LOCAL LAW 12 OF 2024 OF THE COMMON COUNCIL OF THE CITY OF KINGSTON, NEW YORK, ADOPTING THE 421-PP PROPERTY TAX EXEMPTION FOR THE CREATION OF NEW ELIGIBLE FULLY INCOME RESTRICTED HOUSING UNITS

Sponsored By: Community Development & Housing:
Alderman: Schabot, Tierney, Hirsch

WHEREAS, Section 421-PP of the Real Property Tax Law allows municipalities to exempt newly constructed or converted full income restricted rental multiple dwelling units in a designated benefit area from taxation and ad valorem levies; and

WHEREAS, Section 421-PP defines a rental multiple dwelling unit as a structure with ten or more dwelling units; and

WHEREAS, Section 421-PP defines a qualifying structure as one where all units are affordable to and restricted to occupancy by individuals or families whose household income, as adjusted for family size, at the time that such households initially occupy such dwelling units, does not exceed a weighted average of no less than sixty percent and no more that 80 percent of area median income; and

WHEREAS, the City of Kingston believes that rising housing and rental costs and a lack of diverse housing opportunities for all community members pose a significant challenge to the members of our community; and

WHEREAS, in Resolution 144 of 2022 the City of Kingston Common Council declared a citywide housing emergency in accordance with the provisions of the New York State Emergency Tenant Protection Act; and

WHEREAS, the City of Kingston Common Council believes that providing for a full range of housing choices throughout the City is essential to promoting the public health, safety, and welfare for people of different income levels in the City; and

WHEREAS, the City of Kingston Common Council believes that providing for a full range of housing choices is vital for economic development and sustaining a diverse local workforce; and

WHEREAS, the City of Kingston Common Council acknowledges the need to permit additional housing throughout the City, as additional multi-family housing will improve the housing affordability and accessibility, increase housing choice to support a range of income levels and age groups, reduce racial segregation, improve walkability, and increase the City's tax base; and

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WHEREAS, the City of Kingston has set a goal to approve 1,000 new housing

WHEREAS, the City of Kingston would like to further encourage the creation of new affordable housing citywide by partially exempting their value from any increases in assessed value of the property.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF KINGSTON, NEW YORK AS FOLLOWS:

SECTION 1. That the Common Council of the City of Kingston authorizes the adoption of 421-PP of the Real Property Tax Law.

SECTION 2. That the City of Kingston designates the entire municipality as the 421-PP benefit area.

SECTION 3. That qualifying rental multiple dwelling units shall pay an amount of taxes that is equal to ten percent of the shelter rents for the term of the thirty-year exemption period.

SECTION 4. That this exemption shall apply to qualifying rental multiple dwelling units in accordance with the affixed five sections.

SECTION 5. That property owners shall be eligible to apply for the 421-PP exemption once they have received approval from the Planning Department for the creation of the qualifying rental multiple dwelling units.

SECTION 6. That the City of Kingston Assessor shall approve, carry out, and revoke 421-PP exemption status in accordance with affixed five sections.

SECTION 7. If any provisions of this local law are held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, the remaining provisions of the local law shall remain in effect.

SECTION 8. This local law shall take effect upon filing with the Secretary of State.

Submitted to the Mayor this ____ day of   Approved by the Mayor this ____ day of
_____, 2024   _____, 2024

_____   _____

Elisa Tinti, City Clerk   Steven T. Noble, Mayor

Adopted by Council on _____, 2024

LL12

THE CITY OF KINGSTON COMMON COUNCIL

COMMUNITY DEVELOPMENT & HOUSING
COMMITTEE REPORT

DEPARTMENT:_____   DATE: 9/24/2024

Description:

Local Law of the City of Kingston Common Council adopting the 421-pp property tax exemption for the creation of new eligible fully income restricted housing units.
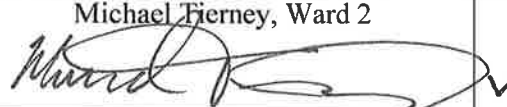
Signature _____

Motion by_____MT_____

Seconded by_____MH_____

Action Required:

Committee Vote	YES	NO
Steve Schabot, Chairman, Ward 8	✓	
Jeanne Edwards, Ward 4		
Sara Pasti, Ward 1		
Michael Tierney, Ward 2	✓	
Michele Hirsch, Ward 9	✓	

421-PP Real Property Tax Exemption

City of Kingston

Section 1 - Exemption

A. The term "rental multiple dwelling" means a structure, other than a hotel, consisting of ten or more dwelling units, where all of the units are rented for residential purposes where:

    a. 100% of such units, upon initial rental and upon each subsequent rental following a vacancy during the benefit period are affordable to and restricted to occupancy by individuals or families whose household income does not exceed a weighted average of no less than 60% of the area median income and no more than 80% of the area median income, adjusted for household size.

    b. The income restricted units upon initial rental and upon each subsequent rental following vacancy during the restriction period shall be affordable to and restricted to occupancy by individuals or families whose household income does not exceed 100% AMI, adjusted for household size, at the time that such households initially occupy such dwelling unit.

    c. The tenant or tenants in an income restricted dwelling unit at the time such restriction period ends shall have the right to lease renewals at the income restricted level until such time as such tenant or tenants permanently vacate the dwelling unit.

B. No such exemption shall be granted unless the construction of the rental multiple dwelling units was commenced subsequent to the effective date of this local law.

C. To be eligible for the exemption, any new construction shall take place on vacant, predominantly vacant or underutilized land, or on land improved with a non-conforming use or on land containing one more substandard or structurally unsound dwellings, or a dwelling that has been certified as unsanitary by the local health department.

Section 2 - Calculation of Exemptions

That qualifying rental multiple dwellings shall be wholly exempt from taxation while under construction, subject to a maximum of three years. Such property shall then be exempt for an additional period of 30 years and pay an amount in taxes that is equal to ten percent of the shelter rents for the qualifying rental multiple dwellings.

Shelter rent shall mean the *total rents received from the occupants of the eligible rental multiple dwellings, less the cost of providing to the occupants electricity, gas, heat, and other utilities.* Total rents shall include *rent supplements and subsidies received from the Federal Government, the State, or a municipality on behalf of such occupants.*

Section 3 – Application for and grant of exemption

A. An exemption shall be granted only upon application by the owner of the building on a form prescribed by the Commissioner of the Department of Taxation and Finance. The application shall be filed with the City of Kingston Assessor.
B. If satisfied that the applicant is entitled to an exemption pursuant to this local law, the assessor shall approve the application and such building shall thereafter be exempt from taxation and special ad valorem levies as herein provided commencing with the assessment roll prepared on the basis of the taxable status date.

Section 4 – Denial and Ongoing Monitoring

A. No such exemption shall be granted to an applicant who is in violation of any City of Kingston Code, Ordinance, or Local Law or owes property taxes, water of sewer fees, or any other fees or past due monies. Any exemption granted shall be immediately revoked if the applicant accrues violations or unpaid monies. The applicant may reapply for the exemption once all violations have been corrected and/or unpaid monies have been paid.
B. After receiving approval for an exemption, the Applicant will be subject to ongoing annual monitoring for the entire benefit period to ensure compliance with the provisions for this section.