

Practice Update

New York's 421-a (16) Program Extension

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To address the ongoing need for affordable housing in New York, Governor Hochul and the state legislature have passed additional incentives to spur affordable housing development.

In addition to the adoption of a new tax incentive program for residential development, the 2024-2025 New York State budget also contained good news for developers of certain projects that are vested under the former 421-a program. The new budget extended the completion of construction deadline for projects that intend to comply with Affordability Options A, B, D, E, and F until June 15, 2031. To qualify for the extension an owner must submit a letter of intent to apply for benefits under the former 421-a program within 90 days of the Department of Housing Preservation and Development's issuance of the required form.

Akerman's New York Land Use and Zoning and Economic Development and Incentives Practices are ready to assist real estate developers and property owners in preparing and filing the letter of intent to secure additional time to complete construction of 421-a projects.

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