STATE OF NEW YORK

10456

IN ASSEMBLY

May 25, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Braunstein) -- read once and referred to the Committee on Real Property Taxation

AN ACT to amend the real property tax law, in relation to authorizing a tax exemption and a tax abatement for alterations and improvements to multiple dwellings for purposes of preserving habitability in affordable housing

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 489 of the real property tax law is amended by adding a new subdivision 21 to read as follows:

21. Affordable housing rehabilitation program. (a) Definitions. For the purposes of this subdivision:

(1) "Affordable rent" shall mean the maximum rent within the marketing band that is allowed for an affordable rental unit as such rent is established by the local housing agency.

(2) "Affordable rental unit" shall mean a dwelling unit in an eligible rental building that:

(A) is affordable to individuals or families whose household income does not exceed eighty percent of the area median income, adjusted for family size; and

(B) upon each subsequent rental following a vacancy during the restriction period, is rented at or below the applicable affordable rent and occupied by an individual or family whose household income does not exceed eighty percent of the area median income, adjusted for family size, at the time that such household initially occupies such dwelling unit, provided that nothing in this subdivision shall prohibit occupancy by individuals or families whose household income is less than eighty percent of the area median income, adjusted for family size, nor prohibit the owner from requiring occupancy by individuals or families with such lower household income.

(3) "Certificate of eligibility and reasonable cost" shall mean a document issued by the local housing agency that establishes that a property is eligible for rehabilitation program benefits and sets forth

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

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the certified reasonable cost of the eligible construction for which such benefits shall be received.

(4) "Certified reasonable cost schedule" shall mean a table providing maximum dollar limits for specified alterations and improvements, established, and updated as necessary, by the local housing agency.

(5) "Checklist" shall mean a document that the local housing agency issues requesting additional information or documentation that is necessary for further assessment of an application for a certificate of eligibility and reasonable cost where such application contained all information and documentation required at the initial filing.

(6) "Commencement date" shall mean, with respect to eligible construction, the date on which any physical operation undertaken for the purpose of performing such eligible construction lawfully begins.

(7) "Completion date" shall mean, with respect to eligible construction, the date on which:

(A) every physical operation undertaken for the purpose of all eligible construction has concluded; and

(B) all such eligible construction has been completed to a reasonable and customary standard that renders such eligible construction capable of use for the purpose for which such eligible construction was intended.

(8) "Dwelling unit" shall mean any residential accommodation in a class A multiple dwelling that:

(A) is arranged, designed, used or intended for use by one or more persons living together and maintaining a common household;

(B) contains at least one room; and

(C) contains within such accommodation lawful sanitary and kitchen facilities reserved for its occupants.

(9) "Eligible building" shall mean an eligible rental building, an eligible homeownership building, or an eligible regulated homeownership building, provided that such building contains three or more dwelling units.

(10) "Eligible construction" shall mean alterations or improvements to an eligible building that:

(A) are specifically identified on the certified reasonable cost schedule;

(B) meet the minimum scope of work threshold;

(C) have a completion date that is after June twenty-ninth, two thousand twenty-two and prior to June thirtieth, two thousand twenty-six and that is not more than thirty months after their commencement date; and

(D) are not attributable to any increased cubic content in such eligible building.

(11) "Eligible homeownership building" shall mean an existing building that:

(A) is a class A multiple dwelling operated as condominium or cooperative housing;

(B) is not operating in whole or in part as a hotel; and

(C) has an average assessed valuation, including the valuation of the land, that as of the commencement date does not exceed the homeownership average assessed valuation limitation.

(12) "Eligible regulated homeownership building" shall mean an existing building that is a class A multiple dwelling owned and operated by either:

(A) a mutual company that continues to be organized and operated as a mutual company and that has entered into and recorded a mutual company regulatory agreement; or

(B) a mutual redevelopment company that continues to be organized and operated as a mutual redevelopment company and that has entered into and recorded a mutual redevelopment company regulatory agreement.

(13) "Eligible rental building" shall mean an existing building that:

(A) is a class A multiple dwelling in which all of the dwelling units are operated as rental housing;

(B) is not operating in whole or in part as a hotel; and

(C) satisfies one of the following conditions:

(i) not less than fifty percent of the dwelling units in such building are affordable rental units;

(ii) such building is owned and operated by a limited-profit housing company; or

(iii) such building is the recipient of substantial governmental assistance.

