

STATE OF NEW YORK

4709

2023-2024 Regular Sessions

IN SENATE

February 13, 2023

Introduced by Sen. KAVANAGH -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

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.

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

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(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 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 applicable 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:

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

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

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

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

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

11 (C) satisfies one of the following conditions:

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

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

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

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

19 (A) is permanently affixed to the land;

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

21 (C) is bounded by walls;

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

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

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

29 (15) "Homeownership average assessed valuation limitation" shall mean:

30 (A) for the final assessment roll to be completed in two thousand
31 twenty-two, an average assessed valuation of thirty-five thousand
32 dollars per dwelling unit.

33 (B) for the final assessment roll to be completed in two thousand
34 twenty-three, an average assessed valuation of thirty-five thousand
35 dollars per dwelling unit increased by the cost-of-living adjustment
36 percentage of two thousand twenty-three. For the purposes of this compu-
37 tation, the cost-of-living adjustment percentage of two thousand twen-
38 ty-three shall be equal to the "applicable increase percentage" used by
39 the United States commissioner of social security to determine the
40 monthly social security benefits payable in two thousand twenty-three to
41 individuals, as provided by subsection (i) of section four hundred
42 fifteen of title forty-two of the United States code.

43 (C) for final assessment rolls to be completed in each year after two
44 thousand twenty-three, an average assessed valuation dollar amount per
45 dwelling unit computed by increasing the homeownership average assessed
46 valuation limitation applicable for the final assessment roll completed
47 in the previous calendar year by the new cost-of-living adjustment
48 percentage. For the purposes of this computation, the new cost-of-living
49 adjustment percentage shall be equal to the "applicable increase
50 percentage" used by the United States commissioner of social security to
51 determine the monthly social security benefits payable in such calendar
52 year to individuals, as provided in subsection (i) of section four
53 hundred fifteen of title forty-two of the United States code. In any
54 year for which there is no applicable increase percentage due to a
55 general benefit increase as defined by paragraph three of such
56 subsection (i), the applicable increase percentage for purposes of the

1 computation required by this definition shall be deemed to be the
2 percentage which would have yielded that general benefit increase.

3 (D) Notwithstanding anything to the contrary contained in this subdi-
4 vision, the homeownership average assessed valuation limitation per
5 dwelling unit shall not at any time exceed forty thousand dollars.

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

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

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

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

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

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

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

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

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

39 (25) "Mutual redevelopment company regulatory agreement" shall mean a
40 binding and irrevocable agreement between a mutual redevelopment company
41 and the commissioner of housing, the redevelopment company supervising
42 agency, the New York city housing development corporation, or the New
43 York state housing finance agency prohibiting the dissolution or recon-
44 stitution of such mutual redevelopment company pursuant to section one
45 hundred twenty-three of the private housing finance law until the earli-
46 er of: (A) fifteen years from the commencement of rehabilitation program
47 benefits for the existing building owned and operated by such mutual
48 redevelopment company; or (B) the expiration of any tax exemption grant-
49 ed to such mutual redevelopment company pursuant to section one hundred
50 twenty-five of the private housing finance law.

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

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

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

3 (29) "Rent regulation" shall mean, collectively, the emergency housing
4 rent control law, any local law enacted pursuant to the local emergency
5 housing rent control act, the rent stabilization law of nineteen hundred
6 sixty-nine, the rent stabilization code, and the emergency tenant
7 protection act of nineteen seventy-four, all as in effect as of the
8 effective date of this subdivision, or as any such statute is amended
9 thereafter, together with any successor statutes or regulations address-
10 ing substantially the same subject matter.

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

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

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

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

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

35 (33) "Substantial governmental assistance" shall mean grants, loans,
36 or subsidies from the local housing agency in furtherance of a program
37 for the development of affordable housing provided in accordance with a
38 regulatory agreement entered into with such local housing agency that is
39 in effect as of the filing date of the application for a certificate of
40 eligibility and reasonable cost.

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

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

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

55 (B) an eligible rental building in which eligible construction has
56 been completed, and which is the recipient of substantial governmental

1 assistance, shall be exempt from real property taxation for local
2 purposes as provided herein equal to fifteen percent of the assessed
3 valuation of such building as of the commencement date; and

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

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

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

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

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

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

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

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

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

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

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

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

45 (4) Notwithstanding any other provision of this paragraph, no eligible
46 rental building shall receive concurrent exemptions under this para-
47 graph, and upon the commencement of an exemption under this paragraph
48 for an eligible rental building, any prior exemption under this para-
49 graph for such eligible rental building still in effect shall immediate-
50 ly terminate.

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

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

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

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

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

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

13 (B) an eligible homeownership building; and

14 (C) an eligible regulated homeownership building; and

15 (5) Such abatement shall become effective:

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

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

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

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

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

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

42 (4) Any application that is filed pursuant to this paragraph that is
43 missing any of the information and documentation required at initial
44 filing by such local law or ordinance and any rules and regulations of
45 the local housing agency shall be denied, provided that a new applica-
46 tion for the same eligible construction, together with a new non-refund-
47 able filing fee, may be filed within fifteen days of the date of iss-
48 uance of such denial. If such second application is also missing any such
49 required information and documentation, it shall be denied and no
50 further applications for the same eligible construction shall be permit-
51 ted.

52 (5) The failure of an applicant to respond to any checklist within
53 thirty days of the date of its issuance by the local housing agency
54 shall result in denial of such application, and no further applications
55 for the same eligible construction shall be permitted. The local housing
56 agency shall issue not more than three checklists per application. An

1 application for a certificate of eligibility and reasonable cost shall
2 be denied when the local housing agency does not have a sufficient basis
3 to issue a certificate of eligibility and reasonable cost after the
4 timely response of an applicant to the third checklist concerning such
5 application. After the local housing agency has denied an application
6 for the reason described in the preceding sentence, such agency shall
7 permit no further applications for the same eligible construction.

