

STATE OF NEW YORK

10549

IN ASSEMBLY

March 13, 2026

Introduced by 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 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 Assem-
bly, do enact as follows:

1 Section 1. Section 489 of the real property tax law is amended by
2 adding a new subdivision 22 to read as follows:

3 22. (a) Definitions. For the purposes of this subdivision:

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

7 (2) "Affordable rental unit" shall mean a dwelling unit in an eligible
8 rental building that, as of the filing of an application for a certif-
9 icate of eligibility and reasonable cost, has a rent at or below the
10 affordable rent.

11 (3) "Area median income" shall mean the income limits as defined annu-
12 ally by the United States department of housing and urban development
13 for the New York city area.

14 (4) "Certificate of eligibility and reasonable cost" shall mean a
15 document issued by the local housing agency that establishes that a
16 property is eligible for rehabilitation program benefits and sets forth
17 the certified reasonable cost of the eligible construction for which
18 such benefits shall be received.

19 (5) "Certified reasonable cost schedule" shall mean a table providing
20 maximum dollar limits for specified alterations and improvements, estab-
21 lished, and updated at least every two years, by the local housing agen-
22 cy.

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

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

LBD13158-11-6

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

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

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

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

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

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

16 (B) contains at least one room; and

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

19 (10) "Eligible building" shall mean an eligible rental building, an
20 eligible homeownership building, or an eligible regulated homeownership
21 building, provided that such building contains three or more dwelling
22 units.

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

25 (A) are specifically identified on the certified reasonable cost sche-
26 dule;

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

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

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

33 (12) "Eligible homeownership building" shall mean an existing building
34 that:

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

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

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

41 (13) "Eligible regulated homeownership building" shall mean an exist-
42 ing building that is a class A multiple dwelling owned and operated by
43 either:

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

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

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

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

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

54 (C) satisfies one of the following conditions:

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

1 (ii) not less than ninety percent of the dwelling units in such build-
2 ing are subject to rent regulation;

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

5 (iv) such building is the recipient of substantial governmental
6 assistance.

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

8 (A) is permanently affixed to the land;

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

10 (C) is bounded by walls;

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

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

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

18 (16) "Homeownership average assessed valuation limitation" shall mean
19 an average assessed valuation of seventy-five thousand dollars per
20 dwelling unit, adjusted annually to reflect any increase in the consumer
21 price index for all urban consumers for all items as published by the
22 United States bureau of labor statistics for the region in which the
23 eligible building is located, as established for the most recent preced-
24 ing calendar year.

25 (17) "Limited-profit housing company" shall have the same meaning as
26 "company" as defined in section twelve of the private housing finance
27 law.

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

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

34 (20) "Minimum scope of work threshold" shall mean a total amount of
35 certified reasonable cost established by rules, regulations, and guid-
36 ance documents of the local housing agency, provided that such amount
37 shall be no less than one thousand five hundred dollars for each dwell-
38 ing unit in existence on the completion date.

39 (21) "Multiple dwelling" shall have the meaning as such term is
40 defined in section four of the multiple dwelling law.

41 (22) "Mutual company" shall have the meaning as such term is defined
42 in section twelve of the private housing finance law.

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

52 (24) "Mutual company supervising agency" shall have the same meaning,
53 with respect to any mutual company, as "supervising agency" as defined
54 in section two of the private housing finance law.

1 (25) "Mutual redevelopment company" shall have the same meaning as
2 "mutual company" when applied to a redevelopment company as defined in
3 section one hundred two of the private housing finance law.

4 (26) "Mutual redevelopment company regulatory agreement" shall mean a
5 binding and irrevocable agreement between a mutual redevelopment company
6 and the commissioner of housing, the redevelopment company supervising
7 agency, the New York city housing development corporation, or the New
8 York state housing finance agency prohibiting the dissolution or recon-
9 stitution of such mutual redevelopment company pursuant to section one
10 hundred twenty-three of the private housing finance law until the earli-
11 er of:

12 (A) fifteen years from the commencement of rehabilitation program
13 benefits for the existing building owned and operated by such mutual
14 redevelopment company; or

15 (B) the expiration of any tax exemption granted to such mutual rede-
16 velopment company pursuant to section one hundred twenty-five of the
17 private housing finance law.

