

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Notice of Adoption of Amendments to 421-a Rules

Notice is hereby given that pursuant to the authority vested in the Commissioner of the Department of Housing Preservation and Development by Section 1802 of the City Charter and Section 421-a of the New York State Real Property Tax Law, and in accordance with the requirements of Section 1043 of the New York City Charter, the Department of Housing Preservation and Development is amending chapter 6 to Title 28 of the Rules of the City of New York regarding the filing deadline for RPTL Section 421-a Final Certificates of Eligibility.

A notice of proposed rulemaking was published in the City Record on April 24, 2017. Another notice was published in the City Record on May 26, 2017 to reschedule the public hearing. A public hearing was held on June 6, 2017.

Statement of Basis and Purpose

New York State Real Property Tax Law §421-a provides real property tax exemptions for eligible, new multiple dwellings (“421-a benefits”). HPD determines eligibility for §421-a real property tax exemptions within the City of New York. Projects that commenced construction on or before December 31, 2015 may submit an application for a Preliminary Certificate of Eligibility (“PCE”), which would entitle them to up to three years of construction period benefits, and an application for a Final Certificate of Eligibility (“FCE”), which grants between 10 and 25 years of post-construction benefits.

The PCE application must be filed for both rental and homeownership projects after the commencement but before the completion of construction; the FCE application must be filed prior to occupancy of a rental project, but no earlier than the PCE application date. For homeownership projects, the FCE application must be filed prior to the first taxable status date following completion of construction. After HPD grants a PCE or FCE to a project, the project must file these documents with the City Department of Finance to implement the benefit.

Summary of the Adopted Amendment

The amendment gives HPD retroactive authority to exempt projects that already have a PCE and are receiving 421-a benefits from the FCE application filing deadline. This relieves affected properties of the burden of a timely filing of an FCE application in order to comply with the requirements of the 421-a program.

HPD’s authority for these rules is found in section 1802 of the New York City Charter and section 421-a of the New York State Real Property Tax Law.

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

New material is underlined. Deleted material is in [brackets].

Section 1. Paragraph (2) of subdivision (d) of section 6-05 of chapter 6 of Title 28 of the Rules of the City of New York is amended by adding a new subparagraph (iv), to read as follows:

(iv) Notwithstanding the provisions contained in subparagraphs (i) through (iii) of this paragraph, the deadlines for filing an application for a Final Certificate of Eligibility shall not apply to any property for which the Department issued a Preliminary Certificate of Eligibility and which has received tax benefits pursuant to the Act on or after January 1, 1990.