(14) "Existing building" shall mean an enclosed structure which:

(A) is permanently affixed to the land;

(B) has one or more floors and a roof;

(C) is bounded by walls;

(D) has at least one principal entrance utilized for day-to-day pedestrian ingress and egress;

(E) has a certificate of occupancy or equivalent document that is in effect prior to the commencement date; and

(F) exclusive of the land, has an assessed valuation of more than one thousand dollars for the fiscal year immediately preceding the commencement date.

(15) "Homeownership average assessed valuation limitation" shall mean an average assessed valuation of forty-five thousand dollars per dwelling unit.

(16) "Limited-profit housing company" shall have the same meaning as "company" set forth in section twelve of the private housing finance law.

(17) "Market rental unit" shall mean a dwelling unit in an eligible rental building other than an affordable rental unit.

(18) "Marketing band" shall mean maximum rent amounts ranging from twenty percent of eighty percent of the area median income, adjusted for family size, to thirty percent of eighty percent of the area median income, adjusted for family size.

(19) "Minimum scope of work threshold" shall mean a total amount of certified reasonable cost established by rules and regulations of the local housing agency, provided that such amount shall be no less than one thousand five hundred dollars for each dwelling unit in existence on the completion date.

(20) "Multiple dwelling" shall have the meaning set forth in section four of the multiple dwelling law.

(21) "Mutual company" shall have the meaning set forth in section twelve of the private housing finance law.

(22) "Mutual company regulatory agreement" shall mean a binding and irrevocable agreement between a mutual company and the commissioner of housing, the mutual company supervising agency, the New York city housing development corporation, or the New York state housing finance agency prohibiting the dissolution or reconstitution of such mutual company pursuant to section thirty-five of the private housing finance law for not less than fifteen years from the commencement of rehabilitation program benefits for the existing building owned and operated by such mutual company.

(23) "Mutual company supervising agency" shall have the same meaning, with respect to any mutual company, as "supervising agency" set forth in section two of the private housing finance law.

(24) "Mutual redevelopment company" shall have the same meaning as "mutual" when applied to a redevelopment company as set forth in section one hundred two of the private housing finance law.

(25) "Mutual redevelopment company regulatory agreement" shall mean a binding and irrevocable agreement between a mutual redevelopment company and the commissioner of housing, the redevelopment company supervising agency, the New York city housing development corporation, or the New York state housing finance agency prohibiting the dissolution or reconstitution of such mutual redevelopment company pursuant to section one hundred twenty-three of the private housing finance law until the earlier of: (A) fifteen years from the commencement of rehabilitation program benefits for the existing building owned and operated by such mutual redevelopment company; or (B) the expiration of any tax exemption granted to such mutual redevelopment company pursuant to section one hundred twenty-five of the private housing finance law.

(26) "Redevelopment company" shall have the meaning set forth in section one hundred two of the private housing finance law.

(27) "Redevelopment company supervising agency" shall have the same meaning, with respect to any redevelopment company, as "supervising agency" set forth in section one hundred two of the private housing finance law.

(28) "Rehabilitation program benefits" shall mean exemption from or abatement of real property taxes pursuant to this subdivision.

(29) "Rent regulation" shall mean, collectively, the emergency housing rent control law, any local law enacted pursuant to the local emergency housing rent control act, the rent stabilization law of nineteen hundred sixty-nine, the rent stabilization code, and the emergency tenant protection act of nineteen seventy-four, all as in effect as of the effective date of the chapter of the laws of two thousand twenty-two that added this subdivision, or as any such statute is amended thereafter, together with any successor statutes or regulations addressing substantially the same subject matter.

(30) "Restriction period" shall mean, notwithstanding any termination or revocation of rehabilitation program benefits prior to the period described in clause (A) or (B), the following:

(A) the period commencing on the restrictive declaration date and expiring on the fifteenth anniversary thereof, or such additional period of time as may be imposed pursuant to clause (A) of subparagraph six of paragraph (f) of this subdivision; or

(B) for an exemption granted pursuant to clause (B) of subparagraph one of paragraph (b) of this subdivision, the period commencing upon the restrictive declaration date and expiring on the date of the expiration of such exemption, or such additional period of time as may be imposed pursuant to clause (A) of subparagraph six of paragraph (f) of this subdivision.