18 (27) "Redevelopment company" shall have the same meaning as such term
19 is defined in section one hundred two of the private housing finance
20 law.

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

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

27 (30) "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 this subdivision, or as any such statute is amended
33 thereafter, together with any successor statutes or regulations address-
34 ing substantially the same subject matter.

35 (31) "Restriction period" shall mean, notwithstanding any termination
36 or revocation of rehabilitation program benefits prior to such period,
37 fifteen years from the initial receipt of rehabilitation benefits, or
38 such additional period of time as may be imposed pursuant to clause (A)
39 of subparagraph five of paragraph (e) of this subdivision.

40 (32) "Substantial governmental assistance" shall mean grants, loans,
41 or subsidies from any federal, state, or local government agency or
42 instrumentality in furtherance of a program for the development of
43 affordable housing approved by the local housing agency, provided that
44 such grants, loans, or subsidies are provided in accordance with a regu-
45 latory agreement entered into with such agency or instrumentality that
46 is in effect as of the filing date of the application for a certificate
47 of eligibility and reasonable cost.

48 (33) "Substantial interest" shall mean an ownership interest of ten
49 percent or more.

50 (b) Abatement. Notwithstanding the provisions of any other subdivision
51 of this section or of any general, special, or local law to the contra-
52 ry, in a city with a population of one million persons or more, real
53 property taxes on an eligible building in which eligible construction
54 has been completed may be abated by an aggregate amount that shall not
55 exceed one hundred percent of the total certified reasonable cost of
56 such construction plus an amount equivalent to the filing fee paid

1 pursuant to subparagraph three of paragraph (d) of this subdivision, as
2 determined under rules, regulations, and guidance documents of the local
3 housing agency, provided that:

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

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

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

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

16 (B) an eligible homeownership building; and

17 (C) an eligible regulated homeownership building; and

18 (4) Such abatement shall become effective beginning with the first
19 quarterly tax bill immediately following the date of issuance of the
20 certificate of eligibility and reasonable cost.

21 (c) Guidance and rulemaking. Each agency or department to which func-
22 tions are assigned by this subdivision may adopt and promulgate rules,
23 regulations, and guidance documents for the effectuation of the purpose
24 of this subdivision.

25 (d) Application. (1) An application for a certificate of eligibility
26 and reasonable cost pursuant to this subdivision shall be made after the
27 completion date and on or before the later of (A) four months from the
28 effective date of this subdivision; or (B) four months from such
29 completion date.

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

34 (3) The local housing agency shall require a non-refundable filing fee
35 that shall be paid by a certified check or cashier's check upon the
36 filing of an application for a certificate of eligibility and reasonable
37 cost. Such fee shall be seventy-five dollars for each dwelling unit in
38 the eligible building that is the subject of such application, but no
39 more than twenty thousand dollars for each application, with such fee
40 for each dwelling unit and maximum fee adjusted annually to reflect any
41 increase in the consumer price index for all urban consumers for all
42 items as published by the United States bureau of labor statistics for
43 the region in which the eligible building is located, as established for
44 the most recent preceding calendar year. For an application for rehabil-
45 itation program benefits that has been approved, an amount equivalent to
46 the filing fee paid pursuant to this subparagraph shall be included in
47 the aggregate amount abated under this subdivision.

48 (4) Any application that is filed pursuant to this paragraph that is
49 missing any of the information and documentation required at initial
50 filing by any rules, regulations, and guidance documents of the local
51 housing agency shall be denied, provided that a new application for the
52 same eligible construction, together with a new non-refundable filing
53 fee, may be filed within fifteen days of the date of issuance of such
54 denial. If such second application is also missing any such required
55 information and documentation, it shall be denied and no further appli-
56 cations for the same eligible construction shall be permitted.

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

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

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

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

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

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

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

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

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

41 (C) Notwithstanding the provisions of any general, special, or local
42 law to the contrary, the corporation counsel or other legal represen-
43 tative of a city having a population of one million or more or the
44 district attorney of any county located in a city with a population of
45 one million or more, may institute an action or proceeding in any court
46 of competent jurisdiction that may be appropriate or necessary to deter-
47 mine whether any owner of record or owner of a substantial interest in
48 the eligible building or entity owning the eligible building or sponsor-
49 ing the eligible construction has harassed or unlawfully evicted tenants
50 as described in this subparagraph.

