

STATE OF NEW YORK

10169

IN SENATE

May 4, 2026

Introduced by Sen. SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the real property actions and proceedings law, in relation to establishing the tenant opportunity to purchase act

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "tenant opportunity to purchase act".

3 § 2. The real property actions and proceedings law is amended by
4 adding a new article 7-E to read as follows:

ARTICLE 7-E

TENANT OPPORTUNITY TO PURCHASE ACT

Section 799. Definitions.

8 799-a. Authority.

9 799-b. Applicability.

10 799-c. Exemptions.

11 799-d. Right of first refusal.

12 799-e. Tenant decision-making; tenant organizations.

13 799-f. Qualified purchasers.

14 799-g. Supportive partners.

15 799-h. Assignment of rights.

16 799-i. Waiver of rights.

17 799-j. Notice requirements.

18 799-k. Third-party purchaser rights.

19 799-l. Right to appraisal.

20 799-m. Purchase contract negotiation.

21 799-n. No selling of rights.

22 799-o. Tenant protections.

23 799-p. Price stabilization.

24 799-q. Incentives.

25 799-r. Enforcement.

26 799-s. Statutory construction.

27 799-t. Administration and reports.

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

LBD01564-01-5

1 § 799. Definitions. For the purposes of this article, the following
2 terms shall have the following meanings:

3 1. "AMI" or "area median income" means area median income established
4 by the U.S. department of housing and urban development (HUD), pursuant
5 to 42 U.S.C. § 1427 et seq., to establish local income classification
6 levels.

7 2. "Appraised value" means the value of the rental housing accommo-
8 dation as of the date of the appraisal, based on an objective, independ-
9 ent property valuation, performed according to professional appraisal
10 industry standards.

11 3. "Bona fide offer of sale" means an offer of sale for a rental hous-
12 ing accommodation that is either:

13 (a) For a price and other material terms at least as favorable to a
14 tenant, tenant organization, and qualified purchaser as those that the
15 owner has offered, accepted, or is considering offering or accepting,
16 from a purchaser in an arm's length third-party purchase contract; or

17 (b) In the absence of an arm's length third-party purchase contract,
18 an offer of sale containing a sales price less than or equal to a price
19 and other material terms comparable to that at which a willing seller
20 and a willing buyer would sell and purchase the rental housing accommo-
21 dation, or an appraised value.

22 4. "CPI" or "consumer price index" means the consumer price index
23 published by the United States department of labor, bureau of labor
24 statistics for the northeast census region. If publication of the
25 consumer price index ceases, or if it is otherwise unavailable or is
26 altered in a way as to be unusable, DHCR shall determine the use of an
27 appropriate substitute index published by the United States department
28 of labor, bureau of labor statistics or any successor agency.

29 5. "Community land trust" means a nonprofit corporation organized
30 pursuant to section 501 (c) (3) of the U.S. Internal Revenue Code that
31 satisfies all of the following criteria:

32 (a) Such nonprofit corporation's primary purpose is the creation and
33 maintenance of permanently affordable single-family or multifamily resi-
34 dences;

35 (b) All dwellings and units on the land owned by the nonprofit corpo-
36 ration are sold to a qualified owner to be occupied as the qualified
37 owner's primary residence or rented to persons and families of low
38 income as defined in subdivision ten of section twelve of the private
39 housing finance law; and

40 (c) The land owned by the nonprofit corporation, on which a dwelling
41 or unit sold to a qualified owner is situated, is leased by such corpo-
42 ration to the qualified owner for the convenient occupation and use of
43 such dwelling or unit for a renewable term of ninety-nine years.

44 6. "Days" shall mean calendar days unless otherwise indicated.

45 7. "Governing document" means a constitution, articles, bylaws, oper-
46 ating agreement, or other writings that govern the purpose and operation
47 of a tenant organization and the rights and obligations of its members,
48 which shall include provisions on the tenant organization's decision-
49 making processes and appointing officers and other authorized agents to
50 act on its behalf.

51 8. "DHCR" means New York state division of housing and community
52 renewal, or its successor agency.

53 9. "Highest and best use" means the reasonably probable legal use of a
54 property that is physically possible, appropriately supported, and
55 financially feasible and that results in the highest value of the prop-
56 erty.

1 10. "Matter-of-right" means a land use, development density, or struc-
2 tural dimension to which a property owner is entitled by current zoning
3 regulations or law.

4 11. "Owner" means one or more persons, corporation, partnership,
5 limited liability company, trustee, or any other entity, who is the
6 owner of record of a rental housing accommodation at the time of giving
7 notice of intention to sell, and each person, corporation, partnership,
8 limited liability company, trustee, or any other entity, who, directly
9 or indirectly, owns fifty percent or more of the equity interests in
10 such rental housing accommodation at the time of giving notice of inten-
11 tion to sell. For purposes of complying with the notice requirements
12 described in this article, "owner" may refer to any person acting as an
13 authorized agent of the owner.

14 12. "Permanent affordability" means that future rents and future sales
15 prices of a rental housing accommodation, or separate ownership inter-
16 ests in such rental housing accommodation, shall be made affordable to
17 households with targeted income levels no greater than one hundred thir-
18 ty percent area median income adjusted for family size.

19 13. "Purchase contract" means a binding written agreement whereby an
20 owner agrees to sell property including, without limitation, a purchase
21 and sale agreement, contract of sale, purchase option or other similar
22 instrument.

23 14. "Qualified purchaser" means a qualified purchaser meeting the
24 criteria described in section seven hundred ninety-nine-f of this arti-
25 cle.

26 15. "Rent" shall have the same meaning as in section seven hundred two
27 of this chapter.

28 16. "Rental agreement" means an agreement, oral, written or implied,
29 between an owner and a tenant for use or occupancy of a unit and for
30 housing services.

