

*The New York State*  
**Department of Taxation and Finance**

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

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## Assessor's Manual, Volume 4, Exemption Administration

### Exemption Administration Manual - Part 2 Multiple Dwellings

#### Section 4.07 - RPTL Section 421-e

#### Low-or Moderate-Income Housing Developed through Housing Trust Fund or Affordable Housing Development Program

#### RPTL Section 421-e

**Exemption Code(s):** 4198\_ **Year Originally Enacted:** 1985

**Related Statutes:** PHFL § §45-a, 45-b, 59-a, 59-b  
 PHFL Articles 18,19

**SUMMARY:** If allowed by local option, the following types of real property are wholly or partially exempt from taxation:

1. Property that is rehabilitated, converted, or newly constructed to provide housing for persons of low income and whose rehabilitation, conversion, or construction is financed under the Housing Trust Fund Program authorized by PHFL § §45-a, 59-a, and Article 18.
2. Property that is newly constructed to provide housing for persons of low or moderate income and whose construction is financed under the Affordable Housing Development Program authorized by PHFL § §45-b, 59-b, and Article 19.

Such property is, however, liable for special ad valorem levies and special assessments. The exemption is limited in duration to 20 years.

#### A. ELIGIBILITY REQUIREMENTS:

1. **Ownership Requirements:** In the case of a cooperative, condominium, or homestead developed under the Housing Trust Fund Program, the property must be owned by a person of low income. Rental property under this program must be owned by one of the following:
  - a. A person of low income.
  - b. A housing development fund company incorporated pursuant to PHFL Article 11.
  - c. 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.
  - d. A private developer which has agreed to limit profits or rate of return of investors.
  - e. A municipality or municipal housing authority created pursuant to the Public Housing Law. If the property is owned by a municipal housing authority it must not have been owned by the authority prior to July 1, 1986.

In the case of a cooperative, condominium, or one- to four-family dwelling developed under the Affordable Housing Development Program, the property must be owned by a person of low or moderate income.

2. **Property Location Requirements:** Property must be located in an area that is blighted, deteriorated, or

deteriorating, or has a blighting effect on the surrounding area, or is in danger of becoming a slum or blighted area.

**3. Property Use Requirements:**

Housing Developed under Housing Trust Fund Program: Property must be rehabilitated, converted, or new housing for persons of low income. The following types of property are eligible for exemption: (a) cooperatives and condominiums, (b) homesteads, defined as buildings that contain less than five dwelling units, have at least one owner occupant, and are not owned as cooperatives or condominiums, and (c) rental buildings. (See Chart ID, RPTL §421-e & PHFL Article 18, for the definition of low income.)

Housing Developed under Affordable Housing Development Program: Property must be newly constructed housing for persons of low or moderate income. The following types of property are eligible for exemption: (a) cooperatives and condominiums and (b) one- to four-family dwellings.

**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 may choose (1) whether or not to allow the exemption and (2) whether to allow fully or partially the exemption authorized by state law. This option must be exercised through adoption of a local law.

**C. LIMITATION ON EXEMPTION:**

	<b>General Municipal Taxes</b>	<b>School District Taxes</b>	<b>Special Ad Valorem Tax</b>	<b>Special Assessments</b>
<b>1. Amount</b>	Local option may limit	Local option may limit	No exemption allowed	No exemption allowed
<b>2. Duration</b>	20 years	20 years	No exemption allowed	No exemption allowed
<b>3. Taxing Jurisdiction</b>				
<b>a. County or County Special Districts</b>	Ex*	NA	Tax	Tax
<b>b. City</b>	Ex*	NA	NA	Tax
<b>c. Town or Town Special District</b>	Ex*	NA	Tax	Tax
<b>d. Village</b>	Ex*	NA	NA	Tax
<b>e. School District</b>	NA	Ex*	NA	NA
	<b>Ex-Exempt</b>	<b>Tax-Taxable</b>	<b>NA-Not Applicable</b>	

\* If allowed by local option.

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

**E. CALCULATION OF EXEMPTION:**

**1. General Municipal and School District Taxes:** % of assessed value allowed according to the following schedule or a lower percentage each year as determined by local option. The duration of the exemption is limited to 20 years after the taxable status date immediately following the completion of the housing

project.

<u>Year Following Project Completion</u>	<u>Percentage of Exemption</u>
1 - 12	100
13 - 14	80
15 - 16	60
17 - 18	40
19 - 20	20

The granting of this exemption is allowed in addition to any other exemption or abatement to which the property is entitled.

2. **Special Ad Valorem Levies and Special Assessments**: No exemption allowed.

F. **CODING OF EXEMPTION ON ASSESSMENT ROLL:**

Code      Description of Alternative Codes Possible

4198

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

**NOTE:** These codes should not be used to identify property that is exempt under any of the statutes listed under Similar Exemptions below.

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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