51 (7) Notwithstanding the provisions of any general, special, or local
52 law to the contrary, the local housing agency may require by rules,
53 regulations, and guidance documents that an application for a certifi-
54 cate of eligibility and reasonable cost be filed electronically.

55 (8) The local housing agency may require an applicant to demonstrate
56 compliance with the housing maintenance code. If hazardous or immediate-

1 ly hazardous violations exist, the local housing agency may require the
2 applicant to remediate such violations and may impose a penalty in an
3 amount set forth in rules, regulations, and guidance documents if the
4 applicant fails to clear the violation.

5 (e) Additional requirements for an eligible rental building other than
6 one owned and operated by a limited-profit housing company. In addition
7 to all other conditions of eligibility for rehabilitation program bene-
8 fits set forth in this subdivision, an eligible rental building, other
9 than one owned and operated by a limited-profit housing company, shall
10 also comply with all provisions of this paragraph. Notwithstanding the
11 foregoing, an eligible rental building that is the recipient of substan-
12 tial governmental assistance shall not be required to comply with the
13 provisions of subparagraph two of this paragraph.

14 (1) Notwithstanding any provision of rent regulation to the contrary,
15 any market rental unit within such eligible rental building subject to
16 rent regulation as of the filing date of the application for a certif-
17 icate of eligibility and reasonable cost and any affordable rental unit
18 within such eligible rental building shall be subject to rent regulation
19 until such unit first becomes vacant after the expiration of the
20 restriction period at which time such unit, unless it would be subject
21 to rent regulation for reasons other than the provisions of this subdi-
22 vision, shall be deregulated, provided, however, that during the
23 restriction period, no exemption or exclusion from any requirement of
24 rent regulation shall apply to such dwelling units.

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

27 (A) Not less than fifty percent of the dwelling units in such eligible
28 rental building shall be designated as affordable rental units.

29 (B) The owner of such eligible rental building shall ensure that no
30 affordable rental unit is held off the market for a period that is long-
31 er than reasonably necessary.

32 (C) The owner of such eligible rental building shall waive the
33 collection of any major capital improvement rent increase granted by the
34 New York state division of housing and community renewal pursuant to
35 rent regulation that is attributable to eligible construction for which
36 such eligible rental building receives rehabilitation program benefits,
37 and shall file a declaration with the New York state division of housing
38 and community renewal providing such waiver. The local housing agency
39 shall not require an owner to file such waiver until the application for
40 rehabilitation program benefits has been approved.

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

48 (E) The local housing agency may establish by rules, regulations, and
49 guidance documents such requirements as the local housing agency deems
50 necessary or appropriate for designating affordable rental units,
51 including, but not limited to, designating the unit mix and distribution
52 requirements of such affordable rental units in an eligible building.

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

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

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

7 (A) extend the restriction period;

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

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

13 (D) terminate or revoke any rehabilitation program benefits in accord-
14 ance with paragraph (p) of this subdivision.

15 (f) Compliance with applicable law. Rehabilitation program benefits
16 shall not be allowed for any eligible building unless and until such
17 eligible building complies with all applicable provisions of law. Reha-
18 bilitation program benefits shall not be allowed if the local housing
19 agency determines that eligible construction was not carried out in
20 conformity with all applicable provisions of law.

21 (g) Tenant notification. Notwithstanding any provision of this section
22 to the contrary, no rehabilitation program benefits shall be granted for
23 any eligible construction with a commencement date on or after the
24 effective date of this subdivision unless the applicant provides to
25 tenants, if any, of such eligible building not more than one hundred
26 eighty days nor less than thirty days prior to the commencement date,
27 notice of the following information:

28 (1) The proposed work;

29 (2) The identity and contact information of the eligible building's
30 representative; and

31 (3) The tenants' rights under applicable law with respect to such
32 work; provided that, in the case of a loan program supervised by the
33 local housing agency, such agency may provide the required notice to the
34 tenants.