31 17. "Rental housing accommodation" means any real property, including
32 the land appurtenant thereto, containing one or more rental units and
33 located in New York state.

34 18. "Rental unit" or "unit" means any unit in any real property,
35 including the land appurtenant thereto, that is available for rent for
36 residential use or occupancy, located in New York state, together with
37 all housing services connected with the use or occupancy of such proper-
38 ty such as common areas and recreational facilities held out for use by
39 the tenant.

40 19. "Sale" or "sell" means the transfer, in exchange for money or any
41 other thing of economic value, of a present interest in the rental hous-
42 ing accommodation, including beneficial use, where the value of the
43 present interest is the fee interest in the rental housing accommo-
44 dation, or substantially equal to the value of that fee interest. For
45 purposes of this definition, a "transfer" may include those completed in
46 one transaction or a series of transactions over a period of time.

47 20. "Supportive partner" means a "supportive partner" meeting the
48 criteria set forth in section seven hundred ninety-nine-g of this arti-
49 cle.

50 21. "Tenant" means one or more renter, tenant, subtenant, lessee, sub
51 lessee, or other person entitled to the possession, occupancy, or bene-
52 fits of a rental unit within a rental housing accommodation. "Tenant"
53 shall not include transient guests who use or occupy a unit regardless
54 of any consideration paid or exchanged by such a transient guest or any
55 tenant that previously occupied the unit prior to the current occupant.

1 22. "Tenant organization" means tenants who have organized themselves
2 as a legal entity that:

3 (a) Can acquire an interest in real property;

4 (b) Represents at least a majority of the tenant-occupied rental units
5 in a rental housing accommodation as of the date of the owner's notice
6 of intent to sell;

7 (c) Has adopted a governing document; and

8 (d) Has appointed officers and any other authorized agents specif-
9 ically designated to execute contracts or act on its behalf.

10 23. "Third-party purchaser" means any person or entity other than a
11 tenant, tenant organization, or qualified purchaser, engaged or seeking
12 to engage, in purchasing a rental housing accommodation from an owner
13 under this article.

14 24. "TOPA buyer" means a tenant, tenant organization, or qualified
15 purchaser that is purchasing or has purchased a rental housing accommo-
16 dation from an owner under this article.

17 25. "Under threat of eminent domain" refers to the commencement of the
18 process of eminent domain, including but not limited to, any formal or
19 informal contact with the owner by the government or government agents
20 regarding the potential or ongoing assertion of eminent domain, and any
21 hearings or court proceedings regarding the same.

22 § 799-a. Authority. DHCR and their designees shall be authorized to
23 enforce the provisions of this article, and for such purposes, shall
24 have the powers of a law enforcement officer. DHCR shall be authorized
25 to establish standards, policies, and procedures for the implementation
26 of the provisions of this article to further the purpose set forth in
27 this article.

28 § 799-b. Applicability. The Tenant Opportunity to Purchase Act shall
29 apply to all rental housing accommodations which contain three or more
30 rental units unless otherwise exempted by this article.

31 § 799-c. Exemptions. 1. Residential property types exempted. The
32 following residential properties shall not be considered covered proper-
33 ties for purposes of this article:

34 (a) Properties owned by the municipal, state, or federal governments.

35 (b) Properties owned by and operated as a hospital, convent, monas-
36 tery, extended care facility, convalescent home, assisted living resi-
37 dence, facilities providing housing to runaway and homeless youth or
38 young adults, college or school dormitory or any institution operated
39 for charitable, hospital or educational purposes.

40 (c) Properties properly licensed as a hotel or motel.

41 (d) Residential properties undergoing refinancing, a loan modifica-
42 tion, short sale, deed in lieu of foreclosure or any other loss-mitiga-
43 tion option in order to maintain ownership of such properties.

44 (e) Multiple dwelling units or groups of multiple dwelling units
45 managed together under the same private ownership in which the majority
46 of dwelling units therein that will continue to be subject to federal,
47 state, or city income eligibility restrictions and in which rents for
48 such dwelling units are controlled, regulated, or assisted by a federal,
49 state, or city agency pursuant to a regulatory agreement or rental
50 assistance agreement designed to make such dwelling units affordable on
51 a project-based basis. Assisted rental housing programs shall include:

52 (i) any program created, administered, or supervised by the city or
53 state under article two, four, or eleven of the private housing finance
54 law, but shall not include any multiple dwelling owned or operated by a
55 company organized under article two or four of the private housing

1 finance law that was occupied prior to January first, nineteen hundred
2 seventy-four;

3 (ii) any program providing project-based assistance under section
4 eight of the United States housing act of 1937, as amended; and

5 (iii) housing programs governed by sections 202, 207, 221, 232, 236,
6 or 811 of the federal national housing act, 12 U.S.C. 1701 et seq., as
7 amended.

8 (f) Property held in cooperative or condominium forms of ownership.

9 (g) Manufactured homes and mobile homes as defined in section two
10 hundred thirty-three of the real property law.

11 2. Transfers exempted. The following transfers shall be exempted for
12 the purposes of this article:

13 (a) An inter-vivos transfer, even when transferred in exchange for
14 consideration, between spouses, domestic partners, parent and child,
15 siblings, grandparent and grandchild.

16 (b) A transfer for consideration, by a decedent's estate to members of
17 the decedent's family if the consideration arising from the transfer
18 will pass from the decedent's estate to, or solely for the benefit of,
19 charity. For the purposes of this paragraph, the term "members of the
20 decedent's family" shall include:

21 (i) A spouse, domestic partner, parent, child, sibling, grandparent,
22 grandchild; and

23 (ii) A trust for the primary benefit of a spouse, domestic partner,
24 parent, child, sibling, grandparent, or grandchild.

