

**LOCAL LAW 1 OF 2023**

**LOCAL LAW OF THE COMMON COUNCIL OF THE CITY OF KINGSTON,  
NEW YORK ADDING § C7-7 TO ARTICLE VII OF THE CHARTER OF THE  
CITY OF KINGSTON TO ADOPT THE 421-F PROPERTY TAX EXEMPTION  
FOR THE CREATION OF ACCESSORY DWELLING UNITS**

Sponsored By: Finance/Audit Committee: Alderman Scott-Childress, Davis, Olivieri, Schabot, Hirsch

**WHEREAS**, Section 421-F of the Real Property Tax Law allows municipalities to exempt capital improvement in residential buildings from taxation; and

**WHEREAS**, the City of Kingston believes that rising housing and rental costs and a lack of diverse housing opportunities for all community members pose a significant challenge to the members of our community; and

**WHEREAS**, the City of Kingston is nearing completion of a comprehensive update to the City's zoning code to promote the development of workforce and affordable housing, and in particular, to promote and encourage the creation of accessory dwelling units citywide; and

**WHEREAS**, new accessory dwelling units will increase the City of Kingston's housing supply, are an affordable housing options for many low-and-moderate income residents, benefit homeowners by providing an extra income stream, and facilitate efficient use of the City's existing housing stock; and

**WHEREAS**, The City of Kingston would like to further encourage the creation of new Accessory Dwelling Units by partially exempting their value from any increases in assessed value of the property.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF KINGSTON, NEW YORK, AS FOLLOWS:**

**SECTION 1.** That the City of Kingston adopts 421-f of the Real Property Tax Law;

**SECTION 2.** That the City of Kingston shall only include the creation of new attached Accessory Dwelling Units, as defined in the City's zoning code, within the 421-F exemption allowed by Real Property Tax Law;

**SECTION 3:** That property owners shall be eligible to apply for the 421-F exemption once they have received approval from the Planning Department for the creation of the



Accessory Dwelling Unit and have received a Certificate of Occupancy from the City of Kingston Building Safety Department for an Accessory Dwelling Unit;

**SECTION 4:** That the City of Kingston Assessor shall approve, carry out, and revoke 421-f exemption status in accordance with affixed four sections;

**SECTION 5:** That this resolution shall take effect immediately.

Submitted to the Mayor this \_\_\_\_ day of \_\_\_\_\_, 2023  
\_\_\_\_\_

Elisa Tinti, City Clerk

Approved by the Mayor this \_\_\_\_ day of \_\_\_\_\_, 2023  
\_\_\_\_\_

Steven T. Noble, Mayor

Adopted by Council on \_\_\_\_\_, 2023



**THE CITY OF KINGSTON COMMON COUNCIL**

*Finance*  
**LAWS & RULES**  
**COMMITTEE REPORT**

DEPARTMENT: HOUSING INITIATIVES/ASSESSOR	DATE: _____
Description: <b>LOCAL LAW OF THE COMMON COUNCIL OF THE CITY OF KINGSTON, NEW YORK ADDING § C7-7 TO ARTICLE VII OF THE CHARTER OF THE CITY OF KINGSTON TO ADOPT THE 421-F PROPERTY TAX EXEMPTION FOR THE CREATION OF ACCESSORY DWELLING UNITS</b>	
Signature: _____	

Motion by MO

Seconded by TD

Action Required: \_\_\_\_\_

SEQRA Decision:  
 Type I Action \_\_\_\_\_  
 Type II Action \_\_\_\_\_  
 Unlisted Action \_\_\_\_\_

Negative Declaration of Environmental Significance: \_\_\_\_\_

Conditioned Negative Declaration: \_\_\_\_\_

Seek Lead Agency Status: \_\_\_\_\_

Positive Declaration of Environmental Significance: \_\_\_\_\_

<u>Committee Vote</u>	<u>YES</u>	<u>NO</u>
<del>Rita Worthington, Ward 4, Chairman</del> <i>Reynolds Scott-Childress</i> <i>Reynolds Scott-Childress</i>	✓	
<del>Barbara Hill, Ward 1</del> <i>Steven Schabot Ward 6</i> <i>[Signature]</i>	✓	
<del>Carl Frankel, Ward 2</del> <i>[Signature]</i>		
<del>Rennie Scott-Childress, Ward 3</del> <i>ANTHONY DAVIS Ward 6</i>	✓	
<del>Michael Olivieri, Ward 7</del> <i>[Signature]</i>	✓	



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F+A

**CITY OF KINGSTON**  
**Office of Housing Initiatives**

Bartek Starodaj, Director



Steven T. Noble, Mayor

November 29, 2022

Ald. At Large Andrea Shaut, President  
City of Kingston Common Council  
City Hall - 420 Broadway  
Kingston, NY 12401

Re: 421-F Property Tax Exemption for ADUs

Dear President Shaut,

Section 421-f of the Real Property Tax Law authorizes a partial exemption from real property taxation of the increase in assessed value attributable to reconstruction, alterations or improvements made to residential property. Each municipality in New York has the option of adopting this exemption for capital improvements it deems to be eligible. Kingston has not yet taken advantage of this exemption but many other municipalities in New York State have adopted it, including the City of Cohes, Village of Catskill, City of Schenectady, and City of Troy.

We believe that the City of Kingston should opt into 421-f for the creation of new attached accessory dwelling units (ADUs).

Accessory Dwelling Units (ADUs) can play a role in increasing the housing supply, and especially the supply of affordable and workforce housing stock in Kingston, and support the needs of older adults and young families. Our goal is for this property tax exemption to incentivize the creation of ADUs and complement other efforts. This includes a recent grant application by the City in partnership with Ulster County and RUPCO for a \$2 million grant to support homeowners wanting to create new affordable ADUs and the city's draft form-based code, which would allow the construction of ADUs citywide "by right."