(31) "Restrictive declaration" shall mean the document executed by all parties in interest to an eligible rental building, other than one owned and operated by a limited-profit housing company, which provides that such eligible rental building shall comply with the applicable requirements of this subdivision, any local law or ordinance enacted pursuant to this subdivision, and any rules and regulations of the local housing agency.

(32) "Restrictive declaration date" shall mean the date upon which a restrictive declaration is recorded and effective against an eligible rental building, other than one owned and operated by a limited-profit housing company.

(33) "Substantial governmental assistance" shall mean grants, loans, or subsidies from any federal, state or local governmental agency or instrumentality in furtherance of a program for the development of affordable housing approved by the local housing agency, provided that such grants, loans, or subsidies are provided in accordance with a regulatory agreement entered into with such agency or instrumentality that is in effect as of the filing date of the application for a certificate of eligibility and reasonable cost.

(34) "Substantial interest" shall mean an ownership interest of ten percent or more.

(b) Exemption. (1) Notwithstanding the provisions of any other subdivision of this section or of any general, special or local law to the contrary, any city to which the multiple dwelling law is applicable, acting through its local legislative body or other governing agency, is hereby authorized and empowered, to and including June thirtieth, two thousand twenty-five, to adopt and amend local laws or ordinances providing that:

(A) an eligible rental building in which eligible construction has been completed, and which is not the recipient of substantial governmental assistance, shall be exempt from real property taxation for local purposes as provided herein equal to five percent of the assessed valuation of such building as of the commencement date;

(B) an eligible rental building in which eligible construction has been completed and which is the recipient of substantial governmental assistance shall be exempt from real property taxation for local purposes as provided herein equal to fifteen percent of the assessed valuation of such building as of the commencement date; and

(C) an eligible rental building owned by a limited-profit housing company or redevelopment company, shall not be eligible for an exemption from real property taxation for local purposes pursuant to this subdivision.

(2) Such exemption shall begin with the first quarterly tax bill immediately following the restrictive declaration date and shall continue for a period not to exceed fifteen years in the aggregate, as follows:

(A) except as otherwise provided herein, for ten years, such exemption shall be equal to the amount of assessed valuation that is subject to exemption under this paragraph as of the commencement date;

(B) followed by one year of exemption from eighty-three and one-third percent of such amount;

(C) followed by one year of exemption from sixty-six and two-thirds percent of such amount;

(D) followed by one year of exemption from fifty percent of such amount;

(E) followed by one year of exemption from thirty-three and one-third percent of such amount;

(F) followed by one year of exemption from sixteen and two-thirds percent of such amount;

(G) after which the amount of assessed valuation that had been exempt is fully taxable.

(3) Notwithstanding subparagraphs one and two of this paragraph:

(A) the owner of any such eligible rental building, shall pay, in each year in which rehabilitation program benefits are in effect, real property taxes on any amount of the assessed valuation of such building that is not exempted from real property taxation pursuant to subparagraph two of this paragraph and for which there is no abatement thereof in accordance with paragraph (c) of this subdivision, as well as any such real property taxes related to the land portion of such real property; and

(B) if eligible construction is completed on an eligible rental building that is the recipient of substantial governmental assistance, the exemption under this paragraph shall continue for a period not to exceed, in the aggregate, the greater of fifteen years or the remaining term, up to forty years, of the relevant regulatory agreement with the local housing agency in effect as of the filing date of the application for a certificate of eligibility and reasonable cost, with the final five years of such exemption to be implemented in accordance with clauses (B) through (F) of subparagraph two of this paragraph, after which the assessed value is fully taxable.

(4) Notwithstanding any other provision of this paragraph, no eligible rental building shall receive concurrent exemptions under this paragraph, and upon the commencement of an exemption under this paragraph for an eligible rental building, any prior exemption under this paragraph for such eligible rental building still in effect shall immediately terminate.