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

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

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

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

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

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

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

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

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

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

50 (f) Additional requirements for an eligible rental building other than
51 one owned and operated by a limited-profit housing company. Any such
52 local law or ordinance shall, in addition to all other conditions of
53 eligibility for rehabilitation program benefits set forth in this subdivi-
54 sion, require that an eligible rental building, other than one owned
55 and operated by a limited-profit housing company, also comply with all
56 provisions of this paragraph. Notwithstanding the foregoing, an eligible

1 rental building that is the recipient of substantial governmental
2 assistance shall not be required to comply with the provisions of
3 subparagraph three of this paragraph.

4 (1) Notwithstanding any provision of rent regulation to the contrary,
5 any market rental unit within such eligible rental building subject to
6 rent regulation as of the filing date of the application for a certifi-
7 cate of eligibility and reasonable cost and any affordable rental unit
8 within such eligible rental building shall be subject to rent regulation
9 until such unit first becomes vacant after the expiration of the
10 restriction period at which time such unit, unless it would be subject
11 to rent regulation for reasons other than the provisions of this subdivi-
12 sion, shall be deregulated, provided, however, that during the
13 restriction period, no exemption or exclusion from any requirement of
14 rent regulation shall apply to such dwelling unit.

15 (2) The owner of an eligible rental building shall execute and record
16 a restrictive declaration, in a form satisfactory to the local housing
17 agency, that requires compliance with the provisions of this subdivi-
18 sion, such local law or ordinance, and the rules and regulations of the
19 local housing agency. Such restrictive declaration shall bind the owner
20 of such eligible rental building and its successors and assignees, and
21 may include such other terms and conditions as the local housing agency
22 shall determine.

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

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

33 (B) The owner of such eligible rental building shall ensure that no
34 affordable rental unit is held off the market for a period that is long-
35 er than reasonably necessary. To that end, such owner shall notify the
36 local housing agency of a vacancy of an affordable rental unit within
37 such rental building during the restriction period no later than seven
38 days following such vacancy, after which such affordable rental unit
39 shall be marketed in accordance with the rules and regulations of the
40 local housing agency and shall be rented by the owner in a prompt and
41 timely manner. The local housing agency may impose requirements upon
42 such owner to facilitate such prompt and timely rental, as set forth in
43 rules and regulations of the local housing agency.

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

52 (D) An affordable rental unit shall not be rented on a temporary,
53 transient or short-term basis. Every lease and renewal thereof for an
54 affordable rental unit shall be for a term of one or two years, at the
55 option of the tenant, and shall include a notice in at least twelve-
56 point type informing such tenant of their rights pursuant to this subdivi-

1 vision, including an explanation of the restrictions on rent increases
2 that may be imposed on such affordable rental unit.

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

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

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

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

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

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

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

23 (A) extend the restriction period;

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

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

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

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

35 (h) Implementation of rehabilitation program benefits. Upon issuance
36 of a certificate of eligibility and reasonable cost and payment of
37 outstanding fees, the local housing agency shall be authorized to trans-
38 mit such certificate of eligibility and reasonable cost to the local
39 agency responsible for real property tax assessment. Upon receipt of a
40 certificate of eligibility and reasonable cost, the local agency respon-
41 sible for real property tax assessment shall certify the amount of value
42 to be exempt from taxation and the amount of taxes to be abated pursuant
43 to paragraphs (b) and (c) of this subdivision, respectively, and pursu-
44 ant to such certificate of eligibility and reasonable cost provided by
45 the local housing agency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (p) Private right of action. Any prospective, present, or former
33 tenant of an eligible rental building may sue to enforce the require-
34 ments and prohibitions of this subdivision, any such local law or ordi-
35 nance, any rules and regulations promulgated thereunder, or any restric-
36 tive declaration entered into thereunder, in the supreme court of New
37 York. Any such individual harmed by reason of a violation of such
38 requirements and prohibitions may sue therefor in the supreme court of
39 New York on behalf of himself or herself, and shall recover threefold
40 the damages sustained and the cost of the suit, including a reasonable
41 attorney's fee. The local housing agency may use any court decision
42 under this paragraph that is adverse to the owner of an eligible build-
43 ing as the basis for further enforcement action. Notwithstanding any
44 other provision of law, an action by a tenant of an eligible rental
45 building under this paragraph shall be commenced within six years from
46 the date of the latest violation.

47 (q) Appointment of receiver. In addition to the remedies for non-com-
48 pliance provided for in subparagraph six of paragraph (f) of this subdi-
49 vision, any such local law or ordinance may also provide that the local
50 housing agency may make application for the appointment of a receiver in
51 accordance with the procedures contained in such local law or ordinance.
52 Any receiver appointed pursuant to this paragraph shall be authorized,
53 in addition to any other powers conferred by law, to effect compliance
54 with the provisions of this subdivision, such local law or ordinance,
55 and rules and regulations of the local housing agency. Any expenditures
56 incurred by the receiver to effect such compliance shall constitute a

1 debt of the owner and a lien upon the property, and upon the rents and
2 income thereof, in accordance with the procedures contained in such
3 local law or ordinance. The local housing agency in its discretion may
4 provide funds to be expended by the receiver, and such funds shall
5 constitute a debt recoverable from the owner in accordance with applica-
6 ble local laws or ordinances.

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

14 § 2. This act shall take effect immediately.