25 (c) A transfer of bare legal title into a revocable trust, without
26 actual consideration for the transfer, where the transferor is the
27 current beneficiary of the trust.

28 (d) A transfer to a named beneficiary of a revocable trust by reason
29 of the death of the grantor of the revocable trust.

30 (e) A transfer pursuant to court order or court-approved settlement.

31 (f) A transfer by eminent domain or under threat of eminent domain.

32 (g) A transfer of a residential building to a tenant organization or
33 qualified purchaser pursuant to a transfer agreement in effect on the
34 effective date of this article, except that any renewal, modification,
35 or amendment of such agreement occurring on or after the effective date
36 of this article shall be subject to the provisions of this article.

37 (h) A transfer of legal title or an interest in an entity holding
38 legal title to a housing accommodation pursuant to a bona fide deed of
39 trust or mortgage, and thereafter any transfer by foreclosure sale or
40 deed in lieu of foreclosure pursuant to a bona fide deed of trust or
41 mortgage.

42 (i) A tax sale or transfer pursuant to tax foreclosure.

43 (j) A bankruptcy sale.

44 3. Exemption procedures. The owner of a rental housing accommodation,
45 or an individual, group of individuals, organization or facility which
46 believe that they are exempt under this article shall comply with proce-
47 dures that DHCR shall create for claiming such an exemption.

48 4. Voluntary election to participate. An owner whose property or
49 planned transaction is exempt from this article pursuant to sections
50 seven hundred ninety-nine-b or seven hundred ninety-nine-c of this arti-
51 cle may elect to subject their property to this article by complying
52 with procedures that DHCR shall promulgate through regulations, provided
53 that the owner who voluntarily subjects their property to this article
54 shall comply with this article in its entirety. Each tenant living in
55 such property shall be granted all of the rights described in this arti-
56 cle, including the opportunity to decide whether to exercise their right

1 of first refusal under section seven hundred ninety-nine-d of this arti-
2 cle. No owner shall be eligible for incentives described in section
3 seven hundred ninety-nine-q of this article without complying with this
4 article in its entirety.

5 § 799-d. Right of first refusal. 1. General construction. This
6 section shall be construed to confer a right of first refusal only upon
7 each tenant, tenant organization, and qualified purchaser.

8 2. Offer of sale to tenants, tenant organizations, and qualified
9 purchasers. Before an owner of a rental housing accommodation may sell
10 or accept an offer to sell a rental housing accommodation, the owner
11 shall give each tenant, tenant organization or qualified purchaser an
12 opportunity to purchase such rental housing accommodation at a price and
13 terms that represent a bona fide offer of sale.

14 (a) The owner's offer of sale shall include, at minimum:

15 (i) The asking price and terms of the sale. The terms and conditions
16 shall be consistent with the applicable timeframes described in subdivi-
17 sions three and four of this section;

18 (ii) A statement as to whether a purchase contract with a third-party
19 purchaser exists for the sale of the rental housing accommodation, and
20 if so, a copy of such purchase contract; and

21 (iii) A statement in English and at least one other language within
22 the property's census tract based on the latest United States Census,
23 stating that if the tenant requires the offer of sale in a language
24 other than English, they may contact DHCR and request the offer of sale
25 in their requested language and/or the assistance of an interpreter.

26 (b) If a tenant or tenant organization is receiving the offer of sale,
27 the owner shall deliver a written copy of the offer of sale to each
28 tenant or tenant organization by certified mail or e-mail.

29 (c) If a qualified purchaser is receiving the offer of sale, the owner
30 shall deliver the offer of sale to each qualified purchaser that previ-
31 ously made an offer to purchase the rental housing accommodation, and to
32 each tenant, by certified mail or e-mail. The owner shall submit an
33 offer of sale to each such qualified purchaser on the same day, and to
34 the extent possible, at the same time.

35 (d) If the owner has a purchase contract with a third-party purchaser
36 for the sale of the rental housing accommodation, the owner shall deliv-
37 er the offer of sale to each tenant, tenant organization or qualified
38 purchaser within two days of entering into a purchase contract with the
39 third-party purchaser.

40 (e) The owner shall also provide DHCR with a written copy of the offer
41 of sale and a statement certifying that the items described by paragraph
42 (a) of this subdivision were delivered to each tenant, tenant organiza-
43 tion, or qualified purchaser.

44 3. Time to accept offer. (a) The following procedures shall apply:

45 (i) Upon receipt of the offer of sale from the owner, a tenant organ-
46 ization shall have forty-five days to accept the offer of sale.

47 (ii) Upon receipt of the offer of sale from the owner, a qualified
48 purchaser shall have thirty days to accept the offer of sale.

49 (iii) The deadline to accept any offer of sale shall be extended as
50 necessary to allow the tenant organization or qualified purchaser to
51 exercise their right to an appraisal pursuant to section seven hundred
52 ninety-nine-l of this article, if they believe that the offer of sale is
53 not a bona fide offer of sale.

54 (b) If, during these time periods, any qualified purchaser that has
55 received such offer of sale decides to accept the owner's offer of sale,
56 such qualified purchaser shall notify the owner and every other quali-

1 fied purchaser of such decision by e-mail or certified mail. After a
2 qualified purchaser notifies the owner of its decision to accept the
3 owner's offer of sale, meaning before any other qualified purchaser so
4 notified the owner, such qualified purchaser shall be deemed to have
5 accepted the offer of sale, and no other qualified purchaser shall
6 accept the owner's offer of sale, whether or not the time periods in
7 this subdivision have elapsed.

8 4. Time to secure financing and close. If a tenant, tenant organiza-
9 tion, or qualified purchaser accepts an owner's offer of sale in accord-
10 ance with this article, the owner shall afford such tenant, tenant
11 organization, or qualified purchaser time to secure financing and close,
12 consistent with this article.

