

**New York City Department of Finance**  
**Notice of Public Hearing and Opportunity to Comment on Proposed Rules**

**What are we proposing?** The New York City Department of Finance (“DOF”) is proposing amendments to rules in order to comply with amendments made to the New York City Administrative Code (“Administrative Code”) and the Real Property Tax Law in relation to the Industrial and Commercial Abatement Program (“ICAP”). In addition, the proposed rule amendments provide criteria to determine when a parking facility is associated with residential construction work under ICAP.

**When and where is the hearing?** NYC Department of Finance will hold a public hearing on the proposed rule. The public hearing will take place at 11:00 AM on August 20, 2025. The hearing will be conducted remotely through Microsoft Teams. To participate in the public hearing, enter the URL <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>. If prompted to provide the meeting ID, please enter: 296 210 717 492 6; If prompted for a passcode, please enter the following: wh6hk9ua. You can also participate in the hearing via telephone by calling + 1 646-893-7101. The Phone conference ID: 545 576 342#.

This location has the following accessibility option(s) available:  
Audio-only access

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

- **Website.** You can submit comments to the NYC Department of Finance through the NYC rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can email comments to [DOFRules@finance.nyc.gov](mailto:DOFRules@finance.nyc.gov).
- **Mail.** You can mail comments to NYC Department of Finance, Legal Affairs Division, 375 Pearl Street, 30th Floor, New York, NY 10038, Attn: Timothy Byrne.
- **Fax.** You can fax written comments to NYC Department of Finance, Attn: Timothy Byrne, at (212) 748-6981.
- **By speaking at the hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by calling Joan Best at (212) 748-7214. You can speak for up to three minutes. Please note that the hearing is for accepting oral testimony only and is not held in a “Question and Answer” format.

**Is there a deadline to submit comments?** The deadline to submit written comments is August 20, 2025.

**What if I need assistance to participate in the hearing?** You must contact NYC Department of Finance’s Office of Legal Affairs if you need a reasonable accommodation of a disability at the hearing. You must tell us if you need a sign language interpreter. You can tell us by mail at the address given above. You may also tell us by telephone by calling Joan Best at (212) 748-7214; or by email at [bestj@finance.nyc.gov](mailto:bestj@finance.nyc.gov). Advance notice is requested to allow sufficient time to arrange the accommodation. Please provide at least 72 hours’ notice prior to the hearing to ensure availability. This location has the following accessibility option(s) available: Audio-only access.

**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 a video recording of oral comments concerning the proposed rule will be available on the DOF website. Copies of these documents may also be reviewed at NYC Department of Finance, Legal Affairs Division, 375 Pearl Street, 30th Floor, New York, N.Y. 10038.

**What authorizes NYC Department of Finance's to make this rule?** Sections 1043(a) and 1504 of the New York City Charter ("Charter"), as well as section 11-270 of the Administrative Code and section 489-cccccc of the Real Property Tax Law authorize DOF to make this proposed rule. This proposed rule was not included in the DOF's regulatory agenda for this Fiscal Year because it was not contemplated when the DOF published the agenda.

**Where can I find the NYC Department of Finance's rules?** The NYC Department of Finance's rules are in Title 19 of the Rules of the City of New York. See the link below. <https://codelibrary.amlegal.com/codes/newyorkcity/latest/NYCrules/0-0-0-34211>

**What laws govern the rulemaking process?** NYC Department of Finance must meet the requirements of Section 1043 of the Charter when creating or changing rules. This notice is made according to the requirements of Section 1043 of the Charter.

### **Statement of Basis and Purpose of Proposed Rule**

The New York City Department of Finance ("DOF") is proposing the following rule change pursuant to the powers set forth in New York City Charter ("Charter") §§ 1043(a) and 1504, as well as Part 5 of Subchapter 2 of Chapter 2 of Title 11 of the New York City Administrative Code ("Administrative Code") and Title 2-F of Article 4 of the Real Property Tax Law. This rule amendment consists of changes to bring the Rules of the City of New York ("RCNY") into alignment with changes to the Administrative Code and Real Property Tax Law enacted by the Legislature in 2020 and 2025. These changes all relate to ICAP, which offers property tax abatements for up to 25 years for eligible industrial and commercial buildings that are built, modernized, expanded, or otherwise improved.

Specifically, in accordance with these new laws, this rule would:

- Add new definitions to the rules,
- Provide for projects on Governors Island to be eligible for more generous ICAP benefits,
- Extend the ICAP expiration date, and
- Generally prohibit the use of ICAP benefits for self storage, storage warehouse and parking facilities, but specify the types of parking facilities that are eligible for ICAP benefits.

