



## The Affordable New York Housing Program (formerly "421-a"): An Overview

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On April 10, 2017, Governor Andrew Cuomo signed into law a renewal and extension of the critical property tax exemption program historically known as "421-a" which is to be re-named the "Affordable New York Housing Program" ("ANYHP"). ANYHP allows NYC developers to acquire property, obtain financing and build residential projects knowing they can substantially reduce their projects' property taxes as-of-right by making a set percentage of their units affordable (25% or 30% for rental projects, 100% for homeownership projects) and satisfying other requirements.

Both new projects and projects already under construction can qualify for ANYHP benefits. Projects commencing construction on and after January 1, 2016 and on or before June 15, 2022 may qualify for ANYHP benefits provided that they meet the eligibility requirements and complete construction on or before June 15, 2026. Projects which commenced construction in 2015 and prior can 'opt-in' and elect to qualify for ANYHP benefits if they have not received benefits on or before the effective date of Chapter 20 of the Laws of 2015, which added subdivision 16 of the 421-a Statute as long as the completed Project complies with the new ANYHP requirements.

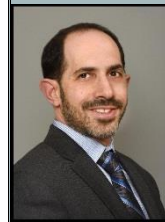
Rental projects (except for the 300+ unit projects described below) can receive the standard thirty-five (35) year ANYHP benefit.

Homeownership projects (defined below) can receive the twenty (20) year capped ANYHP benefit.

Projects of three hundred (300) or more units in specific locations (Manhattan - south of 96th Street, parts of Brooklyn and Queens) must pay a designated hourly construction wage (\$60 in Manhattan, \$45 in both Brooklyn and Queens) and, in exchange, will receive an enhanced thirty-five (35) year property tax exemption (enhanced property tax exemption in years 26 - 35) and be subject to affordability requirements for a longer period. Projects of 300 or more units elsewhere in the City may also elect to comply with the construction wage requirements (Brooklyn/Queens wages) and Affordability Option E, F or G to receive enhanced ANYHP benefits.



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A program summary is provided for your information:

AFFORDABILITY OPTION (RENTAL OR HOMEOWNERSHIP)	BENEFITS AVAILABLE / RESTRICTION PERIOD	OTHER ISSUES
Option A (Rental)	35 year benefit* / 35 year restriction period (from completion date).	25% Affordable Units: 10% 40% AMI, 10% 60% and 5% 130% AMI. No SGA except tax exempt bonds and 4% LIHTC.
Option B (Rental)	35 year benefit* / 35 year restriction period (from completion date).	30% Affordable Units: 10% 70% AMI, 20% 130% AMI.
Option C (Rental)	35 year benefit* / 35 year restriction period (from completion date).	Not available in Manhattan south of 96 <sup>th</sup> Street. 30% Affordable Units at or below 130% AMI. No SGA.
Option D (Homeownership)	20 year capped benefit**	Homeownership Projects only (outside Manhattan and 35 or fewer units), 100% of units must have average Assessed Value (AV) of no more than \$65,000 upon initial post-completion AV. Each owner must agree to maintain as primary residence for at least 5 years from acquisition.
Option E (Rental)	Enhanced 35 year benefit*** / 40 year restriction period (from completion date).	In Enhanced Affordability Area, projects containing 300 or more units and meeting construction wage requirements. 25% Affordable Units: 10% 40 AMI, 10% 60% AMI and 5% 120% AMI. No SGA except tax exempt bonds and 4% LIHTC.
Option F (Rental)	Enhanced 35 year benefit*** / 40 year restriction period (from completion date).	In Enhanced Affordability Area, projects containing 300 or more units and meeting construction wage requirements. 30% Affordable Units: 10% 70 AMI and 20% 130% AMI.



Option G (Rental)	Enhanced 35 year benefit*** / 40 year restriction period (from completion date).	In Brooklyn and Queens Enhanced Affordability Areas, projects containing 300 or more units and meeting construction wage requirements. 30% Affordable Units at or below 130% AMI. No SGA
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\* Standard 35 year benefit = construction period plus years 1-25 at 100% exemption (of increase in AV above prior AV). Years 26-35 exemption = affordability percentage (i.e. 25% for Option A, 30% for Options B & C).

\*\* 20 year capped benefit = construction period for 100% exemption (of increase in AV above prior AV), years 1-14 at 100% exemption (of increase in AV of each unit above prior AV) up to \$65,000 in AV and years 15 - 20 at 25% exemption (of increase in AV of each unit above prior AV) up to \$65,000 in AV.

\*\*\* Enhanced 35 year benefit = construction period plus years 1 - 35 at 100% exemption (of increase in AV above prior AV).

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