy for review by the owner/applicant, the architect, as well as the attorney. Once the information is verified, you may submit your application electronically. You may also save a copy of your final submission in the PDF format onto your desktop or personal folder.

If after checking your entries, you are still receiving the error message, call our Online Help Desk at 212-863-5760 and someone will assist you. So that the Online Help Desk representative can best troubleshoot the problem, be prepared to send him/her a screenshot of the error, the project sequence number of the application, and to provide a detailed explanation of the steps you took in filling out the online application and how you arrived at the error message. If the representative cannot troubleshoot your problem on the phone, he/she will escalate the issue to a supervisor and call you back with a solution.

**14. *I don’t see an error message, but I can’t proceed to the next step/screen or section in the online application. What do I do?***

Similar to the situation above, there is a good chance there is an error in one or more of the entries you made during the course of completing your online application. Most likely you did not complete or finalize the previous step. Make sure you hit “save” or “update” at every point possible. Make sure you have saved the information for each building or former lot if there are more than one.

**15. *When I print out the application, the bottom seems to get cut off. Is this a technical error? What should I do?***

This is not a technical error. We have extensively tested the Online Application and found that the forms and affidavits, which were designed to print on letter-size paper, print fine. You should check your printer settings. If you are still having difficulty, we suggest that you use Legal-size paper or shrink the text of the affidavit in Adobe Acrobat, so that the entire page prints out. (To shrink the text in Adobe, go to “File” – Print – Properties – Effects - % of Normal Size; change the number from 100 to a lower number.) Remember, every page must have a Project Sequence No. and indicate “Final” at the bottom. We will not accept the document if it does not contain these items.

**16. *Are there any requirements for the submission of building plans?***

Yes. Every page of the plans requires the signature of the architect, the architect's initials, the seal of the architect, and the date. Remember, the plans submitted must have been approved by the New York City Department of Buildings.

## **Online Assistance and Additional Information**

**17. *What do I do if I have questions about submitting a 421-a Online Application, need some assistance in the midst of completing one, or am experiencing technical issues?***

Feel free to call our 421-a Online Application support line at 212-863-5760, where a staff member will assist you. This extension is different than our Tax Incentive Programs Customer Service telephone number and is used exclusively for answering questions pertaining to the 421-a Online Application.

**18. *Where can I read about the 421-a Legislation passed by the City Council and State Legislature in late 2006 and 2007 as well as the new 421-a Rules?***

You can read the 421-a Legislation Overview at the HPD website (<http://www.nyc.gov/html/hpd/downloads/pdf/421a-FAQ.pdf>). Although that document includes useful, general information about the new 421-a provisions, it is important to rely only upon the actual text of the applicable statutes and rules and to consult with an attorney as to their meaning. In addition, HPD implemented new rules for the 421-a program in June 2008, which you may access at <http://24.97.137.100/nyc/rcny/entered.htm> by selecting Title 28, Chapter 6.

**19. *Where can I find the most recent FAQ for architects and professional engineers?***

Please visit HPD's website at <http://www.nyc.gov/html/hpd/downloads/pdf/421a-faqs-061704.pdf>.

**20. *What do I do if I am the owner of a Condo unit and want to know the status of or complete a 421-a online application?***

HPD can only provide an application status to the applicant or to the filing representative of record. Please contact the owner/applicant or their representative who is filing the application on behalf of the developer. (If you do not know who this individual is, ask the seller, who should be able to provide you with this person's contact information.)

## **Topic: Assessed Valuation**

### ***21. How do I read the Assessed Valuation printout?***

The New York City Department of Finance produces a Record Book History (ESHS) printout, which shows the tax class as well as the actual and transitional values of the land and the building for each fiscal year. You may need the AV data twice for your application, once to determine site eligibility (36 months prior to the Commencement of Construction) and a second time for purposes of rent calculation (12 months prior to the Commencement of Construction).

