



MEMO IN SUPPORT

S260-A (Myrie) / A1931-A (Rosenthal L)

Repeals Section 421-a of Real Property Tax Law

February 22, 2022

TITLE OF BILL

An act to repeal section 421-a of the real property tax law, relating to the affordable New York housing program; to amend the real property tax law, the administrative code of the city of New York, and the private housing finance law, in relation to making necessary technical and conforming changes; and to repeal certain sections of the administrative code of the city of New York relating thereto.

SUMMARY OF PROVISIONS

Section 1 repeals Real Property Tax Law section 421-a.

Sections 2 through 5 repeal sections 11-245, 11-245(1), 11-245(1-a), and 11-245(1-b) of the NYC administrative code.

Sections 6 through 12 remove parts of the administrative code of New York, private housing finance law, and real property tax law that refer to 421-a.

Section 13 states that the bill takes effect immediately.

STATEMENT OF SUPPORT

Reinvent Albany supports this bill because it would end a tax break that is a grossly inefficient and extremely costly way to create affordable housing in New York City. More so, we believe the 421-a program is blatantly bad public policy that only exists because of political corruption and the enormous influence of NYC real industry on state elected officials.

The real estate industry claims that 421-a is the most effective way for taxpayers to fund affordable housing in NY, but the Community Service Society of New York and the Legal

Aid Society – groups that have no pocket-book interest in the fate of the 421-a program – have repeatedly debunked this.^{1 2}

The 421-a program expires on June 15, 2022. The legislature should pass S260-A/A1931-A or let the program lapse. New York State taxpayers and the broader public deserve a program that creates much more affordable housing per public dollar spent.

New York State should not renew the current program. 421-a needs to go.

¹<https://www.cssny.org/publications/entry/421-a-rising-cost-diminishing-returns>

²<https://nyassembly.gov/write/upload/publichearing/001181/002788.pdf>