



Policy Committee

May 2, 2024
At 9:00 a.m.

ECIDA Offices
95 Perry Street, 4th Floor Conference Room
Buffalo, New York 14203

1. Call Meeting to Order
2. Approval of the April 4, 2024 Policy Committee Meeting Minutes (Pages)
3. Project Presentation (Staff – Company Q&A)
 - a) (None)
4. Compliance Matter
 - a) (None)
5. Adaptive Resue Discussion
 - a) Housing Background Discussion (Pages 6-7)
6. Review of New State Affordable Housing Program (Pages 8-18)
7. Adjournment - Next Meeting June 6, 2024 at 9:00 a.m.

**MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

DATE AND PLACE: April 4, 2024 at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, A.J. Baynes, Rev. Mark Blue, Zachary Evans, Richard Lipsitz, Dr. Susan McCartney, Brenda W. McDuffie, Hon. Glenn Nellis, and Lavon Stephens

EXCUSED: Hon. April Baskin, Hon. Byron W. Brown, Laura Smith¹, David J. State and Paul Vukelic

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Soma Hawramee, Compliance Portfolio Manager, Michelle Moore, Compliance Associate; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/ Assistant Secretary; Robert G. Murray, Esq., Andrew Pawenski, Esq., as General Counsel/Harris Beach PLLC and Elizabeth Hughes/Harris Beach PLLC

GUESTS: Rachel Heckl on behalf of 467 Richmond/REVPAC

There being a quorum present at 9:00 a.m., the Meeting of the Policy Committee was called to order by Chair McDuffie.

MINUTES

The minutes of the March 7, 2024 Policy Committee meeting were presented. Upon motion made by Ms. McDuffie to approve of the minutes, and seconded by Mr. Blue, the Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency's Project Matrix. Mr. Lipsitz directed that the report be received and filed.

¹ Ms. Smith participated via telephone conference call, however, she did not count for quorum purposes and is not considered present or eligible for purposes of voting on any action items.

COMPLIANCE MATTERS

467 Richmond Avenue LLC/REVPAC. Mr. Cappellino reviewed the history of this project including its approval, its adaptive reuse strategy, the impact that the COVID-19 pandemic had on the project, the current status of the project, and the granting of additional time provided by the Policy Committee to the Company to obtain financing to complete its project and come into compliance with Agency financial assistance terms and conditions.

Ms. Hawramee provided additional background confirming the Company has received preliminary credit approval thus allowing it to complete construction work with final approval contingent on various due diligence matters.

Ms. Heckl spoke on behalf of the Company, providing additional background and confirming the Company is working on the last pieces of the due diligence being undertaken by the potential lender.

General discussion ensued. Ms. McDuffie asked for a timetable for the financing closing and construction start-up. Ms. Heckl reviewed the proposed tenant roll, and stated a financial closing within the next 30-60 days could allow for a summer construction start-up date with completion anticipated by the end of 2025.

Mr. Evans spoke in favor of the project expressing appreciation for the Company's perseverance through the Covid challenges and taking on a difficult rehabilitation project.

Mr. Lipsitz confirmed Mr. Evans statements but also noted ECIDA takes its financial obligations seriously to ensure that companies comply with terms and conditions allowing for receipt of IDA financial assistance, and the ECIDA must thoroughly and carefully consider each potential recapture situation.

At this point in time, Ms. Smith joined via tele-conference.

Mr. Lipsitz then requested the Company to provide an update to the Policy Committee at its June 6, 2024 meeting.

ADAPTIVE REUSE DISCUSSION

Mr. Cappellino reminded Policy Committee members of the objectives of this on-going discussion and presented a PowerPoint of same. Mr. Cappellino then reviewed current IDA "administrative" and board practices associated with approval of housing components associated with an adaptive re-use project and proposed a formalized tiered structure for a required and specified number of affordable housing/workforce housing units.

Mr. Baynes suggested adding a third tier of a 20% requirement for projects having 100 or more housing units.

General discussion ensued regarding the desire to have a mix of 1, 2 and 3 bedroom units, to allow for diversified occupancy of single people and families, to reflect the needs of working class people and families.