13 5. Rejection of offer. If each tenant, each tenant organization, and
14 qualified purchaser that received an offer of sale consistent with this
15 article, rejects such offer of sale or fails to respond within the time-
16 lines described in this section, the owner may immediately proceed with
17 the sale of the rental housing accommodation to a third-party purchaser
18 consistent with the price and material terms of that offer of sale.

19 § 799-e. Tenant decision-making; tenant organizations. 1. Tenant
20 decision-making. Except in the case of a duly formed tenant organiza-
21 tion, any action required of tenants under this article shall be
22 approved by at least a majority of tenant-occupied units.

23 2. Tenant organizations. (a) In order to submit an offer and respond
24 to the owner's offer of sale pursuant to section seven hundred ninety-
25 nine-d of this article, tenants shall:

26 (i) Form a tenant organization, approved by the requirements described
27 in subdivision one of this section, unless such a tenant organization
28 already exists in a form approved by the tenants.

29 (ii) Select a supportive partner, meeting the criteria described in
30 section seven hundred ninety-nine-g of this article.

31 (iii) Deliver an application for registration of the tenant organiza-
32 tion to DHCR, and deliver a copy of such application to the owner, by
33 hand or by certified mail on or before the deadline of submitting an
34 offer of purchase pursuant to section seven hundred ninety-nine-d of
35 this article. Such application shall include:

36 (A) the name, address, and phone number of tenant officers and the
37 supportive partner;

38 (B) a copy of the formation document, as filed;

39 (C) a copy of the governing document;

40 (D) documented approval that the tenant organization represents a
41 majority under subdivision one of this section as of the time of regis-
42 tration; and

43 (E) such other information as DHCR may reasonably require.

44 (b) Tenants may form and register the tenant organization with DHCR
45 pursuant to this subdivision at any time, provided that this section
46 shall not be construed to alter the time periods within which a tenant
47 organization may exercise the rights afforded by this article.

48 (c) Upon registration with DHCR, the tenant organization shall consti-
49 tute the sole representative of the tenants for purposes of this arti-
50 cle.

51 § 799-f. Qualified purchasers. 1. Qualified purchaser criteria. DHCR
52 shall establish an administrative process for certifying qualified
53 purchasers that shall include, but not be limited to, the following
54 minimum criteria:

55 (a) The purchaser is a bona fide nonprofit, as evidenced by the fact
56 that it is exempt from federal income tax under 26 U.S.C. § 501(c)(3);

1 (b) The purchaser has demonstrated a commitment to either:

2 (i) democratic residential control, as evidenced by its ownership and
3 governance structure and relationship with residents; or

4 (ii) a commitment to community engagement, as evidenced by relation-
5 ships with neighborhood-based organizations or tenant counseling organ-
6 izations;

7 (c) The purchaser has agreed to transfer ownership of the rental hous-
8 ing accommodation to the tenants when feasible if its tenants request
9 such transfer of ownership;

10 (d) The purchaser has demonstrated a commitment to the provision of
11 affordable housing for moderate, low, very low, and extremely low income
12 New York state residents, and to prevent the displacement of such resi-
13 dents;

14 (e) The purchaser has agreed to obligate itself and any successors in
15 interest to maintain the permanent affordability of the rental housing
16 accommodation, in accordance with section seven hundred ninety-nine-p of
17 this article;

18 (f) The purchaser has demonstrated the capacity, including, but not
19 limited to, the legal and financial capacity, to effectively acquire and
20 manage residential real property in New York state;

21 (g) The purchaser has acquired or partnered with another housing
22 development organization or nonprofit organization to acquire at least
23 one residential building using any public or community funding, or has
24 entered into a written memorandum of understanding with another housing
25 development organization or nonprofit organization for the purpose of
26 partnering with a housing development organization or nonprofit organ-
27 ization to acquire residential buildings using public or community fund-
28 ing; and

29 (h) The purchaser has agreed to attend mandatory training to be deter-
30 mined, from time to time, by DHCR.

31 2. Certification, term, and renewal. Purchasers that DHCR certifies as
32 having met the criteria in subdivision one of this section shall be
33 known as "qualified purchasers". A purchaser's certification as a qual-
34 ified purchaser shall be valid for four years. DHCR shall solicit new
35 applications for qualified purchaser status at least once each calendar
36 year, at which time existing qualified purchasers shall be eligible to
37 apply for renewed certification as qualified purchasers.

38 3. Existence and publication of qualified purchasers list. DHCR shall
39 publish on its website, and make available upon request, a list of qual-
40 ified purchasers. In addition to such other information as DHCR may
41 include, such list shall include contact information for each qualified
42 purchaser. Such contact information shall include, but need not be
43 limited to, a mailing address, an e-mail address that the qualified
44 purchaser monitors regularly, and a telephone number.

45 4. Disqualification of qualified purchaser and conflicts of interest.
46 DHCR shall promptly investigate any complaint alleging that a qualified
47 purchaser has failed to comply with this section. Subject to regulations
48 promulgated by DHCR, if, after providing the qualified purchaser with
49 notice and opportunity to be heard, DHCR determines that a purchaser
50 listed as a qualified purchaser has failed to comply with this section,
51 DHCR may suspend or revoke that purchaser's certification as a qualified
52 purchaser. DHCR shall establish a process for addressing potential and
53 actual conflicts of interests that may arise among supportive partners,
54 qualified purchasers, and tenants through promulgation of regulations.

