

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The Department of Housing Preservation and Development ("HPD") is proposing amendments to Chapter 6 of Title 28 of the Rules of the City of New York (the "421-a Rules") regarding the filing deadline for Final Certificates of Eligibility.

When and where is the Hearing? HPD will hold a public hearing on the proposed rules. The public hearing will take place from 11:00 AM to 12:30 PM on Monday, May 29, 2017. The hearing will be in HPD's offices at 100 Gold Street, 9th Floor, Room 9-P10, New York, New York 10038.

The location has the following accessibility options available: the building and hearing room are wheelchair accessible.

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to HPD through the NYC rules Web site at <http://rules.cityofnewyork.us>.
- **Email.** You can email written comments to rules@hpd.nyc.gov.
- **Mail.** You can mail written comments to Elaine R. Toribio, TIP Director, 100 Gold Street, Room 8-D09, New York, New York 10038.
- **Fax.** You can fax written comments to HPD, 212-863-5899, ATTN: Elaine R. Toribio.
- **Hearing.** You can speak at the public hearing. Anyone who wants to comment on the proposed rules at the public hearing must sign up to speak. You can sign up before the hearing by calling (212) 863-7698. You can also sign up in the hearing room before the hearing begins on May 29, 2017. You can speak for up to three minutes.

Is there a deadline to submit written comments? All written comments must be submitted before the close of business on May 29, 2017.

What if I need assistance to participate in the Hearing? If you need a sign language interpreter or other reasonable accommodation of a disability at the Hearing, you must tell us no later than May 15, 2017 either by email at accessibility@hpd.nyc.gov, by telephone at 212-863-7698, or by mail at the address given above.

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at <http://rules.cityofnewyork.us/>. A few days after the hearing, copies of all comments submitted online, copies of all written comments, and an audiotape of oral comments concerning the proposed rules will be available

to the public at 421-a Customer Service Conference Room No. 8-CO9, 8th Floor, 100 Gold Street, between 10:00 am – 4:00 pm on weekdays.

What authorizes HPD to make this rule? Sections 1043 and 1802 of the New York City Charter and Section 421-a of the New York State Real Property Tax Law authorize HPD to make these proposed rules. The proposed rule was included in HPD’s regulatory agenda.

Where can I find the HPD rules? The HPD rules are located in Title 28 of the Rules of the City of New York.

What rules govern the rulemaking process? HPD must meet the requirements of Section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043(b) of the City Charter.

Statement of Basis and Purpose of Proposed Rule

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 Proposed Amendment

The proposed amendment would give HPD retroactive authority to exempt projects that already have a PCE and are receiving 421-a benefits from the FCE application filing deadline. This would relieve 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.

Commissioner Maria Torres-Springer
April 24, 2017

NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028

CERTIFICATION PURSUANT TO
CHARTER §1043(d)

RULE TITLE: Amendment of Filing Requirements for 421-a Tax Benefits

REFERENCE NUMBER: 2017 RG 023

RULEMAKING AGENCY: Department of Housing Preservation and Development

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Acting Corporation Counsel

Date: March 17, 2017

NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400

CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)

RULE TITLE: Amendment of Filing Requirements for 421-a Tax Benefits

REFERENCE NUMBER: HPD-35

RULEMAKING AGENCY: Department of Housing Preservation and Development

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro
Mayor's Office of Operations

March 17, 2017
Date