Mr. Cappellino then confirmed that IDA staff and counsel would begin to amend and revise the adaptive reuse policy consistent with the Policy Committee directions obtained over the last several months and present a draft proposal to the Policy Committee for additional review and discussion.

There being no further business to discuss, the meeting was adjourned at 10:00 a.m.

Dated: April 4, 2024

Elizabeth A. O'Keefe, Secretary

ADAPTIVE REUSE POLICY

Addendum #1

Applicability of the Adaptive Reuse Policy to an Adaptive Reuse Project consisting of or containing an element of, for rent residential housing

May __, 2024

Objective

Adaptive Reuse Projects consisting entirely of, or containing an element of, for-rent residential housing (hereinafter, collectively, an “Adaptive Reuse Housing Project”) continue to seek financial assistance from the Erie County Industrial Development Agency (the “Agency”). These project have successfully enabled the Agency to encourage the adaptive reuse of old and often blighted structures, being one of the primary purposes of the Agency’s Adaptive Reuse Policy. To help address the growing housing affordability and accessibility challenges faced by many Erie County residents, the Agency will now require Adaptive Reuse Housing Projects to include a certain number of, and potentially a mix of configurations of, workforce/affordable housing units meeting the criteria as herein described.

Key Definitions/Concepts

Adaptive Reuse Housing Project. An Adaptive Reuse Project consisting entirely of, or containing an element of, for-rent residential housing.

Area Median Income (“AMI”). The New York State Affordable Housing Corporation (“AHC”) publishes annually the Statewide and regional AMI, being a metric used to determine income eligibility for various housing assistance programs in New York. AMI is a number showing the middle-income level for a particular region. AMI is typically used to establish income limits that are then used to determine if a person or family can receive assistance with housing costs.

Workforce/Affordable Housing Rental Rate. For the purposes of this Addendum #1, the Agency defines a housing unit as “affordable” if the total housing costs do not exceed 30% of a household’s gross monthly income. The Workforce/Affordable Housing Rental Rate shall equal the product of (i) 30% and (ii) the 80% AMI figure (as identified in the AHC table for the year the application is submitted to the Agency, based on the number of occupants of a unit, where it is assumed a studio unit houses one person, a 1BR unit houses one person, a 2BR unit houses two people, and a 3 BR unit houses three people, and then dividing the product by 12.

Adaptive Reuse Housing Project Requirements

To qualify for Agency financial assistance, in addition to meeting the existing Adaptive Reuse Policy criteria, an Adaptive Reuse Housing Project must: (i) contain a certain number of units having rental rates affordable to individuals and families at the Workforce/Affordable Housing

Rental Rate and (ii) contain a mix of configurations (studio, 1BR, 2BR, 3BR) to meet housing needs for households of varying size based on a building’s internal infrastructure and related financing considerations.

The required number of workforce/affordable housing units for a project to qualify as an Adaptive Reuse Housing Project is as follows:

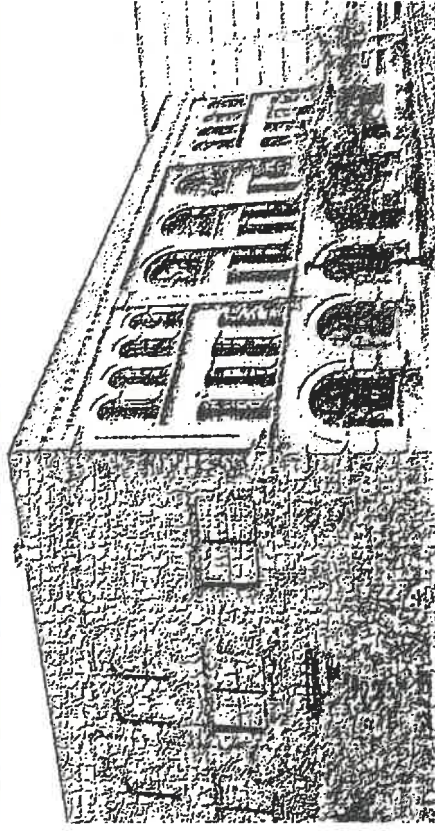
Total Number of Units	Number/Percentage of required Workforce/Affordable Units
1-10	At least one workforce/affordable unit
11 - 50	10%, with the required number to be determined by multiplying 10% by the total number of units and rounding the product up if the product contains a decimal of 0.5 or higher, and rounding the product down if the product contains a decimal of 0.4 or lower
51-100	15%, with the required number to be determined by multiplying 15% by the total number of units and rounding the product up if the product contains a decimal of 0.5 or higher, and rounding the product down if the product contains a decimal of 0.4 or lower
101 or more	20%, with the required number to be determined by multiplying 20% by the total number of units and rounding the product up if the product contains a decimal of 0.5 or higher, and rounding the product down if the product contains a decimal of 0.4 or lower

