Preconsidered Int. No. 966

By Council Members P. Sanchez and Wilson

A Local Law to amend the administrative code of the city of New York, in relation to establishing a rental assistance voucher 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 39 to read as follows:

CHAPTER 39

RENTAL ASSISTANCE VOUCHER PROGRAM

§ 26-3901 Definitions.

As used in this chapter, the following terms have the following meanings:

Department. The term "department" means the department of housing preservation and development.

Household. The term "household" means an individual or family.

Income-eligible. The term "income-eligible" means an applicant whose total gross income does not exceed 50 percent of the area median income, as defined by the United States department of housing and urban development.

Regulatory agreement. The term "regulatory agreement" means a legally binding agreement between the owner of a building and a federal, state, or local agency or instrumentality or a restrictive declaration that requires all or some of the units in such building to be income-restricted or occupied by households meeting specified requirements set forth in such agreement.

Shelter. The term "shelter" means temporary emergency housing provided to homeless adults, adult

families, families with children, and runaway and homeless youth by the city or a provider under contract or similar agreement with the city.

Unit. The term "unit" means an apartment, room, or single room occupancy.

§ 26-3902 Rental assistance voucher program. Subject to appropriations and as further set forth in section 26-3906, there shall be a rental assistance voucher program which shall be administered in accordance with this chapter. The application process for such rental assistance voucher program shall begin within 180 days of the enactment of the local law that added this section and eligibility determinations shall begin no later than 240 days after the enactment of such local law.

§ 26-3903 Eligibility. a. A household that meets the following criteria shall be eligible for the rental assistance voucher program established pursuant to this chapter:

1. An income-eligible tenant or lawful occupant of a unit, who is named as a respondent in a pending eviction proceeding for nonpayment of rent in housing court, provided that such unit is subject to rent stabilization. A tenant or lawful occupant is not eligible if such unit is subject to a regulatory agreement;

2. An income-eligible household who is residing in a shelter operated by or on behalf of an agency other than the department of social services or human resources administration; or

3. An income-eligible household residing in a shelter operated by or on behalf of the department of social services or human resources administration but whose income exceeds 200 percent of the federal poverty level or who does not work enough hours to meet the work requirements set forth in clause (i) of subparagraph (A) of paragraph (8) of subdivision (a) of section 10-04 of title 68 of the rules of the city of New York or successor provision.

b. The department shall verify that a household is income-eligible.

c. The department shall not consider whether a household is employed as a condition of eligibility.

d. A household who receives a rental assistance voucher pursuant to this chapter shall annually certify its income for the purpose of determining continued eligibility and any adjustments to such rental assistance.

powered by Legistar™

e. A household meeting the criteria in paragraph 1 of subdivision a of this section shall not use such a rental assistance voucher to move from its current unit to a new unit except in cases where such move (i) is necessary for a reasonable accommodation of a disability, (ii) is necessary to enable the household to leave a situation of domestic violence, provided that the household assisted by such voucher does not include the perpetrator of such violence, or (iii) in other extraordinary health and safety circumstances as determined by the commissioner of housing preservation and development.

§ 26-3904 Maximum monthly rents. Maximum rental allowances shall be set in accordance with section 982.503 of title 24 of the code of federal regulations, regarding voucher payment standard amounts, or a successor provision, at the payment standard used for the housing choice voucher program administered by the department pursuant to section 1437f of title 42 of the United States code.

§ 26-3905 Monthly rental assistance and rental contribution. a. The department shall provide monthly rental assistance to an owner or a landlord on behalf of a household in receipt of a rental assistance voucher in an amount equal to the actual monthly rent of the leased unit, up to the maximum rental allowance, minus the household rent contribution as described in subdivision b of this section.

b. The monthly rental contribution for a household receiving a rental assistance voucher pursuant to this section shall be the greater of:

1. 30 percent of the monthly adjusted income of such household; or

2. if such household is receiving payments for public assistance as defined in section 21-134, and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated to meet the housing costs of the family, the portion of those payments that is so designated. These payments include, but are not limited to any shelter assistance or housing assistance administered by any federal, state or local agency.