The ESHS printout contains 5 columns of information: (1) Fiscal Year of the Assessment; (2) Type of Assessment (Actual or Transitional); (3) Assessment of the Land; (4) Assessment of the Building; (5) Total Assessment (Assessment of the Building + Assessment of the Land).

- a. Determine the fiscal year of your project's construction start date. (Fiscal year refers to the 365 day New York City year for budget and tax purposes from July 1 through June 30. For example, both September 27, 2009 and February 25, 2010 fall in the fiscal year 2009/2010.) For 421-a purposes, the Operative Date is 3 fiscal years prior to your start date Fiscal Year. (For example, if your project commenced construction on April 23, 2006, the start date Fiscal Year is 2005/2006 and the Operative Year is Fiscal Year 2002/2003.
- b. Once you locate the appropriate year as described above, go to the second column and find the Actual Value. If the value of the building is less than or equal to \$2,000.00 on the Operative Date (36 months prior to the Commencement of Construction) then this lot is considered vacant.
- c. For purposes of rent calculation, you will need to use actual assessed values one fiscal year prior to the Commencement of Construction. Please remember to use the "Total" value, which includes the land and building value.

## **Topic: Commencement of Construction**

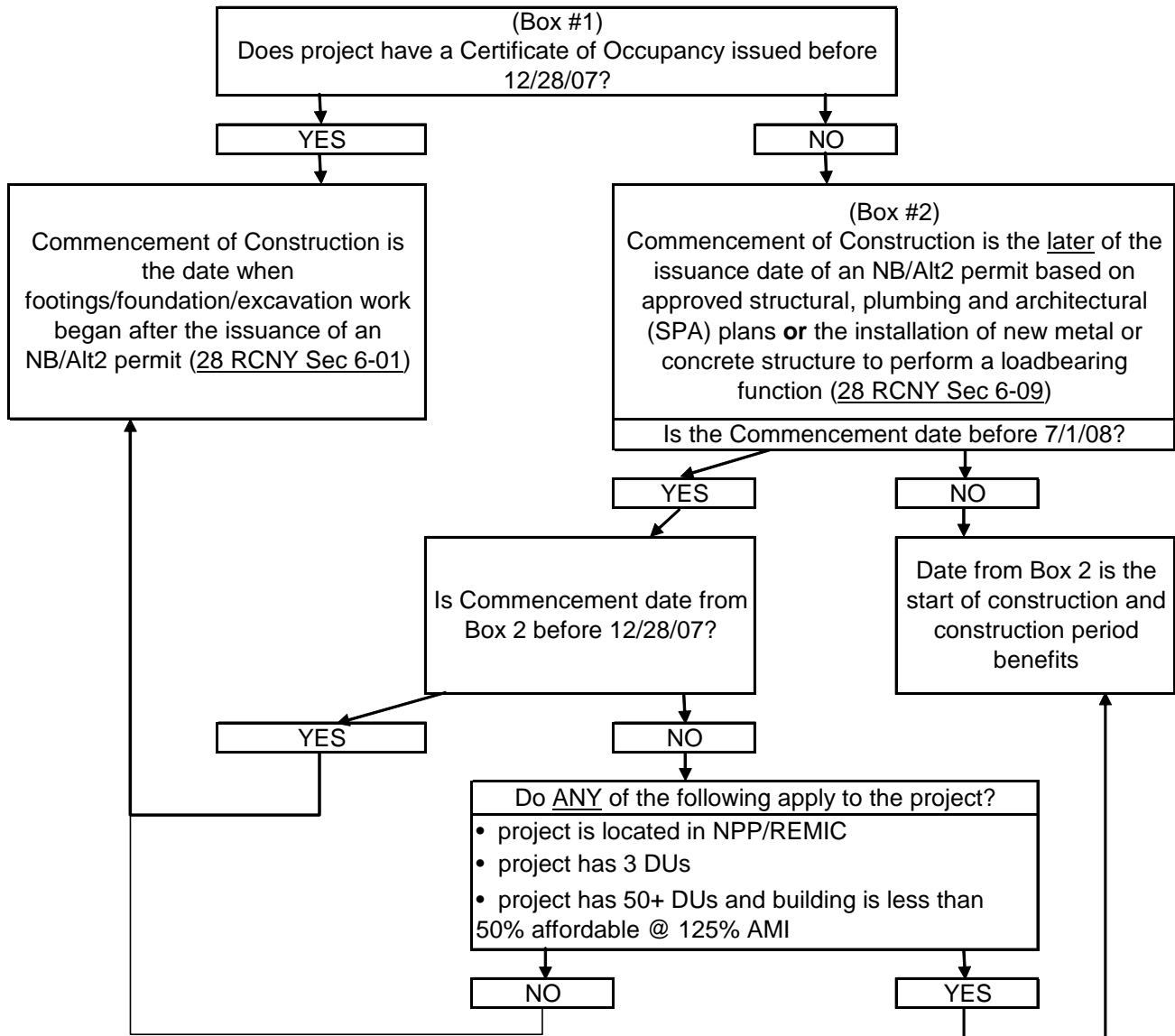
This section was taken from the 421-a Legislation Overview and FAQ, the link to which is referenced on page 1 of this document.

