

# 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:

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

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

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

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

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

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

23 (3) "Certificate of eligibility and reasonable cost" shall mean a  
24 document issued by the local housing agency that establishes that a  
25 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.

LBD15906-02-2

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

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

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

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

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

16 (A) every physical operation undertaken for the purpose of all eligi-  
17 ble construction has concluded; and

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

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

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

26 (B) contains at least one room; and

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

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

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

35 (A) are specifically identified on the certified reasonable cost sche-  
36 dule;

37 (B) meet the minimum scope of work threshold;

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

41 (D) are not attributable to any increased cubic content in such eligi-  
42 ble building.

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

45 (A) is a class A multiple dwelling operated as condominium or cooper-  
46 ative housing;

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

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

51 (12) "Eligible regulated homeownership building" shall mean an exist-  
52 ing building that is a class A multiple dwelling owned and operated by  
53 either:

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

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

4 (13) "Eligible rental building" shall mean an existing building that:  
5 (A) is a class A multiple dwelling in which all of the dwelling units  
6 are operated as rental housing;

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

8 (C) satisfies one of the following conditions:

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

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

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

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

16 (A) is permanently affixed to the land;

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

18 (C) is bounded by walls;

19 (D) has at least one principal entrance utilized for day-to-day pedes-  
20 trian ingress and egress;

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

23 (F) exclusive of the land, has an assessed valuation of more than one  
24 thousand dollars for the fiscal year immediately preceding the commence-  
25 ment date.

26 (15) "Homeownership average assessed valuation limitation" shall mean  
27 an average assessed valuation of forty-five thousand dollars per dwell-  
28 ing unit.

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

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

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

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

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

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

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

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

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

7 (25) "Mutual redevelopment company regulatory agreement" shall mean a  
8 binding and irrevocable agreement between a mutual redevelopment company  
9 and the commissioner of housing, the redevelopment company supervising  
10 agency, the New York city housing development corporation, or the New  
11 York state housing finance agency prohibiting the dissolution or recon-  
12 stitution of such mutual redevelopment company pursuant to section one  
13 hundred twenty-three of the private housing finance law until the earli-  
14 er of: (A) fifteen years from the commencement of rehabilitation program  
15 benefits for the existing building owned and operated by such mutual  
16 redevelopment company; or (B) the expiration of any tax exemption grant-  
17 ed to such mutual redevelopment company pursuant to section one hundred  
18 twenty-five of the private housing finance law.

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

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

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

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

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

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

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

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

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

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

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

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

22 (A) an eligible rental building in which eligible construction has  
23 been completed, and which is not the recipient of substantial govern-  
24 mental assistance, shall be exempt from real property taxation for local  
25 purposes as provided herein equal to five percent of the assessed valu-  
26 ation of such building as of the commencement date;

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

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

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

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

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

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

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

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

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

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

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

55 (A) the owner of any such eligible rental building, shall pay, in each  
56 year in which rehabilitation program benefits are in effect, real prop-

erty 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

1 pursuant to this subdivision be made after the completion date and no  
2 later than four months from such completion date.

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

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

13 (4) Any application that is filed pursuant to this paragraph that is  
14 missing any of the information and documentation required at initial  
15 filing by such local law or ordinance and any rules and regulations of  
16 the local housing agency shall be denied, provided that a new applica-  
17 tion for the same eligible construction, together with a new non-refund-  
18 able filing fee, may be filed within fifteen days of the date of issu-  
19 ance of such denial. If such second application is also missing any such  
20 required information and documentation, it shall be denied and no  
21 further applications for the same eligible construction shall be permit-  
22 ted.

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

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

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

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

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

48 (B) No eligible building shall be eligible for an exemption pursuant  
49 to paragraph (b) of this subdivision or an abatement pursuant to para-  
50 graph (c) of this subdivision where:

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

53 (ii) any such affidavit contains a willful misrepresentation or omis-  
54 sion of any material fact; or

55 (iii) any owner of record or owner of a substantial interest in the  
56 eligible building or entity owning the eligible building or sponsoring

1 the eligible construction has been found, by judgment or determination  
2 of a court or agency, including a non-governmental agency having appro-  
3 priate legal jurisdiction, under the penal law, any state or local law  
4 regulating rents or any state or local law relating to harassment of  
5 tenants or unlawful eviction, to have, within the five years prior to  
6 the completion date, harassed or unlawfully evicted tenants, until and  
7 unless the finding is reversed on appeal.

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

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

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

31 (1) Notwithstanding any provision of rent regulation to the contrary,  
32 any market rental unit within such eligible rental building subject to  
33 rent regulation as of the filing date of the application for a certif-  
34 icate of eligibility and reasonable cost and any affordable rental unit  
35 within such eligible rental building shall be subject to rent regulation  
36 until such unit first becomes vacant after the expiration of the  
37 restriction period at which time such unit, unless it would be subject  
38 to rent regulation for reasons other than the provisions of this subdivi-  
39 vision, shall be deregulated, provided, however, that during the  
40 restriction period, no exemption or exclusion from any requirement of  
41 rent regulation shall apply to such dwelling units.