c. When a household rents a unit for less than the maximum rental allowance and all utilities are not included in the rent, the household rent contribution shall be:

powered by Legistar™

1. if such household is not receiving payments for public assistance, 30 percent of the monthly adjusted income of the household minus the utility allowance. If the utility allowance exceeds 30 percent of such household's monthly adjusted income, the department shall issue a payment to the household in the amount of the difference to pay for utilities; or

2. if such household is receiving payments for public assistance as defined in section 21-134 and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated, plus 30 percent of the monthly adjusted non-public assistance income of such household. If the utility allowance exceeds 30 percent of such household's monthly adjusted income or such household's sole income is from cash assistance, the department will issue a payment to the household in the amount of the difference to pay for utilities.

§ 26-3906 Funding and waiting list. The number of eligible households who receive a rental assistance voucher pursuant to this chapter shall be limited by the amount of funding appropriated for the program established pursuant to this chapter.

a. Upon expenditure of funding appropriated for such program, the department may place an eligible household on a waiting list.

b. Notwithstanding subdivision a of this section, to maintain proper administration of such program, the department may close such waiting list and stop accepting new applications.

c. Nothing in this section shall be construed to limit the department's authority to maintain an internal waiting list to maintain proper administration of such program.

d. Up to 10 percent of the funds appropriated may be used by the department for administrative expenses attributable to administering the rental assistance voucher program established pursuant to this chapter.

§ 26-3907 Rulemaking. The department shall promulgate rules as necessary for the implementation of

this section, including but not limited to:

1. Administration of the application process and waiting list for the rental assistance voucher program established pursuant to this chapter;

2. Calculation of the maximum monthly rents, including any utility allowances;

3. The establishment of priorities for the distribution of rental assistance vouchers issued pursuant to the program established by this chapter, provided that 50 percent of the available funding in any fiscal year shall be used to provide vouchers to the households described in paragraph 1 of subdivision a of section 26-3903 and 50 percent of the available funding in any fiscal year shall be used to provide vouchers to the households described in paragraphs 2 and 3 of such subdivision a. A substantial portion of the vouchers issued to households residing in shelter shall be distributed to households in each type of shelter described in paragraphs 2 and 3 of such subdivision.

4. Discontinuance and renewals of rental assistance provided pursuant to this chapter;

5. Landlord requirements and household obligations;

6. Housing quality standards and any inspection requirements;

7. Methods for calculating household income;

8. Occupancy standards; and

9. Requirements governing moves out of a unit that receives rental assistance pursuant to this chapter.

§ 26-3908 Report. Beginning on August 1, 2027, and annually thereafter, the department shall submit to the speaker of the council and post on its website a report that includes the following information:

1. the total number of households enrolled in the rental assistance voucher program established pursuant to this chapter, disaggregated by the eligibility categories established by subdivision a of section 26-3903;

2. the total number of households newly enrolled in the fiscal year prior to the submission of such report, disaggregated by borough of residence, number of people in such households, and primary language spoken in such households;

3. the average amount of rental assistance provided to households;

4. the total amount of rental assistance provided during the prior fiscal year, disaggregated by administrative costs and the total amount paid as rental assistance; and

5. the total number of households on the waitlist as of the end of the prior fiscal year.

§ 2. Section 21-145 of the administrative code of the city of New York, as amended by local law number 100 for the year 2023, subdivision a as amended by local law number 176 for the year 2025 and subdivision g as added by local law number 176 for the year 2025, is amended to read as follows:

§ 21-145 Use of rental assistance vouchers. a. Definitions. For purposes of this section, the following terms have the following meanings:

Applicant. The term "applicant" means an individual or family applying for a rental assistance voucher.

Drop-in center. The term "drop-in center" means a facility operated by the department of homeless services or a provider under contract or similar agreement with such department that provides single adults with hot meals, showers, laundry facilities, clothing, medical care, recreational space, employment referrals, or housing placement services, but not overnight housing.