1 § 799-g. Supportive partners. 1. Supportive partner criteria. DHCR
2 shall establish an administrative process for certifying individuals or
3 organizations that meet the following minimum criteria:

4 (a) The individual or organization has demonstrated ability and capac-
5 ity to guide and support tenants in forming a tenant organization;

6 (b) The individual or organization has demonstrated ability and capac-
7 ity to assist tenants in understanding and exercising their rights under
8 this article;

9 (c) The individual or organization has demonstrated expertise, or
10 existing partnerships with other organizations with demonstrated exper-
11 tise, to counsel tenants on first-time homeownership and collective
12 ownership structures;

13 (d) The individual or organization has a demonstrated commitment to
14 creating democratic resident-controlled housing; and

15 (e) The individual or organization has agreed to attend mandatory
16 trainings, to be determined, from time to time, by DHCR.

17 2. Certification, term, and renewal. Individuals and organizations
18 that DHCR certifies as having met the criteria in subdivision one of
19 this section shall be known as "supportive partners". An individual or
20 organization's certification as a supportive partner shall be valid for
21 four years. DHCR shall solicit new applications for supportive partner
22 status at least once each calendar year, at which time existing support-
23 ive partners shall be eligible to apply for renewed certification as
24 supportive partners.

25 3. Purpose of supportive partner. A supportive partner shall function
26 in a supportive role to assist tenants in exercising their rights under
27 this article. This article shall not confer any rights to a supportive
28 partner. A supportive partner shall be distinct from a qualified
29 purchaser that is conferred subordinated rights under this article as
30 described in section seven hundred ninety-nine-g of this article. DHCR
31 may determine that a qualified purchaser described in section seven
32 hundred ninety-nine-f of this article that meets the criteria in subdivi-
33 sion one of this section shall also be eligible to serve as a support-
34 ive partner. DHCR may also serve as a supportive partner.

35 4. Existence and publication of supportive partners list. DHCR shall
36 publish on its website, and make available upon request, a list of
37 supportive partners. In addition to such other information as DHCR may
38 include, this list shall include contact information for each supportive
39 partner. Such contact information shall include, but need not be limited
40 to, a mailing address, an e-mail address that the supportive partner
41 monitors regularly, and a telephone number.

42 5. Disqualification of supportive partner and conflicts of interest.
43 DHCR shall promptly investigate any complaint alleging that a supportive
44 partner has failed to comply with this section. Subject to regulations
45 promulgated by DHCR, if, after providing the supportive partner with
46 notice and opportunity to be heard, DHCR determines that an individual
47 or organization listed as a supportive partner has failed to comply with
48 this section, DHCR may suspend or revoke such individual or organiza-
49 tion's certification as a supportive partner. DHCR shall establish a
50 process for addressing potential and actual conflicts of interests that
51 may arise among supportive partners, qualified purchasers, and tenants
52 through promulgation of regulations.

53 § 799-h. Assignment of rights. 1. A tenant or tenant organization may
54 assign rights under this section in compliance with sections seven
55 hundred ninety-nine-d and seven hundred ninety-nine-e of this article to
56 a qualified purchaser of their choice.

1 2. Subject to regulations promulgated by DHCR, the assignment of
2 rights described in this section shall occur prior to the tenant or
3 tenant organization waiving their rights pursuant to section seven
4 hundred ninety-nine-i of this article, and only during the process
5 provided in section seven hundred ninety-nine-d of this article. Except
6 as provided in section seven hundred ninety-nine-i of this article, the
7 waiver and assignment of rights shall be made in a written agreement
8 executed by the tenant or tenant organization and the qualified purchas-
9 er.

10 3. Qualified purchasers shall not accept any payment, consideration,
11 or reward in exchange for the assignment of rights under this section.

12 § 799-i. Waiver of rights. 1. Tenants may affirmatively waive their
13 rights before the time periods specified in section seven hundred nine-
14 ty-nine-d of this article elapse, by notifying the owner in writing,
15 signed by the tenants and in compliance with section seven hundred nine-
16 ty-nine-e of this article.

17 2. Tenants' failure to complete actions required under section seven
18 hundred ninety-nine-d of this article within the allotted time periods,
19 and any extensions thereof, shall be deemed an implied waiver of such
20 tenants' rights.

21 § 799-j. Notice requirements. Any notices required or permitted by
22 this article shall also comply with regulations promulgated by DHCR.
23 DHCR shall develop model notices which owners may choose to use to
24 comply with the requirements of this section and shall make such notices
25 accessible to owners, including but not limited to, posting such notices
26 on DHCR's website. Such model notice shall include a list of certified
27 qualified purchasers.

28 § 799-k. Third-party purchaser rights. The right of a third-party to
29 purchase a rental housing accommodation shall be conditional upon the
30 exercise of tenant, tenant organization, and qualified purchaser rights
31 under this article. The time periods for submitting and accepting an
32 offer, securing financing, and closing under this article shall be mini-
33 mum periods, and the owner may afford any tenant, tenant organization,
34 and qualified purchaser a reasonable extension of such period, without
35 liability under a third-party purchase contract. Owners shall be
36 responsible for alerting any third-party purchasers regarding the appli-
37 cability of the tenant's right to purchase the property. Third-party
38 purchasers shall be presumed to act with full knowledge of the rights of
39 tenants, tenant organizations, and qualified purchasers and public poli-
40 cy under this article.

41 § 799-l. Right to appraisal. 1. Right to appraisal. This section shall
42 apply whenever an offer of sale is made to a tenant, tenant organiza-
43 tion, or qualified purchasers as required by this article and the offer
44 is made in the absence of an arm's-length third-party purchase contract.

45 2. Request for appraisal. The tenant, tenant organization, or quali-
46 fied purchaser that receives an owner's offer of sale may challenge such
47 offer of sale as not being a bona fide offer of sale, and request an
48 appraisal to determine the fair market value of the rental housing
49 accommodation. The party requesting the appraisal shall be deemed the
50 "petitioner" for purposes of this section. The petitioner shall deliver
51 the written request for an appraisal to DHCR and the owner by hand or by
52 certified mail within five days of receiving the offer of sale.

