STATE OF NEW YORK

2900--B

2023-2024 Regular Sessions

IN ASSEMBLY

February 1, 2023

Introduced by M. of A. GALLAGHER, L. ROSENTHAL, ZINERMAN, REYES, GONZALEZ-ROJAS, JACKSON, DINOWITZ, EPSTEIN, SIMON, GLICK, KELLES, CARROLL, SIMONE -- read once and referred to the Committee on Housing -- recommitted to the Committee on Housing in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Housing in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to directing the comptroller of the city of New York to conduct annual audits of compliance with the affordable New York housing program

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

Section 1. Section 421-a of the real property tax law is amended by adding two new subdivisions 18 and 19 to read as follows:

18. (a) The comptroller of the city of New York shall conduct an annual audit of the affordable New York housing program established pursuant to this section to measure compliance with the requirements of this section. The comptroller of the city of New York shall create a program to audit and review properties which receive benefits pursuant to the affordable New York housing program to confirm that owners of such properties are complying with the rent registration, affordability, rent stabilization and application requirements of such program. The division of housing and community renewal, the department of housing preservation and development, the New York city department of finance, and any owner of a property receiving benefits pursuant to this section shall provide any and all information, data, or documentation to the comptroller of the city of New York which is deemed necessary by the comptroller of the city of New York in order to complete the audit process required by this section of law. The initial audit shall be completed

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

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on or before December thirty-first of two thousand twenty-five. The comptroller of the city of New York shall publish the results of the audit annually on or before December thirty-first and shall make such results publicly available on the comptroller's website. All properties which are receiving or have received benefits pursuant to the affordable New York housing program or prior programs established pursuant to this section shall be eligible for the initial audit; provided, however, that only properties which received benefits during the prior year shall be eligible for subsequent audits. In the event that the affordable New York housing program is terminated or otherwise discontinued, a final audit of the program shall be submitted one year after the last property subject to rent registration, affordability, rent stabilization and application requirements of the program is no longer subject to such requirements.

(b) (i) If an audit by the comptroller of the city of New York finds any units are not in compliance with the rent registration, affordability, rent stabilization, and application requirements of the affordable New York housing program, the comptroller of the city of New York shall present evidence of such noncompliance to the division of housing and community renewal, the department of housing preservation and development, and the New York city department of finance for enforcement actions as provided. Such notification of noncompliance shall be made within fifteen days after the results of the audit have been published on the comptroller's website.

(ii) The division of housing and community renewal, the department of housing preservation and development, and the New York city department of finance shall enforce and remedy any noncompliance with the rent registration, affordability, rent stabilization, and application requirements as provided or available under any other law, rule, or regulation.

19. During and on and after the expiration date of the affordable New York housing program benefit provided pursuant to this section, provided such project is required to comply with any affordability requirements, the department of housing preservation and development shall impose, after notice and an opportunity to be heard, a penalty for any violation of the affordability requirements of this section by such project.

(a) The department of housing preservation and development shall establish a schedule and method of calculation of such penalties.

(b) A penalty under this subdivision shall be imposed on the owner of the eligible site containing such project at the time the violation occurred.

(c) A failure to pay such fine may result in a lien and such other remedies as may be available pursuant to applicable law and regulation.

(d) The department of housing preservation and development shall ensure the minimum number of required affordable units are offered in compliance with the appropriate affordability requirements at all times such affordability requirements apply. This includes, but is not limited to, for each unit designated as an affordable unit found not to be in compliance with the affordability requirements, the department of housing preservation and development shall either bring such designated affordable unit into compliance with the affordability requirements or designate another unit of similar size as an affordable unit in substitution of the original unit.

