§ 488-a. Rehabilitation of certain class B multiple dwellings and class A multiple dwellings used for single room occupancy. 1. Definitions. For the purposes of this section the following terms shall have the meaning specified in this subdivision:

a. "Eligible real property" shall mean:

(i) any class B multiple dwelling;

(ii) any class A multiple dwelling used for single room occupancy pursuant to section two hundred forty-eight of the multiple dwelling law which contains no more than twenty-five percent class A dwelling units which contain lawful sanitary and kitchen facilities within the dwelling unit, provided that in the case of a multiple dwelling containing ten dwelling units or less, up to forty percent of the dwelling units may be class A units.

Notwithstanding the foregoing, eligible real property shall not include college and school dormitories, club houses, or residences whose occupancy is restricted to an institutional use such as housing intended for use primarily or exclusively by the employees of a single company or institution. A building is an eligible real property only if it qualifies as such after completion of the eligible improvements, but need not have been an eligible real property prior to the eligible improvements.

(iii) not-for-profit institutions with sleeping accommodations.

b. "Eligible improvements" shall be limited to the following catogories of work, provided further that such work shall be in conformity with all applicable laws:

(i) replacement of a boiler or burner or installation of an entire new heating system;

(ii) replacement or upgrading of electrical system;

(iii) replacement or upgrading of elevators;

(iv) installation or replacement or upgrading of the plumbing system, including water main and risers;

(v) replacement or installation of walls, ceilings, floors or trim where necessary;

(vi) replacement or upgrading of doors, installation of security

devices and systems;

(vii) installation, replacement or upgrading of smoke detectors, fire alarms, fire escapes, or sprinkler systems;

(viii) replacement or repair of roof, leaders and gutters;

(ix) replacement or installation of bathroom facilities;

(x) installation of wall and pipe insulation;

(xi) replacement or upgrading of street connections for water or sewer services;

(xii) replacement or installation of windows, or installation of window gates or guards;

(xiii) installation or replacement of boiler smoke stack;

(xiv) pointing, waterproofing and cleaning of entire building exterior surface;

(xv) improvements designed to conserve the use of fuel, electricity or other energy sources;

(xvi) improvements unique to congregate living facilities, as defined by rules and regulations promulgated by the local housing agency, pursuant to subdivision seven of this section; and

(xvii) work necessary to effect compliance with all applicable laws including but not limited to the multiple dwelling law, the New York city housing maintenance code and the New York city building code.

c. "Local housing agency". Local housing agency shall have the same meaning as the term "agency" under section five hundred two of the general municipal law, except that in cities of over one million in population the term shall mean the department of housing preservation and development.

d. "Permanent resident". Permanent resident shall mean a person who has resided in eligible real property for six months or more, has a lease with a term of six or more months, or has requested a lease pursuant to the provisions of the rent stabilization code for housing accommodations located in hotels.

2. Local legislative action. Any city to which the multiple dwelling law is applicable, acting through its local legislative body or other governing agency, is hereby authorized and empowered to adopt and amend

local laws or ordinances up to and including December thirty-first, two thousand nineteen, to provide that any increase in assessed valuation of eligible real property shall be exempt from taxation for local purposes and to provide for the abatement of taxes on eligible real property, including the land, in accordance with this section.

3. Tax exemption. Any increase in assessed valuation of eligible real property resulting from eligible improvements shall be exempt from taxation for local purposes for a period of thirty-two years, provided that:

(i) the eligible improvements are commenced after July first, nineteen hundred eighty, but prior to December thirty-first, two thousand nineteen, and are completed within thirty-six months of commencement;

(ii) the eligible improvements are approved by the local housing agency with respect to their cost and their qualifications for the benefits of this section;

(iii) the exemption may commence no sooner than the July first following the filing with the local agency responsible for real property tax assessment of a certification of eligibility issued by the local housing agency for such exemption; provided, however, that if the rehabilitation is carried out with substantial government assistance as part of a program for affordable housing, the exemption may commence no sooner than the July first following the commencement of construction of eligible improvements;

(iv) immediately prior to, and during, the construction of the eligible improvements, fifty or more percent of the dwelling units in such eligible real property are occupied by permanent residents; provided that such occupancy requirement shall not apply to a vacant, governmentally owned, multiple dwelling, nor to a privately owned multiple dwelling which had been vacant for not less than two years prior to the commencement of construction of eligible improvements, nor to a vacant multiple dwelling where the eligible improvements are carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local agency or instrumentality or any not-for-profit philantropic organization one of whose primary purposes is providing low or moderate income housing;

(v) there shall be no outstanding real estate taxes, water and sewer

charges, payments in lieu of taxes or other municipal charges due and owing as of the tax quarter prior to commencement of tax exemption to this section;