53 3. Time for appraisal. Beginning with the date of receipt of a written
54 request for an appraisal, and for each day thereafter until the peti-
55 tioner receives the appraisal, the time periods described in subdivision

1 three of section seven hundred ninety-nine-d of this article shall be
2 extended by an additional time of up to ten business days.

3 4. Selection of appraiser. The petitioner shall select an appraiser
4 from a list of independent, qualified appraisers, that DHCR shall main-
5 tain. DHCR-approved appraisers shall hold an active appraiser license
6 issued by the New York state board of real estate appraisal and shall be
7 able to conduct an objective, independent property valuation, performed
8 according to professional industry standards. All appraisers shall
9 undergo training organized by DHCR before they are approved and added to
10 the DHCR's list.

11 5. Cost of appraisal. The petitioner shall be responsible for two-
12 thirds and the owner shall be responsible for one-third of the total
13 cost of the appraisal.

14 6. Appraisal procedures and standards. The owner shall give the
15 appraiser full, unfettered access to the property. The owner shall
16 respond within five days to any request for information from the
17 appraiser. The petitioner may give the appraiser information relevant to
18 the valuation of the property. The appraisal shall be completed expe-
19 ditiously according to standard industry timeframes. An appraised value
20 shall only be based on rights an owner has as a matter-of-right as of
21 the date of the alleged bona fide offer of sale, including any existing
22 right an owner may have to convert the property to another use. Within
23 the restrictions in this subdivision, an appraised value may take into
24 consideration the highest and best use of the property.

25 7. Validity of appraisal. The determination of the appraised value of
26 the rental housing accommodation, in accordance with this section, shall
27 become the sales price of the rental housing accommodation in the bona
28 fide offer of sale, unless:

29 (a) The owner and the petitioner agree upon a different sales price of
30 the rental housing accommodation; or

31 (b) The owner elects to withdraw the offer of sale altogether within
32 fourteen days of receipt of the appraisal, in which case:

33 (i) the owner shall withdraw the offer of sale by delivering a written
34 notice by hand or by certified mail to DHCR and to the petitioner;

35 (ii) upon withdrawal, the owner shall reimburse the petitioner and
36 DHCR for their share of the cost of the appraisal within fourteen days
37 of delivery of written notice of withdrawal; and

38 (iii) an owner who withdraws an offer of sale in accordance with this
39 paragraph shall be precluded from proceeding to sell the rental housing
40 accommodation to a third-party purchaser without complying with this
41 section by honoring the right of first refusal of tenants, tenant organ-
42 izations and qualified purchasers; or

43 (c) The petitioner elects to withdraw the offer of sale altogether
44 within fourteen days of receipt of the appraisal, in which case:

45 (i) the petitioner shall withdraw the offer of sale by delivering a
46 written notice by hand or by certified mail to DHCR and to the owner;
47 and

48 (ii) upon withdrawal, the petitioner shall reimburse the owner and
49 DHCR for their share of the cost of the appraisal within fourteen days
50 of delivery of written notice of withdrawal.

51 § 799-m. Purchase contract negotiation. 1. Bargaining in good faith.
52 The owner and any tenant, tenant organization, and/or qualified purchas-
53 er shall bargain in good faith regarding the terms of any offer for
54 sale. Any one of the following shall constitute prima facie evidence of
55 bargaining without good faith:

1 (a) The failure of an owner to offer a tenant, tenant organization, or
2 qualified purchaser a price and other material terms at least as favora-
3 ble as that offered to a third-party purchaser;

4 (b) Any requirement by an owner that a tenant, tenant organization, or
5 qualified purchaser waive any right under this article; or

6 (c) The intentional failure of an owner, tenant, tenant organization,
7 or qualified purchaser to comply with the provisions of this article.

8 2. Reduced price. If the owner sells or contracts to sell the rental
9 housing accommodation to a third-party purchaser for a price less than
10 the price offered to the tenant, tenant organization, or qualified
11 purchaser in the offer of sale, or for other terms, which would consti-
12 tute bargaining without good faith, the owner shall comply anew with all
13 requirements of this article, as applicable.

14 3. Termination of rights. The intentional failure of any tenant,
15 tenant organization, or qualified purchaser to comply with the
16 provisions of this article shall result in the termination of their
17 rights under this article.

18 § 799-n. No selling of rights. 1. A tenant, tenant organization, or
19 qualified purchaser shall not sell or otherwise convey any rights under
20 this article.

21 2. An owner shall not coerce a tenant or tenant organization to waive
22 their rights under this article.

23 § 799-o. Tenant protections. 1. No tenant in the rental housing accom-
24 modation, including tenants who do not exercise rights to purchase under
25 this article, shall be evicted by the TOPA buyer, for a failure to
26 purchase or for any other reason applicable to expiration of tenancy,
27 except for good cause; provided that such proceedings may be commenced
28 for non-payment of rent, illegal use or occupancy of the premises,
29 refusal of reasonable access to the owner or a similar breach by the
30 non-purchasing tenant of their obligations to the purchaser.

31 2. Should there be an expiration of the maximum allowable rent
32 provision of the state's emergency tenant protection regulations, and
33 the state's rent stabilization code, promulgated by the division of
34 housing and community renewal, TOPA buyers shall adjust the rent annual-
35 ly to allow an increase of no more than the increase in the CPI.

36 § 799-p. Price stabilization. 1. Price stabilization. A rental housing
37 accommodation purchased by a TOPA buyer under this article shall be
38 subject to permanent affordability restrictions as set forth in this
39 section and by regulations promulgated by DHCR, which shall be promul-
40 gated with the intent of fulfilling the purpose of this section.

41 2. Term. Subject to regulations promulgated by DHCR, permanent affor-
42 ability standards shall restrict the use of the rental housing accommo-
43 modation to require that permanent affordability restrictions remain in
44 force for ninety-nine years and with an option to renew at year one
45 hundred. This subdivision shall not be construed to apply only to commu-
46 nity land trusts.

