

**LOCAL LAWS  
OF  
THE CITY OF NEW YORK  
FOR THE YEAR 2017**

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**No. 193**

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Introduced by Council Members Levin, Williams, Rodriguez, Rosenthal, Menchaca, Richards, Gentile, Chin, Cohen, Kallos and the Public Advocate (Ms. James).

**A LOCAL LAW**

**To amend the administrative code of the city of New York, in relation to auditing buildings for compliance with the affordability requirements of the 421-a tax exemption program**

*Be it enacted by the Council as follows:*

Section 1. Title 26 of the administrative code of the city of New York is amended by adding a new chapter 15 to read as follows:

*CHAPTER 15*

*AUDITS FOR COMPLIANCE WITH 421-A TAX EXEMPTION AFFORDABILITY  
REQUIREMENTS*

*§ 26-1501 Definitions.*

*§ 26-1502 Audits.*

*§ 26-1503 Results of audit.*

*§ 26-1501 Definitions. For the purposes of this chapter:*

*Affordability requirement. The term “affordability requirement” means any requirement that one or more dwelling units within a building receiving benefits under section 421-a of the real property tax law be occupied by or available for occupancy by individuals or families whose incomes at the time of initial occupancy do not exceed the applicable percentage under such law of the area median income for the primary metropolitan statistical area as determined by the United States department of housing and urban development or its successors from time to time for a*

*family of four, as adjusted for family size.*

*Department. The term “department” means the department of housing preservation and development.*

*§ 26-1502 Audits. The department shall audit no fewer than 20 percent of all buildings that have completed construction and are receiving benefits under section 421-a of the real property tax law annually to determine whether the owners of such buildings are in compliance with all applicable 421-a affordability requirements.*

*§ 26-1503 Results of audit. Where an audit performed pursuant to section 26-1502 reveals that a building owner is not in compliance with the applicable affordability requirements, the department shall take action to bring such building into compliance, which action may include, but need not be limited to, commencing tax exemption revocation proceedings.*

§ 2. Chapter 1 of title 11 of the administrative code of the city of New York is amended by adding a new section 11-140 to read as follows:

*§ 11-140 Report on revocations. Not less than quarterly, the department of finance shall report to the speaker of the council and to the mayor a plan and a timeline for revocation of benefits under section 421-a of the real property tax law for each designated building for which such department received, during the reporting period, a final notice of revocation of such benefits for noncompliance with applicable affordability requirements or applicable rent registration requirements from the department of housing preservation and development pursuant to chapters 15 and 16 of title 26 of the code.*

§ 3. This local law takes effect one year after it becomes law, except that the commissioner of housing preservation and development may take such actions as are necessary for its implementation,

including the promulgation of rules, prior to such effective date.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of The City of New York, passed by the Council on September 27, 2017 and approved by the Mayor on October 16, 2017.

MICHAEL M. McSWEENEY, City Clerk, Clerk of the Council.

CERTIFICATION OF CORPORATION COUNSEL

I hereby certify that the form of the enclosed local law (Local Law No. 193 of 2017, Council Int. No. 1359-A of 2016) to be filed with the Secretary of State contains the correct text of the local law passed by the New York City Council and approved by the Mayor.

STEPHEN LOUIS, Acting Corporation Counsel.