Section one of this rule would amend 19 RCNY § 36-01 to provide definitions for "financial assistance," "parking facility," "self-storage facility" and "storage warehouse." Part S of Chapter 55 of the Laws of 2025 and Part SS Chapter of 56 of the Laws of 2020 amended Administrative Code § 11-268 and Real Property Tax Law § 489-cccccc to include these new definitions, and this rule change would incorporate the definitions in the RCNY.

Sections two, three, and four of this rule would amend chapter 36 of title 19 of the Rules of the City of New York to align with amendments made to Administrative Code § 11-274 and Real Property Tax Law § 489-gggggg by Part S of Chapter 55 of the Laws of 2025 in relation to Governors Island's designation as a special commercial abatement area and its exception from the commercial exclusion area. Properties within special commercial abatement areas are eligible for more generous ICAP benefits. Properties within commercial exclusion areas are ineligible for certain ICAP benefits. These proposed rule amendments will conform the RCNY to this recent state legislation authorizing greater tax incentives for development on Governors Island.

Section five of this rule would amend 19 RCNY § 36-03 to extend ICAP to 2029 in accordance with Administrative Code § 11-271 and Real Property Tax Law § 489-ddddddd.

Section six of this rule would amend 19 RCNY § 36-03 to provide that, when an applicant is applying for ICAP benefits for a parking facility, they must submit required documentation demonstrating eligibility for ICAP benefits.

Section seven of this rule would amend 19 RCNY § 36-06 to provide that unless a parking facility is associated with residential construction work in a separate tax lot and such residential construction work is subject to financial assistance from the Department of Housing Preservation and Development, a parking facility is ineligible for ICAP benefits. This new subdivision is added in accordance with amendments made to Administrative Code § 11-270 and Real Property Tax Law § 489-cccccc by Part S of Chapter 55 of the Laws of 2025.

In addition, Administrative Code § 11-270 and Real Property Tax Law § 489-cccccc obligated DOF to set standards for determining when a parking facility is associated with residential construction work. DOF proposes to use the following criteria to determine whether there is a sufficient link between a parking facility and residential construction work:

1. whether the parking facility and the residential construction work are in separate tax lots within the same building or structure;
2. whether the parking facility would create parking that is necessary for the residential construction work to be in compliance with zoning requirements for off-street parking; and
3. whether there is a contractual or business relationship linking the parking facility and the residential construction work or preferential rates or exclusive rights to parking are offered to residents of the residential construction work.

Relationships between parking facilities and residential construction work can take different forms. While the applicable parking facility may be in the same building as the applicable residential construction project, this may not always be true. Even when a parking facility and residential construction work are not in the same building or structure, they may nonetheless be linked by necessity and a contractual or business relationship. To allow for the fact that the relationship between the parking facilities and residential construction work may present itself in a variety of ways, DOF proposes to require that applicants provide documentation for at least two of the three criteria set forth in the proposed rule amendment to be eligible for ICAP benefits.

In addition to establishing such criteria, section seven of this rule would amend 19 RCNY § 36-06 to provide that ICAP benefits will not be granted for construction work on real property where any portion of such property is to be used as a self-storage facility or a storage warehouse.

New material is underlined.

[Deleted material is in brackets.]

“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.

### **Proposed Rule Amendment**

Section 1. Section 36-01 of Title 19 of the Rules of the City of New York is amended by adding new subdivisions h-1, q-1, y-1 and z-1 to read as follows:

h-1. “Financial assistance” means loans, grants, tax credits, tax exemptions, tax abatements, subsidies, mortgages, debt forgiveness, and land conveyances for less than appraised value provided in accordance with a regulatory agreement entered into with the department of housing preservation and development, except that “financial assistance” shall not include as-of-right assistance or benefits.

q-1. “Parking facility” means any real property or portion thereof on which exists a facility operated in a manner that requires a license for the operation of a garage or parking lot issued by the department of consumer and worker protection.

y-1. “Self-storage facility” means any real property or a portion thereof that is designed and used for the purpose of occupying storage space by occupants who are to have access thereto for the purpose of storing and removing personal property, pursuant to subdivision 1 of section 182 of the lien law.

z-1. “Storage warehouse” means any real property or portion thereof on which exists a building or structure in which a consumer’s household goods are received for storage for compensation operated in a manner that requires a license for the operation of a storage warehouse issued by the department of consumer and worker protection.