35 (h) Notice of intent. An applicant for rehabilitation program benefits
36 for any eligible construction with a commencement date on or after the
37 effective date of this subdivision shall file with the local housing
38 agency a form supplied by such agency which:

39 (1) States an intention to file for rehabilitation program benefits;

40 (2) Describes the work for which rehabilitation program benefits will
41 be claimed;

42 (3) Estimates the cost of such work which will be eligible for reha-
43 bilitation program benefits; and

44 (4) Provides proof of the notice required under paragraph (g) of this
45 subdivision. Such form shall be filed prior to the commencement date. If
46 the scope of such work or the estimated cost thereof changes materially,
47 such applicant shall file a revised notice of intent. An applicant who
48 fails to comply with the requirements of this subdivision shall be
49 subject to a penalty not to exceed one hundred percent of the filing fee
50 otherwise payable pursuant to subparagraph three of paragraph (d) of
51 this subdivision.

52 (i) Implementation of rehabilitation program benefits. Upon issuance
53 of a certificate of eligibility and reasonable cost and payment of
54 outstanding fees, the local housing agency shall be authorized to trans-
55 mit such certificate of eligibility and reasonable cost to the local
56 agency responsible for real property tax assessment. Upon receipt of a

1 certificate of eligibility and reasonable cost, the local agency respon-
2 sible for real property tax assessment shall certify the amount of taxes
3 to be abated pursuant to paragraph (b) of this subdivision and pursuant
4 to such certificate of eligibility and reasonable cost provided by the
5 local housing agency.

6 (j) Outstanding taxes and charges. Rehabilitation program benefits
7 shall not be allowed for an eligible building in either of the following
8 cases:

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

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

17 (k) Additional limitations on eligibility. (1) Rehabilitation program
18 benefits shall not be allowed for any eligible building receiving tax
19 exemption or abatement concurrently for rehabilitation or new
20 construction under any other provision of state or local law or ordi-
21 nance, including any other subdivision of this section, with the excep-
22 tion of any eligible construction to an eligible building receiving a
23 tax exemption or abatement under the provisions of the private housing
24 finance law;

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

31 (3) Where the eligible construction includes or benefits a portion of
32 an eligible building that is not occupied for dwelling purposes, the
33 assessed valuation of such eligible building and the cost of the eligi-
34 ble construction shall be apportioned so that rehabilitation program
35 benefits shall not be provided for eligible construction made for other
36 than dwelling purposes; and

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

41 (l) Re-inspection penalty. If the local housing agency cannot verify
42 the eligible construction claimed by an applicant upon the first
43 inspection by the local housing agency of the eligible building, such
44 applicant shall be required to pay ten times the actual cost of any
45 additional inspection needed to verify such eligible construction.

46 (m) Strict liability for inaccurate applications. If the local housing
47 agency determines that an application for a certificate of eligibility
48 and reasonable cost contains a material misstatement of fact or omission
49 of fact, the local housing agency may reject such application and bar
50 the submission of any other application pursuant to this subdivision
51 with respect to such eligible building for a period not to exceed three
52 years. An applicant shall not be relieved from liability under this
53 paragraph because it submitted its application under a mistaken belief
54 of fact. Furthermore, any person or entity that files more than six
55 applications containing such a material misstatement of fact or omission
56 of fact within any twelve-month period shall be barred from submitting

1 any new application for rehabilitation program benefits on behalf of any
2 eligible building for a period not to exceed five years.

3 (n) False statements. Any person who shall knowingly and willfully
4 make any false statement or omission as to any material matter in any
5 application for a certificate of eligibility and reasonable cost shall
6 be guilty of an offense punishable by a fine of not more than five
7 hundred dollars, or imprisonment for not more than ninety days, or both.

8 (o) Investigatory authority. The local housing agency may require such
9 certifications and consents necessary to access records, including other
10 tax records, as may be deemed appropriate to enforce the eligibility
11 requirements of this subdivision. For purposes of determining and certi-
12 fying eligibility for rehabilitation program benefits and the reasonable
13 cost of any eligible construction, the local housing agency shall be
14 authorized to:

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

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

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

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

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

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

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

30 (p) Termination or revocation. Failure to comply with the provisions
31 of this subdivision, any rules, regulations, and guidance documents
32 promulgated thereunder, or any mutual company regulatory agreement or
33 mutual redevelopment company regulatory agreement entered into there-
34 under, may result in termination or revocation of any rehabilitation
35 program benefits retroactive to the commencement thereof. Such termi-
36 nation or revocation shall not exempt such eligible building from
37 continued compliance with the requirements of this subdivision, such
38 rules, regulations, and guidance documents, and such mutual company
39 regulatory agreement or mutual redevelopment company regulatory agree-
40 ment.