47 3. Permanent affordability. In exchange for the rights conferred under
48 this section, each TOPA buyer shall agree to maintain the permanent
49 affordability of the rental housing accommodation. No TOPA buyer shall
50 be entitled to a purchase contract under this section without executing
51 an agreement with DHCR to limit the future appreciation of the rental
52 housing accommodation and only sell, or rent, to income-eligible house-
53 holds in accordance with this section, section seven hundred ninety-
54 nine-q of this article and relevant standards and exemptions created by
55 DHCR through regulation. Under such agreement, each TOPA buyer shall
56 represent to DHCR that they agree to be bound by the permanent affor-da-

1 bility requirements under this section. The TOPA buyer shall deliver
2 such agreement to DHCR no later than the deadline for submitting an
3 offer provided under section seven hundred ninety-nine-d of this arti-
4 cle.

5 4. Permanent affordability standards for tenants or tenant organiza-
6 tions. For a tenant or tenant organization purchasing a rental housing
7 accommodation, permanent affordability standards created by DHCR shall:

8 (a) Restrict the resale price of the rental housing accommodation, or
9 separate ownership interests in the rental housing accommodation, by
10 limiting the annual market appreciation of the rental housing accommo-
11 dation, or separate ownership interest, to a percentage increase as
12 agreed upon by DHCR or the regulating municipal housing agency, not to
13 exceed an annual interest rate of three percent simple;

14 (b) Ensure that a unit in which a tenant determines to remain a renter
15 following a purchase under this article shall be maintained as a unit
16 subject to the requirements of section seven hundred ninety-nine-o of
17 this article, unless DHCR determines a valid exemption or alternative
18 standard should apply for such unit assisted by DHCR or other public
19 subsidy program which is subject to separate permanent affordability
20 requirements; and

21 (c) At minimum, make the restricted resale price of the rental housing
22 accommodation, or ownership interests in the rental housing accommo-
23 dation, available only to households with income at or below the average
24 AMIs of the initial TOPA buyers as of the initial purchase date of the
25 rental housing accommodation, as verified and recorded by DHCR as of the
26 initial purchase date and not to exceed one hundred percent of AMI.

27 5. Permanent affordability standards for qualified purchasers. For
28 qualified purchasers purchasing the rental housing accommodation, perma-
29 nent affordability standards created by DHCR shall:

30 (a) Restrict the resale price of the rental housing accommodation, or
31 separate ownership interests in the rental housing accommodation, by
32 limiting the annual appreciation of the rental housing accommodation, or
33 separate ownership interest, to a percentage increase as agreed upon by
34 DHCR or the regulating municipal housing agency, not to exceed an annual
35 interest rate of three percent simple;

36 (b) Ensure that a unit in which a tenant determines to remain a renter
37 following a purchase under this article shall be maintained as a unit
38 subject to the requirements of section seven hundred ninety-nine-o of
39 this article, unless DHCR determines a valid exemption or alternative
40 standard should apply for such unit assisted by DHCR or other public
41 subsidy program which is subject to separate permanent affordability
42 requirement; and

43 (c) Prioritize making vacant or vacated units in the rental housing
44 accommodation available to households with incomes at or below the aver-
45 age median income by zip code at the time of purchase but not to exceed
46 eighty percent of AMI.

47 6. Mechanism. Permanent affordability restrictions shall materialize
48 as at least one of the following:

49 (a) A restrictive covenant placed on the recorded title deed to the
50 rental housing accommodation that runs with the land and is enforceable
51 by DHCR against the TOPA buyer and its successors, and other affordabil-
52 ity restrictions in land leases or other recorded documents not specif-
53 ically listed in this subdivision, so long as DHCR determines that such
54 restrictions are enforceable and likely to be enforced such as a
55 recorded mortgage promissory note and/or regulatory agreements with
56 local housing agencies where government subsidies are involved; and

1 (b) A community land trust lease, which is a ninety-nine-year renewa-
2 ble land lease with affordability and owner-occupancy restrictions.

3 7. Required recordings and filings. (a) All covenants created in
4 accordance with section seven hundred ninety-nine-o of this article
5 shall be recorded before or simultaneously with the close of escrow in
6 the office of the county recorder where the rental housing accommodation
7 is located and shall contain a legal description of the rental housing
8 accommodation, indexed to the name of the TOPA buyer as grantee.

9 (b) Each TOPA buyer of the rental housing accommodation shall be
10 required to file a document annually with DHCR in which the TOPA buyer
11 affirmatively states the rents and share price for each unit in the
12 rental housing accommodation. DHCR may engage a third-party monitoring
13 agent to monitor the compliance of this subdivision, pursuant to DHCR
14 regulations.

15 § 799-q. Incentives. 1. Access to buyers. DHCR shall endeavor to main-
16 tain and publicize the list of qualified purchasers in a manner that, to
17 the maximum extent feasible, promotes the existence of the qualified
18 purchasers as a readily accessible pool of potential buyers for covered
19 properties. DHCR shall, to the maximum extent permitted by law and
20 otherwise feasible, publicize the existence of this list in a manner
21 intended to facilitate voluntary sales to qualified purchasers in a
22 manner that avoids or minimizes the need for a broker, other search
23 costs, or other transactions.

24 2. Partial transfer tax exemption. The tax rate shall be reduced in
25 accordance with section fourteen hundred two of the tax law with respect
26 to any deed, instrument, or writing that affects a transfer under this
27 article.

28 3. Potential federal tax benefits. Any qualified purchaser that
29 purchases a rental housing accommodation under the right of first
30 refusal set forth in section seven hundred ninety-nine-d of this article
31 shall, to the maximum extent permitted by law and otherwise feasible, be
32 obliged to work with the owner in good faith to facilitate an exchange
33 of real property of the kind described in 26 U.S.C. § 1031, for the
34 purpose of facilitating the owner's realization of any federal tax bene-
35 fits available under that section of the internal revenue code.