To determine the Workforce/Affordable Housing Rental Rate that must be charged for occupancy of each such workforce/affordable unit, the 80% AMI figure, based on the number of occupants of each such unit as herein described, must be identified using the AHC table for the year the application is submitted to the Agency. Then the Workforce/Affordable Housing Rental Rate must be calculated by multiplying the foregoing AMI figure by 30%. The product must then be divided by 12 to establish the per month Workforce/Affordable Housing Rental Rate for each required workforce/affordable unit.

Applicants will be required to certify and confirm, on an annual basis during the term of the Agency’s monitoring and compliance period (not to exceed the applicable time period being two years following project completion (certificate of occupancy issuance) or the term of the PILOT Agreement benefit period, or such other term as required by the Agency) that the project continues to meet the Adaptive Reuse Housing Project criteria and that the project meets the Workforce/Affordable Housing Rental Rate based upon annual AMI updates by the AHC.

Adaptive Reuse Working Group

May 2, 2024






2024 Affordable Housing Incentives 2024 Budget

- 3 new Programs
 - 485-x Replacement for 421-a Incentive Program, New York City
 - 421-p Mixed Use Affordable Housing Incentive Program
 - 421-pp 100% Affordable Housing Incentive Program
 - Budget also Included \$650 million for Pro-Housing Communities

2024 Affordable Housing Incentives 2024 Budget

- 485-x
 - Available in New York City
 - 40 - year tax abatement schedule
 - Starts at 90% to 60% abatement depending on location
 - 20% - 25% of units set aside for residents earning less than 80% AMI
 - Includes Rent Protection Measures
 - Construction Worker Wage Requirements



2024 Affordable Housing Incentives 2024 Budget

- 421-p Incentive Program
 - Statewide Program
 - Applies to New Construction or Conversion of Multiple Rental Units
 - 10 or more Units
 - Local Community Designate “benefit area” in which program applies
 - Cities, Town, Villages and School Districts need to opt in by local law or resolution to offer incentive
 - Application form is filed with the local assessor

2024 Affordable Housing Incentives 2024 Budget

- 421-p Incentive Program

- Housing must comprise at least 50% of project square footage
- New construction to take place on vacant, predominately vacant, underutilized or sites that have unsafe, unsanitary or non-conforming uses on them
- Exemption 100% during construction period up to 3 years
- 25-year exemption starts at 96% reducing 4% per year
 - Exemption on new value not existing taxes, can be applied to special district taxes
- Requires 25% of units be rented to individuals or families earning between 60% and 80% AMI adjusted by family size at time of rental

2024 Affordable Housing Incentives 2024 Budget

- 421-pp Incentive Program
 - Includes most of the same parameters and requirements of 421-p
 - All units to be affordable except 2 units to be set aside for building staff/manager
 - All units be rented to individuals or families earning between 60% and 80% AMI adjusted by family size at time of rental
 - Exemption 100% during construction period up to 3 years
 - Tax payments capped at 10% of the shelter rent income for 30 years

20 force and effect until the fifteenth anniversary of the date of first
21 issuance of deficit bonds or deficit notes pursuant to this act, when
22 upon such date the provisions of this act shall be deemed repealed; and
23 provided, however, that the state comptroller shall notify the legisla-
24 tive bill drafting commission upon the occurrence of this act in order
25 that the commission may maintain an accurate and timely effective data
26 base of the official text of the laws of the state of New York in furth-
27 erance of effectuating the provisions of section 44 of the legislative
28 law and section 70-b of the public officers law.