(c) Abatement. Any such local law or ordinance may also provide an abatement of real property taxes on an eligible building in which eligible construction has been completed, provided that:

(1) such abatement shall not exceed seventy percent of the certified reasonable cost of the eligible construction, as determined under rules and regulations of the local housing agency;

(2) such abatement shall not be effective for more than twenty years;

(3) the annual abatement of real property taxes on such eligible building shall not exceed eight and one-third percent of the total certified reasonable cost of such eligible construction;

(4) the annual abatement of real property taxes on such eligible building in any consecutive twelve-month period shall in no event exceed the amount of real property taxes payable in such twelve-month period for such building, provided, however, that such abatement shall not exceed fifty percent of the amount of real property taxes payable in such twelve-month period for any of the following:

(A) an eligible rental building owned by a limited-profit housing company or a redevelopment company;

(B) an eligible homeownership building; and

(C) an eligible regulated homeownership building; and

(5) such abatement shall become effective:

(A) for eligible rental buildings other than those owned and operated by limited-profit housing companies, beginning with the first quarterly tax bill immediately following the restrictive declaration date;

(B) for all other eligible buildings, including eligible rental buildings owned and operated by limited-profit housing companies, beginning with the first quarterly tax bill immediately following the date of issuance of the certificate of eligibility and reasonable cost.

(d) Authority of city to adopt rules and regulations. Any such local law or ordinance shall authorize the adoption of rules and regulations, not inconsistent with this subdivision, by the local housing agency and any other local agency necessary for the implementation of this subdivision.

(e) Applications. (1) Any such local law or ordinance shall require that an application for a certificate of eligibility and reasonable cost pursuant to this subdivision be made after the completion date and no later than four months from such completion date.

(2) Such application shall include evidence of eligibility for rehabilitation program benefits and evidence of reasonable cost as shall be satisfactory to the local housing agency including, but not limited to, evidence showing the cost of eligible construction.

(3) The local housing agency shall require a non-refundable filing fee that shall be paid by a certified check or cashier's check upon the filing of an application for a certificate of eligibility and reasonable cost. Such fee shall be (A) one thousand dollars, plus (B) seventy-five dollars for each dwelling unit in excess of six dwelling units in the eligible building that is the subject of such application.

(4) Any application that is filed pursuant to this paragraph that is missing any of the information and documentation required at initial filing by such local law or ordinance and any rules and regulations of the local housing agency shall be denied, provided that a new application for the same eligible construction, together with a new non-refundable filing fee, may be filed within fifteen days of the date of issuance of such denial. If such second application is also missing any such required information and documentation, it shall be denied and no further applications for the same eligible construction shall be permitted.

(5) The failure of an applicant to respond to any checklist within thirty days of the date of its issuance by the local housing agency shall result in denial of such application, and no further applications for the same eligible construction shall be permitted. The local housing agency shall issue not more than three checklists per application. An application for a certificate of eligibility and reasonable cost shall be denied when the local housing agency does not have a sufficient basis to issue a certificate of eligibility and reasonable cost after the timely response of an applicant to the third checklist concerning such application. After the local housing agency has denied an application for the reason described in the preceding sentence, such agency shall permit no further applications for the same eligible construction.

(6) An application for a certificate of eligibility and reasonable cost shall also include an affidavit of no harassment.

(A) Such affidavit shall set forth the following information:

(i) the name of every owner of record and owner of a substantial interest in the eligible building or entity owning the eligible building or sponsoring the eligible construction; and

(ii) a statement that none of such persons had, within the five years prior to the completion date, been found to have harassed or unlawfully evicted tenants by judgment or determination of a court or agency, including a non-governmental agency having appropriate legal jurisdiction, under the penal law, any state or local law regulating rents or any state or local law relating to harassment of tenants or unlawful eviction.

(B) No eligible building shall be eligible for an exemption pursuant to paragraph (b) of this subdivision or an abatement pursuant to paragraph (c) of this subdivision where:

(i) any affidavit required under this subparagraph has not been filed; or

(ii) any such affidavit contains a willful misrepresentation or omission of any material fact; or

(iii) any owner of record or owner of a substantial interest in the eligible building or entity owning the eligible building or sponsoring the eligible construction has been found, by judgment or determination of a court or agency, including a non-governmental agency having appropriate legal jurisdiction, under the penal law, any state or local law regulating rents or any state or local law relating to harassment of tenants or unlawful eviction, to have, within the five years prior to the completion date, harassed or unlawfully evicted tenants, until and unless the finding is reversed on appeal.