I ask that you please forward this communication to the next regularly scheduled Laws & Rules Committee for consideration. Please note that according to § 421-f(1), the City must hold a public hearing prior to adopting the resolution granting the exemption.

Bartek Starodaj

Director of Housing Initiatives

Danial Baker

City Assessor

Cc: Steve T. Noble, Mayor  
B. Graves-Poller, Corporation Counsel





Local Law \_\_\_ of 2022

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Sponsored by: Laws & Rules Committee: Worthington, Hill, Frankel, Scott-Childress, Olivieri

**WHEREAS**, Section 421-F of the Real Property Tax Law allows municipalities to exempt capital improvement in residential buildings from taxation; and

**WHEREAS**, the City of Kingston believes that rising housing and rental costs and a lack of diverse housing opportunities for all community members pose a significant challenge to the members of our community; and

**WHEREAS**, the City of Kingston is nearing completion of a comprehensive update to the City's zoning code to promote the development of workforce and affordable housing, and in particular, to promote and encourage the creation of accessory dwelling units citywide; and

**WHEREAS**, new accessory dwelling units will increase the City of Kingston's housing supply, are an affordable housing options for many low-and-moderate income residents, benefit homeowners by providing an extra income stream, and facilitate efficient use of the City's existing housing stock; and

**WHEREAS**, The City of Kingston would like to further encourage the creation of new Accessory Dwelling Units by partially exempting their value from any increases in assessed value of the property.

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**SECTION 2.** That the City of Kingston shall only include the creation of new attached Accessory Dwelling Units, as defined in the City's zoning code, within the 421-F exemption allowed by Real Property Tax Law;

**SECTION 3:** That property owners shall be eligible to apply for the 421-F exemption once they have received approval from the Planning Department for the creation of the Accessory Dwelling Unit and have received a Certificate of Occupancy from the City of Kingston Building Safety Department for an Accessory Dwelling Unit;

**SECTION 4:** That the City of Kingston Assessor shall approve, carry out, and revoke 421-f exemption status in accordance with affixed four sections;

**SECTION 5:** That this resolution shall take effect immediately.

Submitted to the Mayor this \_\_\_\_\_ day

Approved by the Mayor this \_\_\_\_\_ day

of \_\_\_\_\_ 2022

of \_\_\_\_\_ 2022

Elisa Tinti, City Clerk

Steven T. Noble, Mayor

Adopted by Council on \_\_\_\_\_, 2022

**Section 1 - Exemption**

- A. Accessory Dwelling Units (ADUs), as defined by the City of Kingston’s zoning code, created subsequent to the effective date of this local law shall be exempt from taxation and special ad valorem levies to the extent provided herein.
- B. No such exemption shall be granted unless:
  - a. The creation of the ADU was commenced subsequent to the effective date of this local law; and
  - b. The value of such creation exceeds three thousand dollars
- C. The exemption shall be limited to an eighty thousand dollars increase of Assessed Value attributable to the ADU creation.
- D. This exemption applies exclusively to the creation of new attached ADUs; it does not apply to ordinary maintenance, repairs, or any other types of improvements.

**Section 2 - Calculation of Exemptions**

That Accessory Dwelling Units shall be exempt for a period of eight years to the extent of the following percentages of the increase in the “exemption base” as defined in Real Property Tax Law Section 421-F as the increase in assessed value therefore attributable to the creation of a new ADU.

Year of exemption	Percentage of exemption base
1	100
2	87.5
3	75
4	62.5
5	50
6	37.5
7	25
8	12.5
9	0

**Section 3 – Application for and grant of exemption**

- A. An exemption shall be granted only upon application by the owner of the building on a form prescribed by the Commissioner of the Department of Taxation and Finance. The application shall be filed with the City of Kingston Assessor.
- B. If satisfied that the applicant is entitled to an exemption pursuant to this local law, the assessor shall approve the application and such building shall thereafter be exempt from taxation and special ad valorem levies as herein provided commencing with the assessment roll prepared on the basis of the taxable status date.

#### **Section 4 – Termination or Denial of Exemption**

- A. In the event that a building granted an exemption pursuant to this local law ceases to be used primarily as an accessory dwelling unit or title thereto is transferred to other than the heirs of the owner, the exemption shall cease.
- B. No such exemption shall be granted to an applicant who is in violation of any City of Kingston Code, Ordinance, or Local Law or owes property taxes, water or sewer fees, or any other fees or past due monies. Any exemption granted shall be immediately revoked if the applicant accrues violations or unpaid monies. The applicant may reapply for the exemption once all violations have been corrected and/or unpaid monies have been paid.

**THE CITY OF KINGSTON COMMON COUNCIL**

**LAWS & RULES  
COMMITTEE REPORT**

DEPARTMENT: **HOUSING INITIATIVES/ASSESSOR**

DATE: \_\_\_\_\_

Description: **LOCAL LAW OF THE COMMON COUNCIL OF THE CITY OF KINGSTON, NEW YORK ADDING § C7-7 TO ARTICLE VII OF THE CHARTER OF THE CITY OF KINGSTON TO ADOPT THE 421-F PROPERTY TAX EXEMPTION FOR THE CREATION OF ACCESSORY DWELLING UNITS**

Signature: \_\_\_\_\_

Motion by \_\_\_\_\_

Seconded by \_\_\_\_\_

Action Required:

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<u>Committee Vote</u>	<u>YES</u>	<u>NO</u>
Rita Worthington, Ward 4, Chairman		
Barbara Hill, Ward 1		
Carl Frankel, Ward 2		
Rennie Scott-Childress, Ward 3		
Michael Olivieri, Ward 7		

