S T A T E O F N E W Y O R K

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2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

January 5, 2011

Introduced by Sens. STEWART-COUSINS, ADAMS, ADDABBO, DIAZ, DILAN, HASSELL-THOMPSON, HUNTLEY, KLEIN, KRUEGER, PARKER, PERALTA, PERKINS, SAVINO, SERRANO, SQUADRON, STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the emergency tenant protection act of nineteen seventy-four, in relation to limited-profit housing companies and other buildings or structures which received project-based rental assistance

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Legislative findings and declaration of emergency. The legislature hereby finds and declares that the serious public emergency which led to the enactment of the existing laws regulating residential rents and evictions continues to exist; that such laws would better serve the public interest if certain changes were made thereto, including extending to certain cities, towns and villages the authority to provide for the regulation of rents and evictions with regard to housing accommodations that cease or have ceased to be regulated pursuant to article 2 of the private housing finance law, known as the Mitchell-Lama law, or pursuant to project-based section eight contracts entered into with the federal government.

The legislature further recognizes that severe disruption of the rental housing market has occurred and threatens to be exacerbated as a result of the abrupt termination of rent and eviction regulation when buildings exit the Mitchell-Lama program or when buildings cease to be subject to project-based section eight contracts. The situation had permitted speculative and profiteering practices and has brought about the loss of vital and irreplaceable affordable housing for working persons and families.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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The legislature therefore declares that in order to prevent uncertainty, potential hardship and dislocation of tenants living in housing accommodations subject to government regulations as to rentals and continued occupancy as well as those not subject to such regulations, the provisions of this act are necessary to protect the public health, safety and general welfare. The necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination.

S 2. Section 5 of section 4 of chapter 576 of the laws of 1974 constituting the emergency tenant protection act of nineteen seventy-four is amended by adding a new subdivision c to read as follows:

C. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, NOTHING SHALL PREVENT THE DECLARATION OF AN EMERGENCY PURSUANT TO SECTION THREE OF THIS ACT FOR RENTAL HOUSING ACCOMMODATIONS LOCATED IN BUILDINGS OR STRUCTURES COMPLETED OR SUBSTANTIALLY RENOVATED AS FAMILY UNITS ON OR AFTER JANUARY FIRST, NINETEEN HUNDRED SEVENTY-FOUR: (I) WHICH HAVE OR HAD BEEN OWNED, LEASED OR OPERATED BY A COMPANY ESTABLISHED OR OPERATING UNDER ARTICLE TWO OF THE PRIVATE HOUSING FINANCE LAW, OTHER THAN A MUTUAL COMPANY, AND WHICH ARE NO LONGER OWNED, LEASED OR OPERATED BY SUCH COMPANY BY REASON OF A VOLUNTARY DISSOLUTION PURSUANT TO SECTION THIRTY-FIVE OF SUCH LAW OR (II) WHICH WERE DEFINED AS COVERED PROJECTS PURSUANT TO SECTION 8 OF THE UNITED STATES HOUSING ACT OF NINETEEN THIRTY-SEVEN, AS AMENDED, OR ANY SUCCESSOR STATUTE, AND ANY REGULATIONS PROMULGATED THEREUNDER IN WHICH RENTAL HOUSING ACCOMMODATIONS RECEIVED PROJECT-BASED RENTAL ASSISTANCE FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PURSUANT TO CONTRACTS WITH THE OWNERS OF SUCH BUILDINGS OR STRUCTURES WHICH EXPIRED OR WERE TERMINATED. THE INITIAL LEGAL REGULATED RENT FOR HOUSING ACCOMMODATIONS LOCATED IN BUILDINGS OR STRUCTURES THAT HAVE OR HAD BEEN OWNED, LEASED OR OPERATED BY HOUSING COMPANIES OR THAT WERE COVERED PROJECTS PREVIOUSLY REGULATED UNDER THE PRIVATE HOUSING FINANCE LAW OR UNDER FEDERAL LAW, SHALL BE THE RENT CHARGED TO AND PAID BY THE TENANT IN OCCUPANCY ON JANUARY FIRST, TWO THOUSAND SEVEN OR, FOR ACCOMMODATIONS VACANT ON SUCH DATE, THE MOST RECENT RENT CHARGED TO AND PAID BY A TENANT PRIOR TO SUCH DATE, INCLUDING ANY INCOME-RELATED SURCHARGES, AS ADJUSTED BY ALL APPLICABLE GUIDELINES INCREASES AND OTHER INCREASES AUTHORIZED BY LAW, NOTWITHSTANDING ANY WRITTEN LEASE OR AGREEMENT BETWEEN THE TENANT AND THE LANDLORD ESTABLISHING OR AGREEING TO ANY INCREASES IN RENT ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVEN, PROVIDED NO LANDLORD SHALL BE REQUIRED TO REFUND ANY RENT PAID BY A TENANT IN EXCESS OF SUCH ADJUSTED RENT.

S 3. The provisions of subdivision a of section 9 of the emergency tenant protection act of nineteen seventy-four or of subdivision a of section 26-513 of the administrative code of the city of New York shall not apply to any housing accommodation which became subject to the emergency tenant protection act of nineteen seventy-four pursuant to the provisions of subdivision c of section 5 of section 4 of chapter 576 of the laws of 1974, as added by section two of this act, or to any such housing accommodation otherwise subject to the emergency tenant protection act of nineteen seventy-four by reason of its location in a building completed or substantially renovated as family units prior to January first, nineteen hundred seventy-four.

S 4. This act shall take effect immediately and shall apply to housing accommodations located in buildings or structures owned by housing companies that dissolved on, before or after such date and to housing accommodations in buildings or structures that were covered projects and had contracts for rental assistance that expired or were terminated on,

before or after such date; provided that the amendments to section 5 of the emergency tenant protection act of nineteen seventy-four made by section two of this act shall expire on the same date as such act expires and shall not affect the expiration of such act as provided in section 17 of chapter 576 of the laws of 1974.