(C) Notwithstanding the provisions of any general, special or local law to the contrary, the corporation counsel or other legal representative of a city having a population of one million or more or the district attorney of any county, may institute an action or proceeding in any court of competent jurisdiction that may be appropriate or necessary to determine whether any owner of record or owner of a substantial interest in the eligible building or entity owning the eligible building or sponsoring the eligible construction has harassed or unlawfully evicted tenants as described in this subparagraph.

(7) Notwithstanding the provisions of any general, special or local law to the contrary, the local housing agency may require by rules and regulations that an application for a certificate of eligibility and reasonable cost be filed electronically.

(f) Additional requirements for an eligible rental building other than one owned and operated by a limited-profit housing company. Any such local law or ordinance shall, in addition to all other conditions of eligibility for rehabilitation program benefits set forth in this subdivision, require that an eligible rental building, other than one owned and operated by a limited-profit housing company, also comply with all provisions of this paragraph. Notwithstanding the foregoing, an eligible rental building that is the recipient of substantial governmental assistance shall not be required to comply with the provisions of subparagraph three of this paragraph.

(1) Notwithstanding any provision of rent regulation to the contrary, any market rental unit within such eligible rental building subject to rent regulation as of the filing date of the application for a certificate of eligibility and reasonable cost and any affordable rental unit within such eligible rental building shall be subject to rent regulation until such unit first becomes vacant after the expiration of the restriction period at which time such unit, unless it would be subject to rent regulation for reasons other than the provisions of this subdivision, shall be deregulated, provided, however, that during the restriction period, no exemption or exclusion from any requirement of rent regulation shall apply to such dwelling units.

(2) The owner of an eligible rental building shall execute and record a restrictive declaration, in a form satisfactory to the local housing agency, that requires compliance with the provisions of this subdivision, such local law or ordinance, and the rules and regulations of the local housing agency. Such restrictive declaration shall bind the owner of such eligible rental building and its successors and assigns, and may include such other terms and conditions as the local housing agency shall determine.

(3) Additional requirements for an eligible rental building that is not a recipient of substantial governmental assistance.

(A) Not less than fifty percent of the dwelling units in such eligible rental building shall be designated as affordable rental units. The restrictive declaration for any such eligible rental building shall not be executed and recorded until leases in accordance with the applicable provisions of rent regulation have been executed with respect to all affordable rental units within such eligible rental building and all affordable rental units have been registered in accordance with such rent regulation provisions.

(B) The owner of such eligible rental building shall ensure that no affordable rental unit is held off the market for a period that is longer than reasonably necessary. To that end, such owner shall notify the local housing agency of a vacancy of an affordable rental unit within such rental building during the restriction period no later than fourteen days following such vacancy, after which such affordable rental unit shall be marketed in accordance with the rules and regulations of the local housing agency and shall be rented by the owner in a prompt and timely manner. The local housing agency may impose requirements upon such owner to facilitate such prompt and timely rental, as set forth in rules and regulations of the local housing agency.

(C) The owner of such eligible rental building shall, during the restriction period, waive the collection of any major capital improvement rent increase granted by the New York state division of housing and community renewal pursuant to rent regulation that is attributable to eligible construction for which such eligible rental building receives rehabilitation program benefits, and shall file a declaration with the New York state division of housing and community renewal providing such waiver.

(D) An affordable rental unit shall not be rented on a temporary, transient or short-term basis. Every lease and renewal thereof for an affordable rental unit shall be for a term of one or two years, at the option of the tenant, and shall include a notice in at least twelve point type informing such tenant of their rights pursuant to this subdivision, including an explanation of the restrictions on rent increases that may be imposed on such affordable rental unit.

