

49 “LOCAL OPTION” EXEMPTIONS THAT CAN HELP MORE PEOPLE AFFORD HOMEOWNERSHIP



HUDSON VALLEY PATTERN *for* PROGRESS

Pattern for Progress concluded 2022 with the Center for Housing Solutions and Community Initiative’s Annual Housing Conference. The conference challenged the region to identify solutions to the systemic barriers that prevent too many of our neighbors from owning a home and building equity.

The thoughtful recommendations that arose in the conference are now informing Pattern’s research and policy work in 2023 and beyond. Pattern believes that the recommendations from our regional stakeholders can help New York unlock the potential of its investments in housing.

As we continue to have meaningful conversations and identify solutions to housing accessibility and affordability issues, there are some actions that are available to local governments now. State law includes 49 different tax exemptions that local governments can adopt to help relieve the property tax burden on certain residents who meet specific criteria. These “local option” exemptions can help more people afford homeownership by temporarily or permanently reducing their tax burden.

Unlike income tax, property tax does not reflect a taxpayer’s ability to pay. Instead, it reflects the potential sale price (market value) of a property. As property taxes increase along with rising home values, mortgage access decreases, such that many prospective homebuyers in New York can no longer afford to purchase homes, and the wealth gap between renters and owners continues to widen.

As we think about improving the pathways to homeownership for our neighbors, Pattern encourages local governments to review the following list of local-option exemptions and consider which of them could help potential homebuyers in their communities.

Real Property Tax Law Sections and Summary of Exemptions

Real Property Tax Law	Summary
Section 211	Urban Renewal Property Owned by Urban Redevelopment Corporations
Section 214-a(2)	Rent-Controlled Multiple Dwellings Erected Before 4/18/29 and Improved through Loan Made Pursuant to Public Housing Law Article 10
Section 421-C	New multiple dwellings outside of New York City
Section 421-d	Multiple Dwellings outside New York City Financed by New York State Housing Finance Agency
Section 421-e	Low- or Moderate-Income Housing Developed through Housing Trust Fund or Affordable Housing Development Program
Section 421-f	Home Improvements
Section 421-h	Multiple Dwellings converted to Owner-Occupied Residences in Certain Cities
Section 421-i	Multiple Dwellings converted to Owner-Occupied Residences in Certain Cities
Section 421-j	Multiple Dwellings converted to Owner-Occupied Residences in Certain Cities
Section 421-j	Capital Investment in Multiple Dwellings in Certain Cities *exempt from city taxes
Section 421-k	Multiple Dwellings converted to Owner-Occupied Residences in Certain Cities *exempt from city taxes
Section 421-l	Capital Improvements to Residential Buildings in Certain Towns *see exemption profile
Section 421-m	Certain New or Substantially Rehabilitated Multiple Dwellings outside New York City
Section 421-ff	Residential Capital Improvements in Certain cities
Section 444-a	Historic Property
Section 457	First-time Homebuyers of Newly Constructed Homes

Real Property Tax Law	Summary
<u>Section 458-a</u>	Veterans
<u>Section 458-b</u>	Veterans (Cold War)
<u>Section 458-c</u>	Severely injured members of the armed forces
<u>Section 459</u>	Physically Disabled
<u>Section 459-a</u>	Improvements to Property Pursuant to the Americans with Disabilities Act of 1990
<u>Section 459-c</u>	Persons with Disabilities and Limited Incomes
<u>Section 466</u>	Volunteer Firemen and Fire Companies in Villages
<u>Section 466-a</u>	Volunteer Firefighters and Ambulance Workers
<u>Section 467</u>	Persons 65 Years of Age or Older
<u>Section 467-d</u>	Certain Living Quarters Constructed to Be Occupied by a Senior Citizen or Disabled Individual
<u>Section 469</u>	Living Quarters for Parent or Grandparent
<u>Section 470</u>	Green Buildings
<u>Section 478</u>	Off-Street Parking Facilities Providing Underground Shelters
<u>Section 483-b</u>	Historic Barns
<u>Section 485-a</u>	Mixed-use Properties in Certain Cities
<u>Section 485-e</u>	Property Improvements in Empire Zones
<u>Section 485-f</u>	Branch Banks in Banking Development Districts
<u>Section 485-g</u>	Residential Subdivision Infrastructure
<u>Section 485-h</u>	Residential Investment in Certain Municipalities
<u>Section 485-j</u>	Residential Property Improvements in Certain Cities
<u>Section 485-k</u>	Residential Investment in Certain Municipalities
<u>Section 485-l</u>	Residential Property Improvements in Certain Towns
<u>Section 485-m</u>	Residential Property Improvements in Certain Municipalities
<u>Section 485-n</u>	Residential-commercial property in Certain Counties

Real Property Tax Law	Summary
<u>Section 485-o</u>	New Residential Property in Certain Cities
<u>Section 485-p</u>	Economic Transformation Areas
<u>Section 485-v</u>	Residential and Mixed Use in Certain Cities and School Districts
<u>Section 485-w</u>	Newly Constructed Residential Property in Certain Villages
<u>Section 489</u>	Multiple Dwellings (Various Improvements)
<u>Sections 491, 491-a and 491-b</u>	Conservation Easement Agreement in Certain Towns
<u>Section 556</u>	Limited Dividend Housing Companies or Limited-Profit Housing Companies (Property purchased or leased from municipality or municipal housing authority)
<u>Section 577(1)</u>	Housing Development Fund Companies (Property not described by other sections of law)
<u>Section 1106-h</u>	Low-Income Turnkey/Enhance Housing Trust Fund Program