§ 2. Subparagraph (ii) of paragraph (f) of subdivision 2 of section 421-a of the real property tax law, as amended by chapter 289 of the laws of 1985, is amended to read as follows:

(ii) with respect to units which become subject to the provisions of this section after the effective date of this subparagraph, such tax benefit period as provided in the opening paragraph of this paragraph or applicable law or act shall have expired and either each lease and renewal thereof for such unit for the tenant in residence at the time of such decontrol has included a notice in at least twelve point type informing such tenant that the unit shall become subject to such decontrol upon the expiration of such tax benefit period as provided in the opening paragraph of this paragraph or applicable law or act and states the approximate date on which such tax benefit period as provided in the opening paragraph of this paragraph is scheduled to expire; or such unit becomes vacant as provided under subparagraph (i) of this paragraph. **Neither a landlord nor any person acting on behalf of the landlord shall include incorrect or misleading information in any notice provided pursuant to this subparagraph. A landlord or any person acting on behalf of the landlord who willfully includes information they know or reasonably know to be misleading or incorrect information in any notice provided pursuant to this subparagraph or fails to provide the standardized rider pursuant to paragraph (f-1) of this subdivision is guilty of a violation punishable by a fine of one thousand dollars.**

§ 3. Subdivision 2 of section 421-a of the real property tax law is amended by adding a new paragraph (f-1) to read as follows:

(f-1) The commissioner of housing and community renewal shall standardize the notice to be provided by landlords to their tenants pursuant to subparagraph (ii) of paragraph (f) of this subdivision. Such notice shall be printed in at least twelve point type and shall include the following language:

"421-a Standard Rider Fact Sheet

Any housing unit that receives tax benefits under section 421-a of the New York State Real Property Law may remain affordable for a period of time depending on a variety of factors, including the location of the unit, the commencement of construction and the affordability in the project. Failure to provide the initial standardized rider may result in the unit remaining rent stabilized for the duration of the tenancy. Specific details related to your unit are listed on the next sheet. While your unit receives 421-a tax benefits, it will be subject to rent stabilization. New York State's rent regulation laws provide tenants in rent-stabilized apartments with a variety of legal rights and protections. The owner of your building must provide you with a rent stabilized lease when you first move in and also each time you renew your lease for your choice of either a one or two year term, for as long as your apartment remains rent stabilized.

You are entitled to continuous lease renewals while your apartment is rent stabilized. When you renew your lease, your rent may only be increased by an amount determined by New York State's rent regulation laws, which may be found by visiting https://rentguidelinesboard.cityofnewyork.us/resources/rent-regulationlaws/, and permitted by applicable tax benefit laws.

Rent increases for rent-stabilized tenants are determined by the New York City Rent Guidelines Board, and may only increase by a specified amount within a one-year or two-year lease term. For more information, please visit https://rentguidelinesboard.cityofnewyork.us/ or call 311. Rent-stabilized tenants are also entitled to petition the New York State Homes and Community Renewal by visiting https://hcr.ny.gov/ or calling (833) 499-0343 or by contacting the appropriate rent administration borough office.

421-a Rider - Unit Number

As a rent-regulated tenant, your rights are determined by 421-a of the New York State Real Property Law. For more information, you may contact New York State Housing and Community Renewal by calling (833) 499-0343 or visiting https://hcr.ny.gov/ or the New York City Department of Housing Preservation by calling 311 or visiting https://www1.nyc.gov/site/hpd/index.page.

The first rent as of date of initial lease commencement for unit apartment number is amount .

Because unit number receives a 421-a tax abatement, it will be rent regulated until at least MM/DD/YYYY.

Construction commenced on your building, located at address on MM/DD/YYYY.

Construction was completed on MM/DD/YYYY.

On (MM/DD/YYYY specific to tenant), your landlord can begin to increase the rent for unit number by 2.2% each year.

The 421-a benefits for unit number expire on (MM/DD/YYYY). After the expiration of the 421-a tax abatement, your unit will (either remain rent-stabilized for the duration of your tenancy or continue to be protected due to additional programs outlined below).

Unit number also receives (list any other city, state, federal affordability program) and (the impact that has on the unit's continuing affordability, the date on which those benefits expire and the impact of the expiration of those benefits on the unit).

If you believe that any of the information contained in this rider is incorrect, contact New York State Homes and Community Renewal by calling (833) 499-0343 or visiting https://hcr.ny.gov/ or the New York City Department of Housing Preservation by calling 311 or visiting https://www1.nyc.gov/site/hpd/index.page."

§ 4. This act shall take effect immediately.