§ 2. Subdivision b of section 36-02 of Title 19 of the Rules of the City of New York is amended to read as follows:

b. Commercial exclusion area. The commercial exclusion area is the area in Manhattan lying south of the centerline of 96th Street, except for (i) the areas in Manhattan designated for commercial renovation projects as commercial renovation areas that are described in Subdivision c, [and] (ii) the area designated for new construction as described in Subdivision d, and (iii) beginning January 1, 2026, Governors Island.

§ 3. Paragraph (3) of subdivision c of section 36-02 of Title 19 of the Rules of the City of New York is amended to read as follows:

(3) The area in Manhattan south of the center line of 59th Street, other than the areas (i) designated renovation areas by Paragraphs (1) and (2) of this subdivision, or (ii) beginning January 1, 2026, Governors Island.

§ 4. Subdivision f of section 36-02 of Title 19 of the Rules of the City of New York is amended to read as follows:

*f. Special commercial abatement area.*

(1) The boundaries of special commercial abatement areas as designated by the temporary commercial incentive area boundary commission will be described on the department's website. Notwithstanding any provision of law to the contrary, beginning January 1, 2026,

Governors Island shall be designated a special commercial abatement area for the purposes of this chapter, provided that such designation may be modified in whole or in part in accordance with the procedures set forth in Section 489-gggggg of the Real Property Tax Law and § 11-274 of the Administrative Code.

(2) In accordance with Section 489-gggggg of the Real Property Tax Law and § 11-274 of the Administrative Code, the temporary commercial incentive area boundary commission may designate an area in the City of New York, other than in the area lying south of the centerline of 96th Street in Manhattan, not including Governors Island, to be a special commercial abatement area if it determines that market conditions in the area are such that the availability of a special abatement is required in order to encourage commercial construction in such area.

§ 5. Paragraph (3) of subdivision b of section 36-03 of Title 19 of the rules of the City of New York is amended to read as follows:

(3) The preliminary application deadline for ICAP benefits is March 1, [2019] 2029. Work performed pursuant to a building permit first issued after April 1, [2019] 2029, shall not be included in the project, except as otherwise provided by statute.

§ 6. Subdivision b of section 36-03 of Title 19 of the Rules of the City of New York is amended by adding a new paragraph (5) to read as follows:

(5) If a preliminary application includes an application for benefits for a parking facility, such preliminary application must include documentation in accordance with 19 RCNY § 36-06(i).

§ 7. Section 36-06 of Title 19 of the Rules of the City of New York is amended by adding new subdivisions i and j to read as follows:

i. Parking facilities. (1) No benefits shall be granted for construction work on real property where any portion of such property is used as a parking facility, except where a parking facility is associated with residential construction work on a separate tax lot and such residential construction work is subject to financial assistance from the department of housing preservation and development.

(2) A parking facility is associated with residential construction work if:

(i) the department of housing preservation and development certifies to the department that the residential construction work is receiving financial assistance from the department of housing preservation and development; and

(ii) the applicant demonstrates that it meets two or more of the following three clauses:

(A) such parking facility and such residential construction work are in separate tax lots within the same building or structure;

(B) the developer of such parking facility executes an affidavit affirming or the department of housing preservation and development certifies that the creation of such parking facility will generate parking that is necessary to satisfy requirements under the zoning resolution for off-street parking accessory to such residential construction work; and

(C) either (i) the developer of such parking facility executes an affidavit affirming or the department of housing preservation and development certifies that the construction of such parking facility and such residential construction work were authorized or financed as part of the same transaction; or (ii) the developer of such parking facility executes an affidavit affirming that such parking facility will offer preferential rates or exclusively offer parking facility services to residents of the residential building that will be constructed as part of such residential construction work .

j. No benefits shall be granted for construction work on real property where any portion of such property is to be used as a self-storage facility or a storage warehouse.

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:** Rules Implementing Industrial and Commercial Abatement Program

**REFERENCE NUMBER:** 2025 RG 049

**RULEMAKING AGENCY:** Department of Finance

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  
Senior Counsel

Date: 7/9/2025

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

**CERTIFICATION / ANALYSIS  
PURSUANT TO CHARTER SECTION 1043(d)**

**RULE TITLE: Rules Implementing Industrial and Commercial Abatement Program**

**REFERENCE NUMBER: DOF-73**

**RULEMAKING AGENCY: Department of Finance**

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

July 10, 2025