(E) The local housing agency may establish by rules and regulations such requirements as the local housing agency deems necessary or appropriate for the following:

(i) designating affordable rental units, including, but not limited to, designating the unit mix and distribution requirements of such affordable rental units in an eligible building;

(ii) marketing affordable rental units upon any vacancy; and

(iii) monitoring compliance with the provisions of this subdivision. Such requirements may include, but need not be limited to, retaining a monitor approved by the local housing agency and paid for by the owner of the eligible rental building.

(4) The owner of such eligible rental building shall not engage in or cause any harassment of the tenants of such eligible rental building or unlawfully evict any such tenants during the restriction period.

(5) No dwelling units within such eligible rental building shall be converted to cooperative or condominium ownership during the restriction period.

(6) Any non-compliance of an eligible rental building with the provisions of this paragraph shall permit the local housing agency to take the following action:

(A) extend the restriction period;

(B) increase the number of affordable rental units in such eligible rental building;

(C) impose a penalty of not more than the product of one thousand dollars per instance of non-compliance and the number of dwelling units contained in such eligible rental building; and

(D) terminate or revoke any rehabilitation program benefits in accordance with paragraph (n) of this subdivision.

(g) Compliance with applicable law. Any such local law or ordinance may also provide that rehabilitation program benefits shall not be allowed for any eligible building unless and until such eligible building complies with all applicable provisions of law.

(h) Implementation of rehabilitation program benefits. Upon issuance of a certificate of eligibility and reasonable cost and payment of outstanding fees, the local housing agency shall be authorized to transmit such certificate of eligibility and reasonable cost to the local agency responsible for real property tax assessment. Upon receipt of a certificate of eligibility and reasonable cost, the local agency responsible for real property tax assessment shall certify the amount of value to be exempt from taxation and the amount of taxes to be abated pursuant to paragraphs (b) and (c) of this subdivision, respectively, and pursuant to such certificate of eligibility and reasonable cost provided by the local housing agency.

(i) Outstanding taxes and charges. Any such local law or ordinance shall also provide that rehabilitation program benefits shall not be allowed for an eligible building in either of the following cases:

(1) there are outstanding real estate taxes or water and sewer charges or payments in lieu of taxes that are due and owing as of the last day of the tax period preceding the date of the receipt of the certificate of eligibility and reasonable cost by the local agency responsible for real property tax assessment; or

(2) real estate taxes or water and sewer charges due at any time during the authorized term of such benefits remain unpaid for one year after the same are due and payable.

(j) Additional limitations on eligibility. Any such local law or ordinance shall also provide that:

(1) rehabilitation program benefits shall not be allowed for any eligible building receiving tax exemption or abatement concurrently for rehabilitation or new construction under any other provision of state or local law or ordinance with the exception of any eligible construction to an eligible building receiving a tax exemption or abatement under the provisions of the private housing finance law;

(2) rehabilitation program benefits shall not be allowed for any item of eligible construction in an eligible building if such eligible building is receiving tax exemption or abatement for the same or a similar item of eligible construction as of the December thirty-first preceding the date of application for a certificate of eligibility and reasonable cost for such rehabilitation program benefits;

(3) where the eligible construction includes or benefits a portion of an eligible building that is not occupied for dwelling purposes, the assessed valuation of such eligible building and the cost of the eligible construction shall be apportioned so that rehabilitation program benefits shall not be provided for eligible construction made for other than dwelling purposes; and

(4) rehabilitation program benefits shall not be applied to abate or reduce the taxes upon the land portion of real property, which shall continue to be taxed based upon the assessed valuation of the land and the applicable tax rate at the time such taxes are levied.

(k) Re-inspection penalty. Any such local law or ordinance shall also provide that if the local housing agency cannot verify the eligible construction claimed by an applicant upon the first inspection by the local housing agency of the eligible building, such applicant shall be required to pay ten times the actual cost of any additional inspection needed to verify such eligible construction.

(l) Strict liability for inaccurate applications. Any such local law or ordinance shall also provide that if the local housing agency determines that an application for a certificate of eligibility and reasonable cost contains a material misstatement of fact, the local housing agency may reject such application and bar the submission of any other application pursuant to this subdivision with respect to such eligible building for a period not to exceed three years. An applicant shall not be relieved from liability under this paragraph because it submitted its application under a mistaken belief of fact. Furthermore, any person or entity that files more than six applications containing such a material misstatement of fact within any twelve month period shall be barred from submitting any new application for rehabilitation program benefits on behalf of any eligible building for a period not to exceed five years.

