

421-A Law Effective January 1, 2016 For Buildings Commencing Construction After December 31, 2015

Option A	Option B	Option C	Option D (Condos Only)	Option E	Option F	Option G
10% < 40% AMI 10% < 60% AMI 5% < 130% AMI	10% < 70% AMI 20% <G 130% AMI	30% < 130% AMI	No affordability requirement 35 units and under; excludes entire boro of Manhattan	10% < 40% AMI 10% < 60% AMI 5% < 120% AMI	10% < 70% AMI 20% < 130% AMI	30% < 130% AMI
Commence 1/1/16 - 6/15/22	Commence 1/1/16 - 6/15/22	Commence 1/1/16 - 6/15/22	Commence 1/1/16 - 6/15/22	Commence 1/1/16 - 6/15/22	Commence 1/1/16 - 6/15/22	Commence 1/1/16 - 6/15/22
Complete 6/15/31	Complete 6/15/31	Complete 6/15/26	Complete 6/15/31	Complete 6/15/31	Complete 6/15/31	Complete 6/15/26
All Buildings other than Wage Buildings ¹	All Buildings other than Wage Buildings	All Buildings except (i) Wage Buildings or (ii) located in Manhattan below 96th	100% of units have an average assessed value no more than \$65,000 upon 1st year following completion	Wage Buildings and Opt-in Buildings ² Only	Wage Buildings and Opt-in Buildings Only	Queens & Brooklyn Wage Buildings and Opt-in Buildings Only
No SGA permitted (e.g., grants, loans) except tax exempt bonds & 4% tax credits		No SGA permitted (e.g., grants, loans, tax credits)	Each owner agrees in writing to maintain the unit as their primary residence for at least 5 years from closing	No SGA permitted (e.g., grants, loans) except tax exempt bonds & 4% tax credits		No SGA permitted (e.g., grants, loans, tax credits)
35 Year Restriction Period	35 Year Restriction Period	35 Year Restriction Period	35 Year Restriction Period	40 Year Restriction Period	40 Year Restriction Period	40 Year Restriction Period
35 Year Benefit: (1) Year Construction Period @ 100%; (2) First 25 years @ 100% of the AV; (3) final 10 years @ Affordability Percentage (# of affordable units / total # of units)	35 Year Benefit: (1) 3 Year Construction Period @ 100%; (2) First 25 years @ 100% of the AV; (3) final 10 years @ Affordability Percentage (# of affordable units / total number of units)	35 Year Benefit: (1) 3 Year Construction Period @ 100%; (2) First 25 years @ 100% of the AV; (3) final 10 years @ Affordability Percentage (# of affordable units / total number of units)	20 Year Benefit: (1) 3 Year Construction Period @ 100%; (2) First 14 years @ 100% of AV capped at \$65,000 AV/unit; (3) final 6 years @ 25% of AV capped at \$65,000 AV/unit	Enhanced 35 Year Benefit: (1) 3 Year Construction Period @ 100%; (2) 35 years @ 100% of AV	Enhanced 35 Year Benefit: (1) 3 Year Construction Period @ 100%; (2) 35 years @ 100% of AV	Enhanced 35 Year Benefit: (1) 3 Year Construction Period @ 100%; (2) 35 years @ 100% of AV
Mini Tax	Mini Tax	Mini Tax	Mini Tax	Mini Tax	Mini Tax	Mini Tax

The June 15, 2031, completion deadline is only available to projects which submitted a Notice of Intent to HPD on or before September 12, 2024. Otherwise, the completion deadline is June 15, 2026

¹ Wage Buildings = 300 rental units or more, located in M south of 96th Street, or Q or BK in CBs 1 or 2 and within 1 mile of waterfront ("Enhanced Affordability Area")

² Opt-In Buildings = 300 rental units or more not in Enhanced Affordability Area may opt-in to E, F, G for Enhanced 35 Year Benefit if they comply with minimum wage requirements

SUMMARY

421-a(16), also known as the “Affordable New York Housing Program,” is a New York City property tax exemption program for new multifamily residential developments that commenced construction between January 1, 2016 and June 15, 2022. In exchange for significant real estate tax benefits — generally up to 35 years of exemptions for rental projects — developers are required to set aside a percentage of apartments as affordable housing at specified Area Median Income (AMI) levels.

1 COMMENCEMENT AND COMPLETION OF CONSTRUCTION DATES

- Commence construction on or after January 1, 2016 but prior to June 15, 2022.
- Must complete construction by June 15, 2026 or have filed a Notice of Intent (prior to September 12, 2024) to extend the completion date to June 15, 2031 (with some limitations).

2 ELIGIBILITY

- New building must contain at least six (6) dwelling units.
- Not used as a hotel.
- Application filing fee of \$3000/unit.

3 AFFORDABLE HOUSING REQUIREMENTS

- Affordable housing units must be leased by a certified marketing agent in accordance with the applicable area median income requirements for the project.
- If a floor contains one or more affordable housing units, then each floor must contain a minimum of 30% market rate units.
- Either: A) the affordable housing unit mix must be proportionate to the market rate housing unit mix or B) no more than 25% of the affordable housing units may be studios and no less than 50% of the affordable housing units must be 2BR units or larger.
- If there were residential units on the property three years prior to the commencement of the construction date, an affordable unit must be provided to effectively replace each demolished unit.
- All rental dwelling units shall share the same common entrances and common areas and shall not be isolated to a specific floor or area of an eligible dwelling.
- Depending upon the 421-a option selected, between 25% and 30% of the units must be designated as affordable.

4 MINORITY WOMEN BUSINESS ENTREPRENEUR (M/WBE) REQUIREMENTS

- Does Not Apply

5 CONSTRUCTION LABOR WAGE REQUIREMENTS

- 300+ unit buildings inside of the Enhanced Affordability Area must use Options E, F, or G and pay a minimum hourly construction wage.
- 300+ unit buildings outside of the Enhanced Affordability Area may elect to opt-into Affordability Options E, F or G and pay a minimum hourly construction wage.