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

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

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

1 affordable rental units within such eligible rental building and all  
2 affordable rental units have been registered in accordance with such  
3 rent regulation provisions.

4 (B) The owner of such eligible rental building shall ensure that no  
5 affordable rental unit is held off the market for a period that is long-  
6 er than reasonably necessary. To that end, such owner shall notify the  
7 local housing agency of a vacancy of an affordable rental unit within  
8 such rental building during the restriction period no later than four-  
9 teen days following such vacancy, after which such affordable rental  
10 unit shall be marketed in accordance with the rules and regulations of  
11 the local housing agency and shall be rented by the owner in a prompt  
12 and timely manner. The local housing agency may impose requirements upon  
13 such owner to facilitate such prompt and timely rental, as set forth in  
14 rules and regulations of the local housing agency.

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

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

30 (E) The local housing agency may establish by rules and regulations  
31 such requirements as the local housing agency deems necessary or appro-  
32 priate for the following:

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

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

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

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

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

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

50 (A) extend the restriction period;

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

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

1 (D) terminate or revoke any rehabilitation program benefits in accord-  
2 ance with paragraph (n) of this subdivision.

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

7 (h) Implementation of rehabilitation program benefits. Upon issuance  
8 of a certificate of eligibility and reasonable cost and payment of  
9 outstanding fees, the local housing agency shall be authorized to trans-  
10 mit such certificate of eligibility and reasonable cost to the local  
11 agency responsible for real property tax assessment. Upon receipt of a  
12 certificate of eligibility and reasonable cost, the local agency respon-  
13 sible for real property tax assessment shall certify the amount of value  
14 to be exempt from taxation and the amount of taxes to be abated pursuant  
15 to paragraphs (b) and (c) of this subdivision, respectively, and pursu-  
16 ant to such certificate of eligibility and reasonable cost provided by  
17 the local housing agency.

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

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

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

29 (j) Additional limitations on eligibility. Any such local law or ordi-  
30 nance shall also provide that:

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

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

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

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

53 (k) Re-inspection penalty. Any such local law or ordinance shall also  
54 provide that if the local housing agency cannot verify the eligible  
55 construction claimed by an applicant upon the first inspection by the  
56 local housing agency of the eligible building, such applicant shall be

1 required to pay ten times the actual cost of any additional inspection  
2 needed to verify such eligible construction.

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

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

24 (1) administer oaths to and take the testimony of any person, includ-  
25 ing, but not limited to, the owner of such eligible building;

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

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

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

33 (5) require the submission of plans and specifications of such eligi-  
34 ble construction before the commencement thereof;

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

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

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

51 (o) Criminal liability for unauthorized uses. Any such local law or  
52 ordinance shall also provide that in the event that any recipient of  
53 rehabilitation program benefits uses any dwelling unit in such eligible  
54 building in violation of the requirements of such local law or ordinance  
55 as adopted pursuant to this subdivision and any rules and regulations  
56 promulgated pursuant thereto, such recipient shall be guilty of an

1 unclassified misdemeanor punishable by a fine in an amount equivalent to  
2 double the value of the gain of such recipient from such unlawful use or  
3 imprisonment for not more than ninety days, or both.

4 (p) Private right of action. Any prospective, present, or former  
5 tenant of an eligible rental building may sue to enforce the require-  
6 ments and prohibitions of this subdivision, any such local law or ordi-  
7 nance, any rules and regulations promulgated thereunder, or any restric-  
8 tive declaration entered into thereunder, in the supreme court of New  
9 York. Any such individual harmed by reason of a violation of such  
10 requirements and prohibitions may sue therefor in the supreme court of  
11 New York on behalf of himself or herself, and shall recover threefold  
12 the damages sustained and the cost of the suit, including a reasonable  
13 attorney's fee. The local housing agency may use any court decision  
14 under this paragraph that is adverse to the owner of an eligible build-  
15 ing as the basis for further enforcement action. Notwithstanding any  
16 other provision of law, an action by a tenant of an eligible rental  
17 building under this paragraph must be commenced within six years from  
18 the date of the latest violation.

19 (q) Appointment of receiver. In addition to the remedies for non-com-  
20 pliance provided for in subparagraph six of paragraph (f) of this subdivi-  
21 vision, any such local law or ordinance may also provide that the local  
22 housing agency may make application for the appointment of a receiver in  
23 accordance with the procedures contained in such local law or ordinance.  
24 Any receiver appointed pursuant to this paragraph shall be authorized,  
25 in addition to any other powers conferred by law, to effect compliance  
26 with the provisions of this subdivision, such local law or ordinance,  
27 and rules and regulations of the local housing agency. Any expenditures  
28 incurred by the receiver to affect such compliance shall constitute a  
29 debt of the owner and a lien upon the property, and upon the rents and  
30 income thereof, in accordance with the procedures contained in such  
31 local law or ordinance. The local housing agency in its discretion may  
32 provide funds to be expended by the receiver, and such funds shall  
33 constitute a debt recoverable from the owner in accordance with applica-  
34 ble local laws or ordinances.

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

42 § 2. This act shall take effect immediately.