Experiencing homelessness. The term "experiencing homelessness" means: (i) residing in a city-administered shelter; (ii) working with a department of homeless services or department of youth and community development outreach team while receiving services in a safe haven, stabilization bed, drop-in center, or runaway and homeless youth services; or (iii) receiving case management services from a provider under contract with the department of homeless services.

FHEPS. The term "FHEPS" means the family homelessness and eviction prevention supplement program described in section 131-bb of the social services law.

Gross income. The term "gross income" has the same meaning as provided in subdivision (t) of section 10-01 of title 68 of the rules of the city of New York.

Homeless young adult. The term "homeless young adult" has the same meaning as provided in section

532-a of the executive law.

Homeless youth. The term "homeless youth" has the same meaning as provided in section 532-a of the executive law and includes homeless young adults.

Household. The term "household" means an individual or family in receipt of a rental assistance voucher.

Household at risk of eviction. The term "household at risk of eviction" means an individual or family that has received: (i) a written demand for rent payment or a predicate holdover notice pursuant to sections 711 or 713 of the real property actions and proceedings law; or (ii) a notice of non-renewal of residential tenancy pursuant to section 226-c of the real property law.

Household rent contribution. The term "household rent contribution" means the percent of income that a household in receipt of a rental assistance voucher contributes toward the rent of an apartment or a single room occupancy.

[Income eligible. The term "income eligible" means an applicant: (i) whose total gross income does not exceed 50 percent of the area median income, as defined by the federal department of housing and urban development; (ii) who, if eligible, has applied for public assistance and, if approved for such assistance, is in receipt of such assistance; (iii) who is in compliance with public assistance requirements, if applicable; (iv) who has applied for and accepted any federal or state housing benefits for which such applicant is eligible, including section 8 or the rental assistance program described in chapter 9 of title 68 of the rules of the city of New York, regarding the human resources administration home tenant-based rental assistance program, or a successor provision; (v) who is ineligible for FHEPS; and (vi) who has not previously received a rental assistance voucher, except an applicant who meets the requirements of subdivision (d) of section 10-08 of title 68 of the rules of the city of New York, regarding restoration of rental assistance vouchers for certain households, or a successor provision.]

Maximum rental allowances. The term "maximum rental allowances" means the maximum rent toward

which rental assistance vouchers may be applied.

Public assistance. The term "public assistance" means benefits, including, but not limited to, monthly grants and shelter allowances issued under the family assistance program pursuant to section 349 of the social services law or the safety net assistance program pursuant to section 159 of the social services law.

Rental assistance voucher. The term "rental assistance voucher" means rent payments made pursuant to chapter 10 of title 68 of the rules of the city of New York or any other city-initiated rental housing subsidy for households at risk of eviction or families and individuals residing in shelter.

Runaway youth. The term "runaway youth" has the same meaning as provided in section 532-a of the executive law.

Runaway and homeless youth services. The term "runaway and homeless youth services" has the same meaning as provided in section 21-401.

Safe haven. The term "safe haven" means a facility operated by the department of homeless services or a provider under contract or similar agreement with such department that provides low-threshold, harm-reduction housing to chronic street homeless individuals, who are referred to such facilities through a department of homeless services outreach program, without the obligation of entering into other supportive and rehabilitative services in order to reduce barrier to temporary housing.

Section 8. The term "section 8" means the housing choice voucher program administered pursuant to section 982.1 of title 24 of the code of federal regulations.

Shelter. The term "shelter" means temporary emergency housing provided to homeless adults, adult families, families with children, and runaway and homeless youth by the city or a provider under contract or similar agreement with the city.

Shelter allowance. The term "shelter allowance" means financial assistance provided by the department for the purposes of paying rent on an ongoing basis in accordance with section 131-a of the social services law.

Stabilization beds. The term "stabilization bed" means city-administered facilities that provide a short-

term housing option for an individual experiencing homelessness while such individual works with a department of homeless services outreach team to locate a more permanent housing option.