29

PART EE

30 Section 1. The real property tax law is amended by adding a new
31 section 421-p to read as follows:

32 § 421-p. Exemption of newly-constructed or converted rental multiple
33 dwelling. 1. (a) A city, town or village may, by local law, provide
34 for the exemption of rental multiple dwellings constructed or converted
35 in a benefit area designated in such local law from taxation and special
36 ad valorem levies, as provided in this section. Subsequent to the
37 adoption of such a local law, any other municipal corporation in which
38 the designated benefit area is located may likewise exempt such property
39 from its taxation and special ad valorem levies by local law, or in the
40 case of a school district, by resolution.

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

44 (c) The term "rental multiple dwelling" means a structure, other than
45 a hotel, consisting of ten or more dwelling units, where all of the
46 units are rented for residential purposes, and twenty-five percent of
47 such units, upon initial rental and upon each subsequent rental follow-
48 ing a vacancy during the benefit period, are affordable to and
49 restricted to occupancy by individuals or families whose household
50 income does not exceed a weighted average of no less than sixty percent
51 of the area median income and no more than eighty percent of the area
52 median income, adjusted for family size, at the time that such house-
53 holds initially occupy such dwelling units, provided further that all of
54 the income restricted units upon initial rental and upon each subsequent

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1 rental following a vacancy during the restriction period or extended
2 restriction period, as applicable, shall be affordable to and restricted
3 to occupancy by individuals or families whose household income does not
4 exceed one hundred percent of the area median income, adjusted for fami-
5 ly size, at the time that such households initially occupy such dwelling
6 units. Provided further, that any local law authorizing an exemption
7 pursuant to this section may provide for the area median income weighted
8 average within the amounts set forth in this paragraph. Such restriction
9 period shall be in effect coterminous with the benefit period, provided,
10 however, that the tenant or tenants in an income restricted dwelling
11 unit at the time such restriction period ends shall have the right to
12 lease renewals at the income restricted level until such time as such
13 tenant or tenants permanently vacate the dwelling unit.

14 2. Eligible newly-constructed or converted rental multiple dwellings
15 in a designated benefit area shall be wholly exempt from taxation while
16 under construction, subject to a maximum of three years. Such property
17 shall then be exempt for an additional period of twenty-five years,
18 provided, that the exemption percentage during such additional period of
19 twenty-five years shall begin at ninety-six percent and shall decrease
20 by four percent each year thereafter. Provided, however:

21 (a) Taxes shall be paid during the exemption period in an amount at
22 least equal to the taxes paid on such land and any improvements thereon
23 during the tax year preceding the commencement of such exemption.

24 (b) No other exemption may be granted concurrently to the same
25 improvements under any other section of law.

26 3. To be eligible for exemption under this section, any new
27 construction shall take place on vacant, predominantly vacant or underu-
28 tilized land, or on land improved with a non-conforming use or on land
29 containing one or more substandard or structurally unsound dwellings, or
30 a dwelling that has been certified as unsanitary by the local health
31 agency. The provisions of this subdivision shall not apply to any new

31 ~~agency. The provisions of this subdivision shall not apply to any new~~
32 ~~conversions undertaken pursuant to this section.~~

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

36 5. In the case of a newly constructed or converted property which is
37 used partially as a rental multiple dwelling and partially for commer-
38 cial or other purposes, the portion of the property that is used as a
39 rental multiple dwelling shall be eligible for the exemption authorized
40 by this section if:

41 (a) The square footage of the portion used as a rental multiple dwell-
42 ing represents at least fifty percent of the square footage of the
43 entire property;

44 (b) The rental units are affordable to individuals or families as
45 determined according to the criteria set forth in paragraph (c) of
46 subdivision one of this section; and

47 (c) The requirements of this section are otherwise satisfied with
48 respect to the portion of the property used as a rental multiple dwell-
49 ing.

50 6. (a) For the purposes of this subdivision, the following terms shall
51 have the following meanings:

52 (i) "Applicant" shall mean an applicant for the exemption authorized
53 by this section and/or any successor to such applicant.

54 (ii) "Covered building service employer" shall mean any applicant
55 and/or any employer of building service employees for such applicant

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1 including, but not limited to, a property management company or contrac-
2 tor.

