



**THE COUNCIL OF THE CITY OF NEW YORK
FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR
FISCAL IMPACT STATEMENT**

INTRO. NO. 66

COMMITTEE: Housing & Buildings

TITLE: A local law to amend the administrative code of the city of New York, in relation to benefits pursuant to section four hundred twenty-one-a of the real property tax law.

SPONSORS: By Council Members Dilan, White, Ulrich and Greenfield

SUMMARY OF LEGISLATION: This legislation would remove the requirement that plumbing plans submitted for a new building or alteration permit for a multiple dwelling be approved by the Department of Buildings (DOB) in order for a project to be deemed as having commenced in the time period before certain 421-a restrictions took effect. For projects that include new residential construction and the concurrent conversion, alteration or improvement of a pre-existing building or structure, such requirement would also be eliminated if architectural and structural plans are approved by DOB and the actual construction of such work commences in good faith and is completed without undue delay as certified by a registered architect or professional engineer licensed by New York State

EFFECTIVE DATE: This law would become effective immediately and deemed to have been in full force and effect on and after December 28, 2007

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED: Fiscal 2010

FISCAL IMPACT STATEMENT:

	Effective FY10	Full Fiscal Impact FY10
Revenues (+)	(\$541,935)	(\$541,935)
Expenditures (-)	\$0	\$0
Net	(\$541,935)	(\$541,935)

IMPACT ON REVENUES: The legislation would retroactively grant 421-a tax benefits to housing development projects that had their architectural plans approved after December 28, 2007. The Department of Housing Preservation and Development (HPD) identified 5 projects that applied for 421-a benefits and were deemed not to have commenced before the new 421-a restrictions took effect because their plumbing plans were not yet approved. With passage of this bill these 5 projects will be considered to have fallen into the pre-July 1, 2008 category and would receive an as-of-right 421-a benefit which ranges from 10-15 years depending on location. The total value of the 421-a tax benefits that the 5 properties will receive retroactive from December 28, 2007 is projected to be \$541,935. This payment would be made in the form of a rebate from the City general reserve fund.

IMPACT ON EXPENDITURES: This legislation would have no impact on expenditures.

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: General reserve fund

SOURCE OF INFORMATION: New York City Council Finance Division
Department of Housing Preservation and Development

ESTIMATE PREPARED BY: Jonathan Rosenberg, Deputy Director
Anthony Brito, Legislative Financial Analyst

HISTORY: Introduced as Int. 66 by Council and referred to the Committee on Housing and Buildings on March 3, 2010. On April 7, 2010, the Committee held a hearing and Int. 66 was laid over. The bill will be considered by Committee as Proposed Int. 66 on May 12, 2010.