

The New York State Department of Taxation and Finance

Andrew M. Cuomo - Governor Thomas H. Mattox - Commissioner

Assessor's Manual, Volume 4, Exemption Administration

Exemption Administration Manual - Part 2 Multiple Dwellings

Section 4.07 - PHFL Section 1106-h

Low-Income Turnkey/Enhanced Housing Trust Fund Program

PHFL Section 1106-h

Exemption Code(s):	Publicly owned property	38703
	Privately owned property	48743

Year Originally Enacted: 1988

Related Statutes: PHFL §45-a **SUMMARY:** If allowed by local option, rental property owned by certain corporations and organizations and used for low-income housing is (1) wholly or partially exempt from city, town, and village taxes levied on any increase in assessed value resulting from eligible improvements (see Eligibility Requirements below) and (2) eligible for abatement of all or part of city, town, and village taxes due after the exemption is determined. In addition, such property, depending on the local option exercised, is exempt from town special ad valorem levies and city, town, and village special assessments to the extent allowed by local option for tax exemption.

The exemption and abatement described here may be granted in addition to any other exemption or abatement authorized by law.

A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** The property must be owned by one of the following organizations:
 - a. A housing development fund company incorporated pursuant to PHFL Article 11.
 - b. A not-for-profit corporation or charitable organization that has as one of its primary purposes the improvement of housing for persons of low income, a wholly owned subsidiary of such a corporation or organization, or a partnership at least 50% of the controlling interest of which is held by such a corporation or organization and which has agreed to limit profits or rate of return of investors.
 - c. A municipality or municipal housing authority created pursuant to the Public Housing Law.
2. **Property Location Requirements:** Property must be located in an area that is experiencing a severe shortage of affordable housing for persons of low income.
3. **Property Use Requirements:** Prior to occupancy by the tenants described below, property must be (a) a vacant property that is converted or rehabilitated to residential rental use, (b) a newly constructed rental project or projects, or (c) a state-aided public housing project or projects where more than 30% of the units are vacant. The buildings rehabilitated or constructed must be small scale and low rise.

After rehabilitation or construction, the owner, to the extent economically feasible, must select and maintain a mix of the following types of tenants:

- a. At least 30% and no more than 70% of the tenants must be receiving benefits pursuant to Social Services Law 31-a (monthly public assistance payments) or are only able to afford rents no greater than those paid by persons receiving such benefits, provided, however, that of such tenants preference must be given to persons who have been referred from hotels, motels, or shelters operated by a social services district or are receiving payment directly or indirectly from such a

district, or any other philanthropic or charitable facility providing such accommodations.

- b. The remaining tenants must have incomes that do not exceed 80% of the median income for the metropolitan statistical area in which the property is located or, if the property is located outside such an area, 80% of the median income for the county in which the property is located.

See also Chart ID, PHFL § 1106-f, 1106-g.

4. **Certification by State or Local Government:** None required.

5. **Required Construction Start Date or Other Time Requirement:** None.

B. **LOCAL OPTION:** Yes -- Each city, town, and village in which the property is located may choose (1) whether or not to allow the exemption and (2) whether to allow exemption for all or part of the property. The option must be exercised through adoption of a local law. Such local law may also provide for the abatement of part or all of the property taxes payable, for such duration as is stated in the local law, if any property taxes remain to be paid after the exemption is determined.

C. **LIMITATION ON EXEMPTION:**

	General Municipal Taxes	School District Taxes	Special Ad Valorem Tax	Special Assessments
1. Amount	Yes*	No exemption allowed	Yes*	Yes*
2. Duration	Local option may limit**	No exemption allowed	No limit	No limit
3. Taxing Jurisdiction				
a. County or County Special Districts	Tax	NA	Tax	Tax
b. City	Ex***	NA	NA	Ex***
c. Town or Town Special District	Ex***	NA	Ex***	Ex***
d. Village	Ex***	NA	NA	Ex***
e. School District	NA	Tax	NA	NA

Ex-Exempt Tax-Taxable NA-Not Applicable

* Amount of exemption is limited to all or part of the increase in assessed value, of both land and improvements, attributable to the improvements. Amount of abatement may be limited by local option.

** Limitation applies to abatement but not to exemption.

*** If allowed by local option.

D. **PAYMENTS IN LIEU OF TAXES:** None required.

E. **CALCULATION OF EXEMPTION:**

1. **General Municipal and School District Taxes:** All or part of the increase in assessed value, of both land and improvements, attributable to the improvements.
2. **Special Ad Valorem Levies and Special Assessments:**

Town Special Ad Valorem Levies: See City, Town, and Village Taxes above.

City, Town, and Village Special Assessments: See City, Town, and Village Taxes above.

F. CODING OF EXEMPTION ON ASSESSMENT ROLL:

<u>Code</u>	<u>Description of Alternative Codes Possible</u>
38703	Publicly owned property
48743	Privately owned property

Assessment Roll Section(s): Taxable (ARLM Section 1).

NOTE: These codes should be used with exempt values only; they should not be used to identify any tax abatements on the property.

Also, these codes should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below. For coding of such property, see the Exemption Profile for the statute that applies.

G. FILING REQUIREMENTS (Owner or Occupant of Property): None.

H. REPORTING REQUIREMENTS (Assessor): None.

I. SIMILAR EXEMPTIONS: See [Chart IA](#) and Chart IB.

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Please send general questions or comments to Jerome McCall

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