41 (q) Criminal liability for unauthorized uses. In the event that any
42 recipient of rehabilitation program benefits uses any dwelling unit in
43 such eligible building in violation of the requirements of any rules and
44 regulations promulgated pursuant to this subdivision, such recipient
45 shall be guilty of an unclassified misdemeanor punishable by a fine in
46 an amount equivalent to double the value of the gain of such recipient
47 from such unlawful use or imprisonment for not more than ninety days, or
48 both.

49 (r) Private right of action. Any prospective, present, or former
50 tenant of an eligible rental building may sue to enforce the require-
51 ments and prohibitions of this subdivision, or any rules and regulations
52 promulgated thereunder, in the supreme court of New York. Any such indi-
53 vidual harmed by reason of a violation of such requirements and prohibi-
54 tions may sue therefor in the supreme court of New York on behalf of
55 themselves, and shall recover threefold the damages sustained and the
56 cost of the suit, including a reasonable attorney's fee. The local hous-

1 ing agency may use any court decision under this paragraph that is
2 adverse to the owner of an eligible building as the basis for further
3 enforcement action. Notwithstanding any other provision of law, an
4 action by a tenant of an eligible rental building under this paragraph
5 shall be commenced within six years from the date of the latest
6 violation.

7 (s) Appointment of receiver. In addition to the remedies for non-com-
8 pliance provided for in subparagraph five of paragraph (e) of this
9 subdivision, the local housing agency may make application for the
10 appointment of a receiver in accordance with the procedures contained in
11 applicable rules, regulations, and guidance documents of the local hous-
12 ing agency. Any receiver appointed pursuant to this paragraph shall be
13 authorized, in addition to any other powers conferred by law, to effect
14 compliance with the provisions of this subdivision and rules, regu-
15 lations, and guidance documents of the local housing agency. Any expend-
16 itures incurred by the receiver to effect such compliance shall consti-
17 tute a debt of the owner and a lien upon the property, and upon the
18 rents and income thereof, in accordance with the procedures contained in
19 such rules, regulations, and guidance documents. The local housing agen-
20 cy in its discretion may provide funds to be expended by the receiver,
21 and such funds shall constitute a debt recoverable from the owner in
22 accordance with applicable local laws or ordinances.

23 (t) Reporting. No later than two years after the effective date of
24 this subdivision, and annually thereafter, the local housing agency, in
25 consultation with the department of finance, shall submit to the mayor
26 and the speaker of the council and post on its website a report on the
27 actions by the local housing agency in the preceding fiscal year related
28 to rehabilitation program benefits. Such report shall include, but not
29 be limited to:

30 (1) The total amount of the rehabilitation program benefits approved
31 for each eligible building, the number of eligible buildings in each
32 community district, neighborhood tabulation area, council district, New
33 York state assembly district, and New York state senate district, the
34 building classification, in accordance with section three hundred two of
35 the New York city building code, of each such eligible building, the
36 number of dwelling units in each such eligible building, and the number
37 of qualifying rental units in each such eligible building; and

38 (2) The number of eligible buildings whose rehabilitation program
39 benefits were terminated or revoked and the number of eligible buildings
40 against which actions were taken, pursuant to clauses (A), (B) and (C)
41 of subparagraph five of paragraph (e) of this subdivision, to address
42 noncompliance with the provisions of such subdivision, and the street
43 address of each such eligible building.

44 (u) Updates to the certified reasonable cost schedule. When updating
45 the certified reasonable cost schedule, the local housing agency shall
46 consider the factors such agency deems relevant, such as the require-
47 ments imposed on eligible buildings by local law, including, but not
48 limited to, articles three hundred two, three hundred twenty and three
49 hundred twenty-one of chapter three of title twenty-eight of the admin-
50 istrative code of the city of New York, and the effects of inflation on
51 such costs since the prior date the certified reasonable cost schedule
52 was updated. The local housing agency shall publish the certified
53 reasonable cost schedule on its website.

54 § 2. This act shall take effect immediately.