

STATE OF NEW YORK

8170--A

2025-2026 Regular Sessions

IN SENATE

May 16, 2025

Introduced by Sens. KAVANAGH, STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- recommitted to the Committee on Housing, Construction and Community Development in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the real property tax law, in relation to 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 Assembly, do enact as follows:

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

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

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

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

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

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

(5) "Certified reasonable cost schedule" shall mean a table providing maximum dollar limits for specified alterations and improvements, estab-

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

LBD13158-10-6

lished, and updated at least every two years, by the local housing agency.

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

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

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

(A) every physical operation undertaken for the purpose of all eligible construction has concluded; and

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

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

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

(B) contains at least one room; and

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

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

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

(A) are specifically identified on the certified reasonable cost schedule;

(B) meet the minimum scope of work threshold;

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

(D) are not attributable to any increased cubic content in such eligible building.

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

(A) is a class A multiple dwelling operated as condominium or cooperative housing;

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

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

(13) "Eligible regulated homeownership building" shall mean an existing building that is a class A multiple dwelling owned and operated by either:

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

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

1 (14) "Eligible rental building" shall mean an existing building that:
2 (A) is a class A multiple dwelling in which all of the dwelling units
3 are operated as rental housing;

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

5 (C) satisfies one of the following conditions:

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

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

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

12 (iv) such building is the recipient of substantial governmental
13 assistance.

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

15 (A) is permanently affixed to the land;

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

17 (C) is bounded by walls;

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

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

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

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

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

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

37 (19) "Marketing band" shall mean maximum rent amounts ranging from
38 twenty percent of eighty percent of the area median income, adjusted for
39 family size, to thirty percent of eighty percent of the area median
40 income, adjusted for family size.

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

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

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

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

1 program benefits for the existing building owned and operated by such
2 mutual company.

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

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

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

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

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

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

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

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

32 (30) "Rent regulation" shall mean, collectively, the emergency housing
33 rent control law, any local law enacted pursuant to the local emergency
34 housing rent control act, the rent stabilization law of nineteen hundred
35 sixty-nine, the rent stabilization code, and the emergency tenant
36 protection act of nineteen seventy-four, all as in effect as of the
37 effective date of this subdivision, or as any such statute is amended
38 thereafter, together with any successor statutes or regulations address-
39 ing substantially the same subject matter.

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

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

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

55 (b) Abatement. Notwithstanding the provisions of any other subdivision
56 of this section or of any general, special, or local law to the contra-

ry, in a city with a population of one million persons or more, real property taxes on an eligible building in which eligible construction has been completed may be abated by an aggregate amount that shall not exceed one hundred percent of the total certified reasonable cost of such construction plus an amount equivalent to the filing fee paid pursuant to subparagraph three of paragraph (d) of this subdivision, as determined under rules, regulations, and guidance documents of the local housing agency, provided that:

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

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

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

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

(B) an eligible homeownership building; and

(C) an eligible regulated homeownership building; and

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

(c) Guidance and rulemaking. Each agency or department to which functions are assigned by this subdivision may adopt and promulgate rules, regulations, and guidance documents for the effectuation of the purpose of this subdivision.

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

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

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

(4) Any application that is filed pursuant to this paragraph that is missing any of the information and documentation required at initial filing by any rules, regulations, and guidance documents of the local housing agency shall be denied, provided that a new application for the

1 same eligible construction, together with a new non-refundable filing
2 fee, may be filed within fifteen days of the date of issuance of such
3 denial. If such second application is also missing any such required
4 information and documentation, it shall be denied and no further appli-
5 cations for the same eligible construction shall be permitted.

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

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

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

21 (i) the name of every owner of record and owner of a substantial
22 interest in the eligible building or entity owning the eligible building
23 or sponsoring the eligible construction; and

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

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

33 (i) any affidavit required under this subparagraph has not been filed;
34 or

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

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

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

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

(8) The local housing agency may require an applicant to demonstrate compliance with the housing maintenance code. If hazardous or immediately hazardous violations exist, the local housing agency may require the applicant to remediate such violations and may impose a penalty in an amount set forth in rules, regulations, and guidance documents if the applicant fails to clear the violation.