3 (iii) "Building service employee" shall mean any person who is regu-
4 larly employed at, and performs work in connection with the care or
5 maintenance of, an eligible multiple dwelling, including, but not limit-
6 ed to, a watchman, guard, doorman, building cleaner, porter, handyman,
7 janitor, gardener, groundskeeper, elevator operator and starter, and
8 window cleaner, but not including persons regularly scheduled to work
9 fewer than eight hours per week at such eligible multiple dwelling.

10 (iv) "Fiscal officer" shall mean the commissioner of labor.

11 (v) "Eligible multiple dwelling" shall mean any newly-constructed or
12 converted rental multiple dwellings that receive benefits pursuant to
13 this section.

14 (b) All building service employees employed by the covered building
15 service employer at the eligible multiple dwelling shall receive the
16 applicable prevailing wage in accordance with article nine of the labor
17 law for the duration of the benefit period, regardless of whether such
18 benefits are revoked or terminated. Such applicable prevailing wage
19 shall in no case be lower than the prevailing wage provided to building
20 service employees for work performed within the respective county under
21 the collective bargaining agreement covering the largest number of hour-
22 ly building service employees employed at residential buildings within
23 such county in each job classification established by the commissioner
24 of labor. The commissioner of labor shall determine the applicable
25 prevailing wage rates and prevailing rate of fringe benefits for each
26 job classification consistent with the corresponding job classifications
27 covered by such collective bargaining agreements. To determine the
28 applicable supplement benefit rate, the commissioner of labor shall
29 identify the applicable hourly, weekly or monthly cost to an employer as
30 specified under the applicable collective bargaining agreement of
31 providing such supplements.

32 (c) (i) The fiscal officer shall have the power to enforce the
33 provisions of this subdivision. In enforcing such provisions, the fiscal
34 officer shall have the power: (A) to investigate or cause an investi-
35 gation to be made to determine the prevailing wages for building service
36 employees, and in making such investigation, the fiscal officer may
37 utilize wage and fringe benefit data from various sources, including,
38 but not limited to, data and determinations of federal, state or other
39 governmental agencies; provided, however, that the provision of a dwell-
40 ing unit shall not be considered wages or a fringe benefit; (B) to
41 institute and conduct inspections at the site of the work or elsewhere;
42 (C) to examine the books, documents and records pertaining to the wages
43 paid to, and the hours of work performed by, building service employees;

44 (D) to hold hearings and, in connection therewith, to issue subpoenas,
45 the enforcement of which shall be regulated by the civil practice law
46 and rules, administer oaths and examine witnesses; (E) to make a classi-
47 fication by craft, trade or other generally recognized occupational
48 category of the building service employees and to determine whether such
49 work has been performed by the building service employees in such clas-
50 sification; (F) to require the applicant to file with the fiscal officer
51 a record of the wages actually paid to the building service employees
52 and of their hours of work; (G) to delegate any of the foregoing powers
53 to such fiscal officer's deputy or other authorized representative; (H)
54 to promulgate rules as such fiscal officer shall consider necessary for
55 the proper execution of the duties, responsibilities and powers
56 conferred upon him or her by the provisions of this subdivision; and (I)

