

DRAFT NYC Tenant Opportunity to Purchase Act (TOPA) DRAFT
w/ language designed to reorient subsidies and empower tenants.

Urging stakeholders and policymakers to support this legislation, participate in public consultations, and champion tenant empowerment across New York City.

Legislative Draft (Word Format)

A DRAFT LOCAL LAW

To amend the Administrative Code of the City of New York in relation to the creation of a Tenant Opportunity to Purchase Act (TOPA) for Subsidized Housing

Section 1. Title and Purpose.

(a) Short Title. – This local law shall be known as the “Tenant Opportunity to Purchase Act of New York City.”

(b) Findings and Purpose. – The Council finds that:

1. New York City allocates billions annually in rental subsidies that deliver little to no return in terms of long-term wealth accumulation and neighborhood stability.
2. The current system perpetuates dependency, wastes resources, and fails to address the inherent racial and economic inequities embedded in the housing market.
3. Research indicates that stable, tenant-controlled housing positively influences public health, reduces adverse childhood experiences, and generates long-term economic growth.
4. A restructured system that supports tenant ownership—in a form that maximizes subsidies, incentives, and transitional supports—would create sustainable wealth and community investment while reducing bureaucratic waste.

(c) Purpose. – The purpose of this law is to (i) provide eligible tenant households with a first right of refusal to purchase their subsidized housing units when the owner opts to sell, and (ii) reallocate subsidy funds from rental assistance programs toward tenant financial support programs that encourage ownership transitions.

Section 2. Definitions.

For purposes of this law:

- (a) “Tenant” means any resident occupying a housing unit that is subsidized, whether through public housing, Section 8 vouchers, or locally administered affordable housing programs.
- (b) “Eligible Unit” means a rental unit that is subject to a government subsidy and maintained under the current affordable housing program.
- (c) “Owner” includes any person or entity with a legal title to an Eligible Unit.

DRAFT NYC Tenant Opportunity to Purchase Act (TOPA) DRAFT
w/ language designed to reorient subsidies and empower tenants.

(d) “Tenant Opportunity to Purchase” or “TOPA” means the statutory right provided under this law, which requires that if the Owner elects to sell an Eligible Unit, the Tenant(s) be given the first opportunity to purchase such unit on terms no less favorable than those offered to any third party.

Section 3. Tenant Right of First Refusal.

(a) When an Owner determines that an Eligible Unit is to be sold—whether in its entirety or in part—the Owner must provide written notice to the Tenant(s) and the relevant City agency at least 90 days in advance of any contract negotiations with third-party buyers.

(b) Such notice shall include the proposed price, terms, and conditions of the sale; and must inform Tenant(s) of their right, but not obligation, to purchase the unit.

(c) The Tenant(s) shall have 60 days from receipt of notice to exercise their TOPA by submitting a binding offer equal to or exceeding the terms offered to third parties.

(d) In the event the Tenant(s) decline or fail to respond within the allotted time, the Owner may proceed with a sale to a third party under the stated terms.

Section 4. Subsidy Reallocation and Financial Assistance Program.

(a) The City shall reallocate a portion of existing rental subsidy funds (previously designated for maintenance of rental assistance programs) to establish a Tenant Financial Assistance Program (TFAP) that supports:

1. Down payment assistance and low-interest loans for eligible Tenant(s).
2. Financial literacy, maintenance support, and legal counseling for transitioning tenants.

(b) The TFAP shall be administered by the New York City Department of Housing Preservation and Development (HPD) in conjunction with community-based financial services organizations.

(c) Annual reports shall be submitted to the City Council detailing program participation, cost savings from reduced court expenditures, and estimated return on investment (ROI) achieved through increased tenant equity and decreased dependence on traditional rental subsidies.

Section 5. Enforcement and Administrative Provisions.

(a) Any Owner who fails to comply with the provisions of this law shall be subject to civil penalties as determined by the City and may be required to reimburse Tenant(s) for any financial loss incurred from the denial of TOPA.

DRAFT NYC Tenant Opportunity to Purchase Act (TOPA) DRAFT
w/ language designed to reorient subsidies and empower tenants.

(b) The Mayor, in consultation with HPD and other relevant agencies, shall promulgate rules and regulations necessary for the efficient implementation of this law, including dispute resolution procedures and documentation standards.

(c) The law shall be subject to review and evaluation by an independent oversight committee established by the City Council to measure the long-term economic and community health impacts of the reallocated subsidy funds.

Section 6. Effective Date.

This local law shall take effect 120 days after its passage and publication, with phased implementation guidelines to be set by the Mayor within 90 days of the effective date.