Utility allowance. The term "utility allowance" means a monthly allowance for utility services, excluding cable, internet, and telephone services, [paid by a subsidized housing tenant] set yearly by the local public housing authority pursuant to section 982.517 of title 24 of the code of federal regulations.

b. Eligibility. 1. Subject to appropriation, a household will continue to receive additional annual renewals of their vouchers after their fifth year in the CityFHEPS rental assistance program established pursuant to chapter 10 of title 68 of the rules of the city of New York, or a successor program, if they continue to meet the requirements set forth in section 10-08 of title 68 the rules of the city of New York, regarding renewals and restorations of CityFHEPS, or a successor provision.

2. The department shall not [base eligibility for a rental assistance voucher on the applicant's employment status or source of income, and shall not] require an applicant [to have resided or reside in a shelter of any type] residing in a shelter operated by or on behalf of the department of homeless services or human resources administration to have resided a specified number of days in such shelter to be eligible for a rental assistance voucher, pursuant to title 10 of chapter 68 of the rules of the city of New York.

[3. The department shall deem eligible for a rental assistance voucher any applicant who is income eligible and is a household at risk of eviction or experiencing homelessness.]

c. Maximum rental allowances. Subject to appropriation, maximum rental allowances shall be set in accordance with section 982.503 of title 24 of the code of federal regulations, regarding voucher payment standard amounts, or a successor provision.

d. Amount of monthly rental assistance. The department shall provide monthly rental assistance to an owner or a landlord on behalf of a household in receipt of a rental assistance voucher in the amount equal to the actual monthly rent of the leased apartment or single room occupancy, up to the maximum rental allowance, minus the household rent contribution. [The department shall not deduct a utility allowance from such amount.]

e. Utility allowance deduction. [1. The department shall provide that when a household rents an apartment or single room occupancy for less than the maximum rental allowance, the household rent contribution shall be reduced by the difference between the maximum rental allowance and the actual rent, up to the amount of the utility allowance.

2. If the amount by which the household rent contribution is reduced pursuant to paragraph 1 of this subdivision is greater than the household's rent contribution, the department shall issue a check to the household in the amount of such excess within the month in which such excess is accrued.

3. If the household receives a shelter allowance that is reduced by the amount allowed by paragraph 1 of this subdivision, the department shall issue a check to the household in the amount of such reduction within the month in which such reduction is accrued.] The department shall provide that when a household rents a unit for less than the maximum rental allowance and all utilities are not included in the rent, the household rent contribution shall be:

1. if the household is not receiving payments for public assistance, 30 percent of the monthly gross income of the household minus the utility allowance. If the utility allowance exceeds 30 percent of the household’s monthly gross income, the department shall issue a payment to the household in the amount of the difference to pay for utilities; or

2. if the household is receiving payments for public assistance and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated or 30 percent of the public assistance household’s total monthly gross income, whichever is greater, plus 30 percent of the monthly gross non-public assistance income of the household. This amount shall be reduced by the amount that the utility allowance exceeds the portion of the public assistance grant designated for utilities. If the utility allowance exceeds 30 percent of the household’s monthly gross income or the household’s sole income is from cash assistance, the department shall issue a payment to the household in the amount of the difference to pay for

utilities.

f. Within 15 days of the effective date of the local law that added subdivision d, e, and f of this section, and continuing thereafter, the commissioner, in consultation with the commissioner of housing preservation and development, shall conduct culturally appropriate outreach on this section to relevant agencies, stakeholders, landlords, and families and individuals experiencing homelessness in the designated citywide languages, as defined in section 23-1101.

g. Household rent contribution amount. Household rent contribution shall not exceed 30 percent of the household's total monthly gross income at the time of approval or renewal, regardless of whether such household receives public assistance, unless such household elects to exceed 30 percent in accordance with subdivision b of section 10-06 of title 68 of the rules of the city of New York.

§ 3. This local law takes effect 180 days after it becomes law. Each year, during the budget adoption process for the next fiscal year, the mayor and the council shall consider whether eligibility for the rental assistance voucher program established pursuant to this chapter shall be expanded to additional categories of households.

LS #23045
6/29/2026 8:30pm