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1 to prescribe appropriate sanctions for failure to comply with the
2 provisions of this subdivision.
3 (ii) For each violation of paragraph (b) of this subdivision, the
4 fiscal officer may require the payment of:
5 (A) back wages and fringe benefits;
6 (B) liquidated damages up to three times the amount of the back wages
7 and fringe benefits for willful violations; and/or
8 (C) reasonable attorneys' fees. If the fiscal officer finds that the
9 applicant has failed to comply with the provisions of this subdivision,
10 such fiscal officer shall present evidence of such non-compliance to the
11 village, town, or city that enacted a local law pursuant to this
12 section, or to any municipal agency or entity identified in such local
13 law.
14 (d) Paragraph (b) of this subdivision shall not be applicable to: (i)
15 an eligible multiple dwelling containing less than thirty dwelling
16 units; or (ii) an eligible multiple dwelling whose new construction or
17 conversion is carried out with the substantial assistance of grants,
18 loans or subsidies provided by a federal, state or local governmental
19 agency or instrumentality pursuant to a program for the development of
20 affordable housing.
21 (e) The applicant shall submit a sworn affidavit with its application
22 certifying that it shall ensure compliance with the requirements of this
23 subdivision or is exempt in accordance with paragraph (d) of this subdivi-
24 vision. Upon the approval of the village, town, or city that enacted a
25 local law pursuant to this section, or of any municipal agency or entity
26 identified in such local law, of such application, the applicant who is
27 not exempt in accordance with paragraph (d) of this subdivision shall
28 submit annually a sworn affidavit to the fiscal officer certifying that
29 it shall ensure compliance with the requirements of this subdivision.
30 (f) The village, town, or city that enacted a local law pursuant to
31 this section, or any municipal agency or entity identified in such local
32 law shall annually publish a list of all eligible sites subject to the
33 requirements of this subdivision and the affidavits required pursuant to
34 paragraph (e) of this subdivision.
35 (g) If a covered building service employer has committed three
36 violations of the requirements of paragraph (b) of this subdivision with
37 respect to the same eligible multiple dwelling within a five-year peri-
38 od, the village, town, or city that enacted a local law pursuant to this
39 section, or any municipal agency or entity identified in such local law
40 may revoke any benefits associated with such eligible multiple dwelling
41 under this section. For purposes of this paragraph, a "violation" of
42 paragraph (b) of this subdivision will be deemed a finding by the fiscal
43 officer that a covered building service employer has failed to comply
44 with paragraph (b) of this subdivision and has failed to cure the defi-
45 ciency within three months of such finding. Provided, however, that
46 after a second such violation, the applicant shall be notified that any
47 further violation may result in the revocation of benefits under this
48 section and that the fiscal officer shall publish on its website a list
49 of all applicants with two violations as defined in this paragraph. If
50 benefits are terminated or revoked for failure to comply with this
51 subdivision all of the affordable housing units shall remain subject to
52 rent stabilization and all other requirements of this section for the
53 duration of the restriction period, regardless of whether such benefits
54 have been terminated or revoked.

55 7. The exemption authorized by this section shall not be available in
56 a city with a population of one million or more.

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1 8. Any recipient of the exemption authorized by this section or their
2 designee shall certify compliance with the provisions of this section
3 under penalty of perjury, at such time or times and in such manner as
4 may be prescribed in the local law adopted by the city, town or village
5 pursuant to paragraph (a) of subdivision one of this section, or by a
6 subsequent local law. Such city, town or village may establish such
7 procedures as it deems necessary for monitoring and enforcing compliance
8 of an eligible building with the provisions of this section.

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

11 § 421-pp. Exemption of newly converted or constructed fully income
12 restricted rental multiple dwellings. 1. (a) A city, town or village
13 may, by local law, provide for the exemption of rental multiple dwell-
14 ings constructed or converted in a benefit area designated in such local
15 law from taxation and special ad valorem levies, as provided in this
16 section. Subsequent to the adoption of such a local law, any other
17 municipal corporation in which the designated benefit area is located
18 may likewise exempt such property from its taxation and special ad valo-
19 rem levies by local law, or in the case of a school district, by resol-
20 ution.

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

24 (c) As used in this section, the term "rental multiple dwelling" means
25 a structure, other than a hotel, consisting of ten or more dwelling
26 units, where all but a maximum of two of the units are rented for resi-
27 dential purposes, and all of such units, upon initial rental and upon
28 each subsequent rental following a vacancy during the restriction period
29 or extended restriction period, as applicable, is affordable to and
30 restricted to occupancy by individuals or families whose household
31 income does not exceed a weighted average of no less than sixty percent
32 of the area median income and no more than eighty percent of the area
33 median income, adjusted for family size, at the time that such house-
34 holds initially occupy such dwelling units, provided further that all of
35 the income restricted units upon initial rental and upon each subsequent
36 rental following a vacancy during the restriction period or extended
37 restriction period, as applicable, shall be affordable to and restricted
38 to occupancy by individuals or families whose household income does not
39 exceed one hundred percent of the area median income, adjusted for fami-
40 ly size, at the time that such households initially occupy such dwelling
41 units. The two residential units that are not income restricted must be
42 occupied by superintendents, caretakers, managers or other employees to
43 whom the space is provided as part or all of their compensation without
44 payment of rent and who are employed for the purpose of rendering
45 services in connection with the premises of which the housing accommo-
46 modation is a part. In the event no unit is provided or rented to such an
47 employee, all units in the building must be income restricted pursuant
48 to this paragraph. Provided further that any local law authorizing an
49 exemption pursuant to this section may provide for the area median
50 income weighted average within the amounts set forth in this paragraph.
51 Such restriction period shall be in effect coterminous with the benefit
52 period, provided, however, that the tenant or tenants in an income
53 restricted dwelling unit at the time such restriction period ends shall
54 have the right to lease renewals at the income restricted level until
55 such time as such tenant or tenants permanently vacate the dwelling
56 unit.