### ***22. How are the Commencement of Construction dates for my project determined for both applicability of the new provisions in the statute and rules as well as for determining the beginning of my construction period benefits for my project?***

The project must satisfy all statutory and regulatory requirements of 421-a in effect at the time of issuance of the Certificate of Eligibility in order to be eligible for benefits.

Only one Commencement of Construction date will be applied to each project and will be used for determining applicability of new statutes and rules as well as for determining the beginning of the construction period benefits.

The Commencement of Construction standard applied to projects is as follows:



**Topic: Improvements on the current lot**

23. *What does the term “improvement on the current lot” as used in the 421-a Online Application mean?*

Improvement generally means a structure permanently affixed to the land and includes buildings, fences, sheds, garage attendant’s booths, pier bulkheads, lighting fixtures, and similar items.

## **Topic: Lot Re-Appportionment**

24. *If a lot is merged or re-apportioned, the 421-a Online Application requires submission of the Request for Tentative Lot Numbers, issued by the Department of Finance (the “Form RP-604”). If the project involved multiple lot re-apportionments, how should the former, current, and tentative lots be represented on the Online Application?*

If a project involves or will involve multiple lot re-apportionments, all Forms RP-604 showing the changes in the lot configuration from the Operative Date (36 months prior to the Commencement of Construction) to the present must be submitted to HPD. In addition, if a project involves or will involve multiple lot re-apportionments, the applicant should list the “Current Lot” in Section 3A as the lot number appeared on the Operative Date. You may also facilitate your application by submitting a written narrative of the mergers and subdivisions as well as tax maps.

## **Topic: Appraisal**

25. *If the lot was purchased more than 2 years prior to the Commencement of Construction, the 421-a Online Application requires that the applicant submit an appraisal. What is the acceptable format for the appraisal?*

The appraisal should be for the as is market value of the vacant property. The appraisal should state the appraisal technique used to determine the value of the property. The appraisal should be signed and dated, and should include the company name, and the appraiser’s name, title, and license number. In addition, the appraisal’s effective date should be no more than 90 days before or 90 days after the Commencement of Construction.

## **Topic: CPA Certification of Actual Total Development Cost**

26. *The 421-a Application for Final Benefits requires submission of a CPA Certification of Actual Total Development Cost. What is the acceptable format of the CPA Certification?*

The CPA Certification of Actual Total Development Cost should contain the exact language and format as the HPD Sample Certification contained in the Final Application package. The CPA Certification should be signed by a certified public accountant and dated. The CPA Certification should include the company name and certified public accountant’s name, title, and license number. The CPA Certification must be notarized.