(e) Additional requirements for an eligible rental building other than one owned and operated by a limited-profit housing company. In addition to all other conditions of eligibility for rehabilitation program benefits set forth in this subdivision, an eligible rental building, other than one owned and operated by a limited-profit housing company, shall also comply with all provisions of this paragraph. Notwithstanding the foregoing, an eligible rental building that is the recipient of substantial governmental assistance shall not be required to comply with the provisions of subparagraph two of this paragraph.

(1) Notwithstanding any provision of rent regulation to the contrary, any market rental unit within such eligible rental building subject to rent regulation as of the filing date of the application for a certificate of eligibility and reasonable cost and any affordable rental unit within such eligible rental building shall be subject to rent regulation until such unit first becomes vacant after the expiration of the restriction period at which time such unit, unless it would be subject to rent regulation for reasons other than the provisions of this subdivision, shall be deregulated, provided, however, that during the restriction period, no exemption or exclusion from any requirement of rent regulation shall apply to such dwelling units.

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

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

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

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

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

(E) The local housing agency may establish by rules, regulations, and guidance documents such requirements as the local housing agency deems necessary or appropriate for designating affordable rental units.

1 including, but not limited to, designating the unit mix and distribution
2 requirements of such affordable rental units in an eligible building.

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

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

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

12 (A) extend the restriction period;

13 (B) increase the number of affordable rental units in such eligible
14 rental building;

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

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

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

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

33 (1) The proposed work;

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

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

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

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

45 (2) Describes the work for which rehabilitation program benefits will
46 be claimed;

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

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

(i) Implementation of rehabilitation program benefits. Upon issuance of a certificate of eligibility and reasonable cost and payment of outstanding fees, the local housing agency shall be authorized to transmit such certificate of eligibility and reasonable cost to the local agency responsible for real property tax assessment. Upon receipt of a certificate of eligibility and reasonable cost, the local agency responsible for real property tax assessment shall certify the amount of taxes to be abated pursuant to paragraph (b) of this subdivision and pursuant to such certificate of eligibility and reasonable cost provided by the local housing agency.

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

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

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

(k) Additional limitations on eligibility. (1) Rehabilitation program benefits shall not be allowed for any eligible building receiving tax exemption or abatement concurrently for rehabilitation or new construction under any other provision of state or local law or ordinance, including any other subdivision of this section, with the exception of any eligible construction to an eligible building receiving a tax exemption or abatement under the provisions of the private housing finance law;

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

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

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

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

(m) Strict liability for inaccurate applications. If the local housing agency determines that an application for a certificate of eligibility and reasonable cost contains a material misstatement of fact or omission of fact, the local housing agency may reject such application and bar the submission of any other application pursuant to this subdivision with respect to such eligible building for a period not to exceed three

1 years. An applicant shall not be relieved from liability under this
2 paragraph because it submitted its application under a mistaken belief
3 of fact. Furthermore, any person or entity that files more than six
4 applications containing such a material misstatement of fact or omission
5 of fact within any twelve-month period shall be barred from submitting
6 any new application for rehabilitation program benefits on behalf of any
7 eligible building for a period not to exceed five years.

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

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

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

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

25 (3) make preliminary estimates of the maximum reasonable cost of such
26 eligible construction;

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

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

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

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

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

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

54 (r) Private right of action. Any prospective, present, or former
55 tenant of an eligible rental building may sue to enforce the require-
56 ments and prohibitions of this subdivision, or any rules and regulations

1 promulgated thereunder, in the supreme court of New York. Any such indi-
2 vidual harmed by reason of a violation of such requirements and prohibi-
3 tions may sue therefor in the supreme court of New York on behalf of
4 themselves, and shall recover threefold the damages sustained and the
5 cost of the suit, including a reasonable attorney's fee. The local hous-
6 ing agency may use any court decision under this paragraph that is
7 adverse to the owner of an eligible building as the basis for further
8 enforcement action. Notwithstanding any other provision of law, an
9 action by a tenant of an eligible rental building under this paragraph
10 shall be commenced within six years from the date of the latest
11 violation.

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

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

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

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

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

- 1 was updated. The local housing agency shall publish the certified
- 2 reasonable cost schedule on its website.
- 3 § 2. This act shall take effect immediately.