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1 2. Eligible newly-constructed or converted rental multiple dwellings
2 in a designated benefit area shall be wholly exempt from taxation while
3 under construction, subject to a maximum of three years. Such property
4 shall then be exempt for an additional period of thirty years. Provided,
5 however:

6 (a) Taxes shall be paid during the exemption period in an amount to be
7 determined by the local law providing the exception pursuant to this
8 section, provided, however, that amount shall be no greater than ten per
9 centum of the shelter rent of the eligible rental multiple dwelling
10 exempted pursuant to this section.

11 (b) No other exemption may be granted concurrently to the same
12 improvements under any other section of law.

13 3. To be eligible for exemption under this section, any new
14 construction shall take place on vacant, predominantly vacant or underu-
15 tilized land, or on land improved with a non-conforming use or on land
16 containing one or more substandard or structurally unsound dwellings, or
17 a dwelling that has been certified as unsanitary by the local health
18 agency. The provisions of this subdivision shall not apply to any new
19 conversions undertaken pursuant to this section.

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

23 5. In the case of newly constructed property which is used partially
24 as a rental multiple dwelling and partially for commercial or other
25 purposes, the portion of the newly constructed property that is used as
26 a rental multiple dwelling shall be eligible for the exemption author-
27 ized by this section if:

28 (a) the square footage of the portion used as a rental multiple dwell-
29 ing represents at least fifty percent of the square footage of the
30 entire property;

31 (b) the rental units are affordable to individuals or families as
32 determined according to the criteria set forth in paragraph (c) of
33 subdivision one of this section; and

34 (c) the requirements of this section are otherwise satisfied with
35 respect to the portion of the property used as a rental multiple dwell-
36 ing.

37 6. The exemption authorized by this section shall not be available in
38 a city with a population of one million or more.

39 7. Any recipient of the exemption authorized by this section or their
40 designee shall certify compliance with the provisions of this section
41 under penalty of perjury, at such time or times and in such manner as
42 may be prescribed in the local law adopted by the city, town or village
43 pursuant to paragraph (a) of subdivision one of this section, or by a
44 subsequent local law. Such city, town or village may establish such
45 procedures as it deems necessary for monitoring and enforcing compliance
46 of an eligible building with the provisions of this section.

47 § 3. This act shall take effect immediately.

48 PART FF

49 Section 1. Paragraph 1 of subdivision d of section 6 of section 4 of
50 chapter 576 of the laws of 1974, constituting the emergency tenant
51 protection act of nineteen seventy-four, as amended by section 18 of
52 part Q of chapter 39 of the laws of 2019, is amended to read as follows:

53 (1) there has been a substantial modification or increase of dwelling
54 space, or installation of new equipment or improvements or new furniture

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1 or furnishings, provided in or to a tenant's housing accommodation, on
2 written informed tenant consent to the rent increase. In the case of a
3 vacant housing accommodation, tenant consent shall not be required. [~~The~~
4 ~~temporary~~] Except as provided in subparagraph (B) of this paragraph, the
5 increase in the legal regulated rent for the affected housing accommo-
6 dation shall be one-one hundred sixty-eighth, in the case of a building
7 with thirty-five or fewer housing accommodations or one-one hundred
8 eightieth in the case of a building with more than thirty-five housing
9 accommodations where such increase takes effect on or after the effec-
10 tive date of the chapter of the laws of two thousand nineteen that
11 amended this paragraph, of the total actual cost incurred by the land-
12 lord up to [~~fifteen thousand dollars~~] an amount set forth in this para-
13 graph in providing such reasonable and verifiable modification or
14 increase in dwelling space, furniture, furnishings, or equipment,
15 including the cost of installation but excluding finance charges and any
16 costs that exceed reasonable costs established by rules and regulations