27. *What does the Actual Total Development Cost consist of?*

The Actual Total Development Cost consists of the cost of land acquisition, as determined by the purchase price or by an appraisal, the construction cost, builder’s/developer’s fee or profit, professional and other fees, marketing expenses, and financing and other charges. We have noticed that on many occasions CPAs do not include the land cost (through regular purchase or an appraisal) into the Total Development Cost. The purchase price of the land is a development cost and should be included.

## **Topic: Multiple Dwelling Registration**

**28. *How does an owner obtain a Multiple Dwelling Registration (“MDR”) number for a newly constructed Multiple Dwelling?***

The owner must request a Multiple Dwelling Registration number from the HPD Enforcement Services Office in the borough where the property is located. You may contact HPD Enforcement Services at the addresses and telephone numbers below:

- Manhattan: 560 West 133<sup>rd</sup> Street; (212)234-2541;
- Bronx: 1932 Arthur Avenue; (718) 579-6790;
- Brooklyn: 701 Euclid Avenue; (718) 827-1942);
- Brooklyn (alternate): 210 Joralemon Street, Room 806; (718) 802-3662;
- Queens: 120-55 Queens Boulevard, First Floor; (718) 286-0800;
- Staten Island: Staten Island Borough Hall; (718) 816-2340.

**29. *I have an MDR number from the Code Enforcement Borough Office, what else do I need to do to file my 421-a application?***

Once the property owner has received a MDR number, the property owner can register their property via HPD’s Online Property Registration Form. Please call (212) 863-7000 for more information, or visit: <http://www.nyc.gov/html/hpd/html/owners/property-reg-unit.shtml>.

Alternatively, the property owner can register the property at HPD’s Citywide Enforcement Services Unit, located at 100 Gold Street, Room 4C between the hours of 9:00 AM and 4:30 PM. For further information call 212-863-7000 or visit the website at [www.nyc.gov/hpd](http://www.nyc.gov/hpd).

**30. *The property owner registered the property with HPD’s Citywide Enforcement Services Unit and received the MDR registration number. Is this sufficient to file the 421-a Application for Final Benefits?***

No. The property is considered to be registered once the form is processed by HPD’s Citywide Enforcement Services Unit.

**31. *If the property owner registers the property with HPD’s Citywide Enforcement Services Unit and obtains a certified copy of the MDR application, is the property considered registered?***

Yes. If the property owner received a certified copy of the MDR application from HPD’s Citywide Enforcement Services Unit, the property is considered registered for 421-a purposes.

32. ***If the applicant listed on the 421-a application transferred property ownership to a cooperative or condominium board following the effective date of the cooperative or condominium plan, can the property owner be identified as the condominium or cooperative on the MDR registration form?***

Yes. The property owner can be identified as the condominium or cooperative on the MDR registration form if ownership was transferred from the sponsor to the cooperative or condominium board following the effective date of the cooperative or condominium plan.

33. ***If the MDR form contains errors, how can it be corrected?***

To correct an MDR form, the property owner must submit a revised MDR application to HPD's Citywide Enforcement Services Unit.

## **Topic: DHCR Rent Registration**

34. ***When should I register my building with DHCR?***

If a building has been issued a Temporary or Permanent Certificate of Occupancy that covers all residential space in the building, then the owner must register the building with DHCR.

35. ***What is the appropriate manner of registering an apartment occupied by a building owner, superintendent or building employee?***

On DHCR form "Initial Apartment Registration" ("Form RR(i)"), the applicant should select "Exempt" and "Owner Occupied/Employee" in the "Initial Apartment Registration Status" (Section 16b) for each applicable unit. On DHCR form "Initial Registration Summary" ("Form RR(ii)"), all units, including any units listed as "Exempt" on Form RR(i), must be included as "Stabilized/ETPA" in "Types of Units in Building" (Section 20).