36 4. Information to owners. DHCR shall produce an information sheet
37 describing the benefits of an owner's decision to accept a tenants' or
38 qualified purchaser's offer of purchase made in connection with the
39 right of first refusal established in this article. DHCR shall make
40 this information sheet accessible to owners and buyers by publication on
41 DHCR's website.

42 § 799-r. Enforcement. 1. Powers and duties of DHCR. DHCR shall be
43 authorized to take all appropriate action, including but not limited to
44 the actions specified in section seven hundred ninety-nine-a of this
45 article, to implement and enforce this article.

46 2. Implementation. (a) DHCR shall promulgate rules and regulations
47 consistent with this article.

48 (b) DHCR shall adopt regulations to implement a petition and hearing
49 procedure for administering the enforcement of this article.

50 (c) DHCR shall establish and make available standard documents to
51 assist owners, tenants, tenant organizations, and qualified purchasers
52 in complying with the requirements of this article through an online
53 portal, provided that use of such documents does not necessarily estab-
54 lish compliance.

55 (d) Owner certification and disclosures. Every owner of a residential
56 property in the state shall, within fifteen days of the sale of such

1 residential property, submit to DHCR a signed declaration, under penalty
2 of perjury, affirming that the sale of such residential property
3 complied with the requirements of this article. Such declaration shall
4 include the address of the relevant residential property and the name of
5 each new owner of the rental housing accommodation. DHCR shall publish
6 all such addresses on its website. Failure to file a declaration
7 required by this paragraph shall result in the penalty described in
8 subparagraph (i) of paragraph (b) of subdivision three of this section.

9 3. Enforcement. (a) Civil action. Any party may seek enforcement of
10 any right or provision under this article through a civil action filed
11 with a court of competent jurisdiction and, upon prevailing, shall be
12 entitled to remedies, including those described in paragraph (b) of this
13 subdivision.

14 (b) Penalties and remedies.

15 (i) Civil penalties. An owner who willfully or knowingly violates any
16 provision of this article shall be subject to a cumulative civil penalty
17 imposed by DHCR in the amount of up to one thousand dollars per day, per
18 tenant-occupied unit in a rental housing accommodation, for each day
19 from the date the violation began until the requirements of this article
20 are satisfied, payable to the New York housing trust fund.

21 (ii) Legal remedies. Remedies in civil action brought under this
22 section shall include the following, which may be imposed cumulatively:

23 (A) Damages in an amount sufficient to remedy the harm to the plain-
24 tiff;

25 (B) In the event that an owner sells a rental housing accommodation
26 without complying with the requirements of this article, and if the
27 owner's violation of this article was knowing or willful, mandatory
28 civil penalties in an amount proportional to the culpability of the
29 owner and the value of the rental housing accommodation. There shall be
30 a rebuttable presumption that this amount is equal to ten percent of the
31 sale price of the rental housing accommodation for a willful or knowing
32 violation of this article, twenty percent of the sale price for a second
33 willful or knowing violation, and thirty percent of the sale price for
34 each subsequent willful or knowing violation. Civil penalties assessed
35 under this paragraph shall be payable to the New York housing trust
36 fund; and

37 (C) Reasonable attorneys' fees.

38 (iii) Equitable remedies. In addition to any other remedy or enforce-
39 ment measure that a tenant, tenant organization, qualified purchaser, or
40 DHCR may seek under this section, any court of competent jurisdiction
41 may enjoin any sale or other action of an owner that would be made in
42 violation of this article.

43 § 799-s. Statutory construction. The purpose of this article shall be
44 to prevent the displacement of lower-income tenants in New York and to
45 preserve affordable housing by providing an opportunity for tenants to
46 own or remain renters in the properties in which tenants reside as
47 provided in this article. If a court finds ambiguity and there is any
48 reasonable interpretation of this article that favors the rights of the
49 tenant, then the court shall resolve ambiguity toward the end of
50 strengthening the legal rights of the tenant or tenant organization to
51 the maximum extent permissible under law.

52 § 799-t. Administration and reports. 1. DHCR shall report annually on
53 the status of the tenant opportunity to purchase act program to the
54 legislature or to such legislative committee as the legislature may
55 designate. Such reports shall include, but shall not be limited to the
56 following:

1 (a) Statistics on the number and types of sales of tenant occupied
2 properties;

3 (b) Statistics on the number of tenants and qualified purchasers that
4 invoke action under this article;

5 (c) Number and types of units covered by this article; and

6 (d) Any other information the legislature or legislative committee may
7 request.

8 2. DHCR shall make available translation services in languages other
9 than English, where requested in advance by a tenant, tenant organiza-
10 tion, qualified purchaser, owner, or member of the public as it relates
11 to TOPA, to interpret and translate documents and procedures as needed.

12 § 3. Severability clause. If any clause, sentence, paragraph, subdivi-
13 sion, section or part of this act shall be adjudged by any court of
14 competent jurisdiction to be invalid, such judgment shall not affect,
15 impair, or invalidate the remainder thereof, but shall be confined in
16 its operation to the clause, sentence, paragraph, subdivision, section
17 or part thereof directly involved in the controversy in which such
18 judgement shall have been rendered. It is hereby declared to be the
19 intent of th legislature that this act would have been enacted even if
20 such invalid provisions had not been included herein.

21 § 4. This act shall take effect on the one hundred eightieth day after
22 it shall have become a law. Effective immediately, the addition, amend-
23 ment and/or repeal of any rule or regulation necessary for the implemen-
24 tation of this act on its effective date are authorized to be made and
25 completed on or before such effective date.