(vi) except in the case of eligible real property which is receiving or has received assistance pursuant to a governmental rent subsidy program, or which is owned by a not-for-profit corporation or by a wholly owned subsidiary of a not-for-profit corporation and which is receiving or has received assistance pursuant to a governmental loan subsidy program, as defined by the rules and regulations promulgated by the local housing agency, pursuant to subdivision seven of this section, for the construction of eligible improvements, the initial rent, after completion of eligible improvements, for ninety percent of the total number of dwelling units occupied by permanent residents in a class A or class B multiple dwelling other than apartments shall not exceed the greater of either the amount of any governmental rental assistance received by an occupant or seventy-five percent of the rent which is permitted to be charged for zero-bedroom units on the moderate rehabilitation fair market rent schedule as determined by the United States department of housing and urban development for the housing assistance payments program under section eight of the national housing act;

(vii) no person who lives in the eligible real property shall be required by the owner to vacate the eligible real property in order to perform the eligible improvements or any related work.

4. Tax abatement. Eligible real property which qualifies for exemption from taxation for local purposes for eligible improvements shall also be eligible for an abatement of real property taxes in an amount no greater than twelve and one-half percent of the reasonable cost of eligible improvements certified by the local housing agency, which abatement may commence on the first day of the first tax quarter following the filing with the local agency responsible for real property tax assessment of a certification of eligibility issued by the local housing agency for such abatement; provided, however that if the rehabilitation is carried out with substantial government assistance as part of a program for affordable housing the abatement may commence no sooner than the first day of the first tax quarter following the commencement of construction

of eligible improvements, provided that:

(i) the annual abatement shall not exceed the amount of taxes otherwise payable in the corresponding tax year;

(ii) the period during which such abatement is effective shall not exceed twenty consecutive years from the date such abatement first becomes effective; and

(iii) the total abatement shall not exceed the lesser of one hundred fifty percent of the certified reasonable costs of eligible improvements or the actual costs as determined by the local housing agency pursuant to its rules and regulations.

5. Continuing requirements. During the period of tax exemption or abatement pursuant to this section, exemption and abatement shall be conditional upon continuing compliance with the following requirements:

(i) compliance with all applicable provisions of law, including but not limited to the multiple dwelling law, the local building code and the local housing maintenance code;

(ii) all dwelling units, except owner occupied units, shall be subject to the emergency housing rent control law or the local emergency housing rent control act, or the emergency tenant protection act of nineteen seventy-four, or any local laws enacted pursuant thereto, or the rent stabilization law of nineteen hundred sixty-nine; provided, however that the department of housing preservation and development may exempt from this requirement dwelling units that are not occupied by permanent residents in those buildings owned by a not-for-profit corporation or by a wholly owned subsidiary of a not-for-profit corporation and which are improved with the aid of a rehabilitation loan from any governmental agency or instrumentality or operated pursuant to a contract with a governmental entity;

(iii) it shall not receive tax exemption or tax abatement for rehabilitation or new construction under any other provision of law; and

(iv) the eligible improvements shall not be used as the basis for any application for rent increases and the owner shall file a statement to such effect with the local housing agency and with any applicable rent agency, provided, however, that rents of units improved with the aid of a rehabilitation loan from any governmental agency or instrumentality may within the limitations established by this section be increased

pursuant to the rules and regulations of the local housing agency; and

(v) a minimum of seventy-five percent of the dwelling units shall be rental units occupied by permanent residents, provided, however, that the local housing agency may exempt from this requirement those buildings improved with the aid of a rehabilitation loan from any government agency or instrumentality or operated pursuant to a contract with a governmental entity.

6. Revocation. The benefits of this section may be revoked or reduced upon a finding by the local housing agency or local finance agency that:

(i) the application for benefits hereunder or the annual certification required hereunder contains a false statement or false information as to a material matter or omits a material matter;

(ii) real estate taxes, water and sewer charges, payments in lieu of taxes or other municipal charges are due and owing for more than one year; or

(iii) the eligible real property fails to comply with one or more of the provisions or requirements of this section.

7. Rules and regulations. The local agencies of government charged with the administration of this section may promulgate rules and regulations to carry out the provisions of this section.

8. Annual certification. During the period of tax exemption or abatement pursuant to this section, the owner shall submit an annual certification to the local housing agency in a form to be prescribed by such agency. Failure to submit such certification may result in revocation of benefits. Such certification shall include the following:

(i) the total number of dwelling units within the eligible real property and the number of dwelling units occupied by permanent residents;

(ii) the number of dwelling units subject to the provisions of the emergency housing rent control act, the emergency tenant protection act of nineteen seventy-four or any local laws enacted pursuant thereto, the emergency housing rent control law or the rent stabilization law of nineteen hundred sixty-nine; and

(iii) all such other information required by the local housing agency.