36. ***The "Initial Apartment Registration" ("Form RR(i)") requests two different rents, the "Legal Regulated Rent" (Section 14) and the "Actual Rent Paid" (Section 14b). What rent amounts should the applicant enter?***

The "Legal Regulated Rent" (Section 14) for a unit must correspond to the maximum monthly rent submitted to and approved by HPD for the specific unit as part of the 421-a application. If the owner chooses to charge an actual rent lower than the Legal Regulated Rent entered in Section 14, they must enter this lower amount in the "Actual Rent Paid" (Section 14b).

37. ***How are the rents for an Affordable project that were set pursuant to a "regulatory agreement" entered on the Online Application?***

The rents for the affordable units and the superintendent unit (if applicable) should be identical to the rents listed in Appendix "C" of the regulatory agreement. However prior to entering the rents into the online application, the applicant should check with the issuing agency to ensure that the rent amounts have not been revised. If the rents were revised, the applicant should submit documentation from the issuing agency explaining the change and the reason for the

change. This documentation should be submitted to HPD upon submission of the Online Application.

38. ***I have previously registered with DHCR, but the information has changed. Will this delay the issuance of a certificate of eligibility?***

Yes. Inconsistencies between the project and how it is registered may result in a delay in the issuance of a certificate of eligibility.

39. ***Where do I find DHCR forms?***

They can be found at <https://www.dhcr.state.ny.us/Forms/Rent/>. Scroll down to “Initial Apartment Registration Forms: RR(i), RR2(i), and RR3(i)”

**TOPIC: PARKING & ACCESSORY SPACE**

40. ***My project includes parking and/or accessory space, where do I indicate this on the online application?***

Section 6A (Building Specifications) requires the applicant to enter the residential aggregate floor area as well as the non-residential and ineligible AFA on each floor of the building.

41. ***What if the parking and/or accessory space is not located within the building and/or on separate tax lots?***

If your project’s parking and accessory space is outside the building but n the same lot, please include a detailed explanation. As applicable you should specify:

[If applicable:]

\_\_\_\_\_ The parking is accessory to the residential portion of the building.

\_\_\_\_\_ The parking is located on site, but is in a separate building garage and is located no more than 23 feet above grade.

\_\_\_\_\_ The parking is located no more than 23’ above grade level (If located inside the New Multiple Dwelling).

\_\_\_\_\_ The parking is onsite but located outdoors.

\_\_\_\_\_ There are \_\_\_\_\_ parking spaces in the project, which are assigned tentative condominium lots \_\_\_\_\_ to \_\_\_\_\_ and are being offered for sale exclusively to residential owners. The number of parking spaces represented is correctly reflected in Schedule A of the condominium offering plan or the most recent amendment.

\_\_\_\_\_ There are \_\_\_\_\_ cabanas in the project, which are assigned tentative condominium lots \_\_\_\_\_ to \_\_\_\_\_ and are being offered for sale exclusively to residential owners. The number of cabanas represented is correctly reflected in Schedule A of the condominium offering plan or the most recent amendment.

\_\_\_\_\_ There are \_\_\_\_\_ roof terraces in the project, which are assigned tentative condominium lots \_\_\_\_\_ to \_\_\_\_\_ and are being offered for sale exclusively to residential owners. The number of roof terraces represented is correctly reflected in Schedule A of the condominium offering plan or the most recent amendment.

\_\_\_\_\_ There are \_\_\_\_\_ residential storage bins in the project, which are assigned tentative condominium lots \_\_\_\_\_ to \_\_\_\_\_ and are being offered for sale exclusively to residential owners. The number of storage bins represented is correctly reflected in Schedule A of the condominium offering plan or the most recent amendment.

**42. *Does the architect need to certify the parking and accessory residential space?***

Yes. The architect's parking/accessory space affidavit should be signed and sealed or notarized.