(m) Investigatory authority. Any such local law or ordinance shall also allow the local housing agency to require such certifications and consents necessary to access records, including other tax records, as may be deemed appropriate to enforce the eligibility requirements of this subdivision. Any such local law or ordinance shall further provide that, for purposes of determining and certifying eligibility for rehabilitation program benefits and the reasonable cost of any eligible construction, the local housing agency shall be authorized to:

(1) administer oaths to and take the testimony of any person, including, but not limited to, the owner of such eligible building;

(2) issue subpoenas requiring the attendance of such persons and the production of any bills, books, papers or other documents as it may deem necessary;

(3) make preliminary estimates of the maximum reasonable cost of such eligible construction;

(4) establish maximum allowable costs of specified units, fixtures or work in such eligible construction;

(5) require the submission of plans and specifications of such eligible construction before the commencement thereof;

(6) require physical access to inspect the eligible building; and

(7) on an annual basis, require the submission of leases for any dwelling unit in a building granted a certificate of eligibility and reasonable cost.

(n) Termination or revocation. Any such local law or ordinance shall provide that failure to comply with the provisions of this subdivision, any such local law or ordinance, any rules and regulations promulgated thereunder, or any restrictive declaration, mutual company regulatory agreement, or mutual redevelopment company regulatory agreement entered into thereunder, may result in revocation of any rehabilitation program benefits retroactive to the commencement thereof. Such termination or revocation shall not exempt such eligible building from continued compliance with the requirements of this subdivision, such local law or ordinance, such rules and regulations, and such restrictive declaration, mutual company regulatory agreement, or mutual redevelopment company regulatory agreement.

(o) Criminal liability for unauthorized uses. Any such local law or ordinance shall also provide that in the event that any recipient of rehabilitation program benefits uses any dwelling unit in such eligible building in violation of the requirements of such local law or ordinance as adopted pursuant to this subdivision and any rules and regulations promulgated pursuant thereto, such recipient shall be guilty of an unclassified misdemeanor punishable by a fine in an amount equivalent to double the value of the gain of such recipient from such unlawful use or imprisonment for not more than ninety days, or both.

(p) Private right of action. Any prospective, present, or former tenant of an eligible rental building may sue to enforce the requirements and prohibitions of this subdivision, any such local law or ordinance, any rules and regulations promulgated thereunder, or any restrictive declaration entered into thereunder, in the supreme court of New York. Any such individual harmed by reason of a violation of such requirements and prohibitions may sue therefor in the supreme court of New York on behalf of himself or herself, and shall recover threefold the damages sustained and the cost of the suit, including a reasonable attorney's fee. The local housing agency may use any court decision under this paragraph that is adverse to the owner of an eligible building as the basis for further enforcement action. Notwithstanding any other provision of law, an action by a tenant of an eligible rental building under this paragraph must be commenced within six years from the date of the latest violation.

(q) Appointment of receiver. In addition to the remedies for non-compliance provided for in subparagraph six of paragraph (f) of this subdivision, any such local law or ordinance may also provide that the local housing agency may make application for the appointment of a receiver in accordance with the procedures contained in such local law or ordinance. Any receiver appointed pursuant to this paragraph shall be authorized, in addition to any other powers conferred by law, to effect compliance with the provisions of this subdivision, such local law or ordinance, and rules and regulations of the local housing agency. Any expenditures incurred by the receiver to affect such compliance shall constitute a debt of the owner and a lien upon the property, and upon the rents and income thereof, in accordance with the procedures contained in such local law or ordinance. The local housing agency in its discretion may provide funds to be expended by the receiver, and such funds shall constitute a debt recoverable from the owner in accordance with applicable local laws or ordinances.

(r) Authority of city to limit local law. Where a city enacts or amends a local law or ordinance under this subdivision, such local law or ordinance may restrict, limit or condition the eligibility, scope or amount of rehabilitation program benefits under the local law or ordinance in any manner, provided that the local law or ordinance may not grant rehabilitation program benefits beyond those provided in this subdivision.

§ 2. This act shall take effect immediately.