

REINVEST NEW YORK PARTNERSHIP

Legislative Update – Rehabilitation Tax Credit Expansion Bill

Legislation to expand the New York State Rehabilitation Tax Credit programs for commercial and residential (owner-occupied) historic properties programs is before the New York State legislature, and advocates, led by the Preservation League and partnership of developers, economic development groups, and preservation advocates known as Reinvest NY, are seeking your advocacy in support of this legislation.

We are seeking to secure the Governor’s signature on this critically needed rehabilitation stimulus and community revitalization program.

This legislation proposes the following changes to the current NYS rehabilitation tax credit programs, which were established in 2006:

Commercial Program:

	2006 NYS Rehabilitation Tax Credit Program	2009 Legislation
Qualified Buildings	National-Register listed	Same
Geographic Restrictions	Statewide	Limited to distressed areas (census tracts at or below 100% State Median Family Income)
Credit Rate	30% of federal credit value	100% of federal credit value
Credit Cap	\$100,000 per project, maximum	\$5 million per project, maximum
Transferability	Must be taken by person receiving federal credit	Can be transferred within business partnerships
Program Sunset	None	5 years

Residential Program:

	2006 NYS Rehabilitation Tax Credit Program	2009 Legislation
Qualified Buildings	State and National-Register listed, owner occupied	Same
Geographic Restrictions	Limited to ultra-distressed areas	Limited to distressed areas
Credit Rate	20% of qualified rehabilitation costs	Same
Credit Cap	\$25,000 per project, maximum	\$50,000 per project, maximum
Rebate Provision	None	For owner-occupants with less than \$60,000 annual income
Program Sunset	None	5 years

Benefits:

This legislation will improve the existing but underutilized New York State Rehabilitation Tax Credit programs to better serve municipal redevelopment and economic stimulus goals by providing more effective incentives and program features to developers and municipalities considering the rehabilitation of historic buildings. These changes would bring the NYS program in line with "best practices" and program features of highly successful rehabilitation stimulus programs in other states, and will provide New York with an improved incentive to realize redevelopment, job creation, enhanced tax base growth, increased homeownership rates, and reinvestment in existing municipal infrastructure.

An improved rehabilitation stimulus program represent a long-term investment in the economic revitalization and restoration of historic commercial business districts and residential neighborhoods in communities across New York State. These changes will leverage downtown and community revitalization throughout the Erie Canal Corridor, Finger Lakes Region and across Upstate New York by guiding new investment back to existing municipal infrastructure, spur tax-base growth by increasing property values, attract new business and vitality to existing commercial districts, and encourage the establishment of new National Register historic districts. The residential credit would extend the program benefits to a larger number of municipalities and a wider range of neighborhoods, accelerate efforts to reclaim a significant portion of older New York State housing stock, counter a growing shortfall in owner-occupied affordable housing, provide for the retention of existing community populations and attract new homeowners to established neighborhoods.

This program reinforces New York State investments in other program and policy areas, with direct benefits across a range of program areas, from smart growth and sustainable planning to energy efficiency and conservation, affordable housing and brownfields renewal.

NYS Assembly Members on A.6471-A:

Hoyt, Arroyo, Abbate, Boyland, Cahill, Canestrari, Christensen, Destito, Gabryszak, Koon, Lavine, Lupardo, Magnarelli, Markey, Mayersohn, McEneny, Morelle, Peoples, Pheffer, Quinn, J. Rivera, Robinson, Schimel, Schroeder, Stirpe, Sweeney, Weisenberg.

NYS Senators on S.2960-A:

Valesky, Aubertine, Breslin, Stachowski, Thompson.

Status

This legislation is on the Governor's desk. Outreach to the Governor is now needed to secure his signature on this critically-needed rehabilitation incentive. Contact the Governor Patterson's office by phone at **518-474-8390**, or by mail at:

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