

**LOCAL LAW 7 OF 2024 OF THE COMMON COUNCIL OF THE CITY OF KINGSTON, NEW YORK, ADOPTING THE 421-P PROPERTY TAX EXEMPTION FOR THE CREATION OF NEW ELIGIBLE HOUSING UNITS**

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

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

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

**WHEREAS**, Section 421-P defines a qualifying structure as one where 25% of the units in said structure are affordable to households between 60-80%AMI, as adjusted for family size, at the time that such households initially occupy such dwelling units; 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's 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 has completed a comprehensive update to the City's zoning code to promote the development of market-rate, work force and affordable housing citywide; and

**WHEREAS**, the City of Kingston's Common Council believes that providing 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 work force; and

**WHEREAS**, the City of Kingston Common Council acknowledges the need to permit additional housing throughout the City, as additional multifamily housing will improve 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

**WHEREAS**, the City of Kingston has set a goal to approve 1,000 new housing units by 2029; and

**WHEREAS**, the City of Kingston would like to further encourage the creation of new 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 adopts 421-P of the Real Property Tax Law.

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

**SECTION 3.** That this exemption shall apply to qualifying rental multiple dwelling units in accordance with the attached five sections.

**SECTION 4.** That property owners shall be eligible to apply for the 421-P exemption once they have received approval from the Planning Department for the creation of the qualifying rental multiple dwelling units.

**SECTION 5.** That the City of Kingston Assessor shall approve, carry out, and revoke 421-P exemption status in accordance with the attached five sections.

**SECTION 6.** 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 7.** This local law shall take effect upon filing with the Secretary of State.

Submitted to the Mayor this 12<sup>th</sup> day of August, 2024

  
\_\_\_\_\_  
Elisa Tinti, City Clerk

Approved by the Mayor this 12<sup>th</sup> day of August, 2024

  
\_\_\_\_\_  
Steven T. Noble, Mayor

Adopted by Council on August 16, 2024

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THE CITY OF KINGSTON COMMON COUNCIL

COMMUNITY DEVELOPMENT & HOUSING  
COMMITTEE REPORT

DEPARTMENT: \_\_\_\_\_

DATE: 6/25/24

Description:

Resolution to adopt the 425-P Property Tax  
Exemption for the creation of the New Eligible  
Housing Units, as attached

Signature




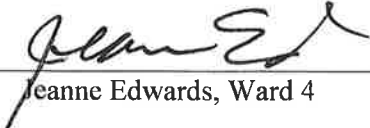
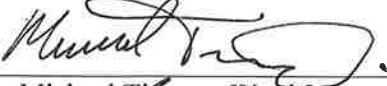
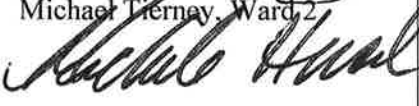
Motion by

MSA

Seconded by

MSA

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-P 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. 25% 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 25 years, provided that the exemption percentage during such additional period of 25 years shall be at 96% and shall decrease by 4% each year thereafter.

Taxes shall be paid during the exemption period in an amount at least equal to the taxes paid on such land and any improvements thereon during the tax year preceding the commencement of such exemption.

### **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 – Prevailing Wage**

- A. All building service employees employed by the covered building at the eligible multiple dwelling shall receive the applicable prevailing wage in accordance with article nine of the labor law for the duration of the benefit period unless they meet the exemption criteria outlined in § 421-p.

#### **Section 5 – 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 or 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.

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# CITY OF KINGSTON

## Office of the Mayor

mayor@kingston-ny.gov

Steven T. Noble  
Mayor



May 2<sup>nd</sup>, 2024

Honorable Andrea Shaut  
President/Alderman-at-Large  
Kingston Common Council  
420 Broadway  
Kingston, NY 12401

Re: Housing Property Tax Exemption

Dear President Shaut,

In conjunction with the Office of Housing Initiatives, I am recommending that the Council adopt a new local law that would allow our municipality to exempt newly constructed or converted rental multiple dwelling units where 25% of the units in the structure are affordable between 60-80% AMI. This new state program is called 421-P. I believe this new opportunity will help to spur the building of more housing units in Kingston, helping us to reach our goal of approving 1,000 units of housing by 2029 while also creating much needed affordable housing in our city.

Respectfully Submitted,

Steven T. Noble  
Mayor