

NEW YORK CITY LOFT BOARD

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The New York City Loft Board (Loft Board) is proposing to amend its rules. The proposed amendments would change how building owners can prove compliance with the fire and safety standards of Article 7-B of the Multiple Dwelling Law and would require that owners obtain a temporary or final certificate of occupancy if there is an Article 7-B certification on file with the Loft Board prior to the effective date of these amended rules. The proposed amendments also add penalties for failure to obtain a temporary or final certificate of occupancy and for failure to file a narrative statement.

When and where is the hearing? The Loft Board will hold a public hearing on the proposed rules at 22 Reade Street, 1st Floor, New York, New York at 2:00 pm on March 19, 2026. Live streaming of the hearing will be provided.

Join through Internet:

- To join the hearing via your browser, either click on the following URL link or copy and paste it into your browser's address bar. Then follow the prompts.

Microsoft Teams meeting

<https://teams.microsoft.com/meet/24015249243665?p=nsep4buBYumofYxmEj>

Meeting ID: 240 152 492 436 65

When prompted, enter the following meeting password: TN6Mv6GU

Join on a video conferencing device

Tenant key: cityofnewyork@m.webex.com

Video ID: 115 479 934 5

When joining the meeting, choose either "Use computer for audio" or "Call in" for the audio portion of the public hearing. If you choose the "Call in" option, the information needed to connect (phone number, Access Code and Attendee ID) will automatically be presented to you immediately after you join the Webex meeting. If you have low bandwidth or inconsistent Internet connection, we suggest you use the "Call-in" option for the hearing. This will reduce the technical issues.

Join via phone only:

- To join the meeting by phone only, use the following information to connect:
 - Phone: 1-646-893-7101
 - Access code: 518 396 286#
 - Password (if requested): -----

Who can comment on the proposed rules? Anyone can comment on the proposed rules.

How do I comment on the proposed rules? To comment on the proposed rules, you can:

- **Speak in-person at the hearing.** Anyone who wants to comment on the proposed rules at the public hearing must sign up to speak. You can sign up by emailing nycloftboard@buildings.nyc.gov by March 5, 2026. You must include your name and affiliation in the email. You can also sign up at the hearing location before the hearing starts. You can speak for up to three minutes. Please note that the hearing is for accepting oral testimony only and is not held in a “Question and Answer” format.
- **Website.** You can submit comments to the Loft Board through the NYC Rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can submit comments to nycloftboard@buildings.nyc.gov
- **Mail.** You can mail comments to New York City Loft Board, 280 Broadway, 5th floor, New York, New York 10007.
- **Fax.** You can fax comments to New York City Loft Board at 646-500-6169.

Is there a deadline to submit comments? Yes, you must submit comments by March 23, 2026.

What if I need assistance to participate in the hearing? You must tell the Loft Board if you need a reasonable accommodation for the hearing. You must tell us if you need a sign language interpreter. You can tell us by mail or email at the addresses given above. You may also tell us by telephone at 212-393-2616. Advance notice is requested to allow sufficient time to arrange the accommodation. Please tell us by March 12, 2026. The hearing location is wheelchair accessible.

Can I review comments that are made on the proposed rules? You can review comments on the proposed rules that are made online by going to the website at <http://rules.cityofnewyork.us/>.

What authorizes the Loft Board to make the proposed rules? Section 282 of the Multiple Dwelling Law and § 1043(a) of the City Charter authorize the Loft Board to make these proposed rules. This rule was not part of the Loft Board’s rulemaking agenda because it was not contemplated at the time the agenda was prepared.

Where can I find the Loft Board’s current rules? The Loft Board’s current rules are in Title 29 of the Rules of the City of New York.

What laws govern the rulemaking process? The Loft Board must meet the requirements of § 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of § 1043(b) of the City Charter.

Statement of Basis and Purpose of Proposed Rules

Background

In 1982, the New York State Legislature enacted Article 7-C of the Multiple Dwelling Law (MDL), also known as the Loft Law. The Loft Law created a new class of buildings in New York City called interim multiple dwellings (IMD). Initially, the Loft Law allowed the conversion to residential space of former commercial and manufacturing spaces that were used as residences by at least three or more families living independently from April 1, 1980, through December 1, 1981, in zoning districts that permitted residential use. The Legislature subsequently amended the Loft Law to allow for the conversion of commercial or manufacturing space used as residences in additional time periods. In 2010, the Legislature expanded the criteria for coverage to include spaces used as residences for twelve consecutive months in 2008 and 2009. In the most recent amendment enacted in June 2019, the Legislature adjusted the eligibility criteria for coverage under MDL § 281(5) and enacted a new subdivision (6) in MDL § 281, which expanded the scope of the law to include spaces used as residences for twelve consecutive months between 2015 and 2016 (see Chapter 41 of the Laws of 2019). These amendments have brought approximately 174 new buildings under the Loft Board's jurisdiction, most of which are in the initial stages of legalization.

MDL § 284 sets forth deadlines for compliance with the standards of safety and fire protection established by Article 7-B of the MDL ("code compliance timetables"). Since the enactment of the initial code compliance timetable in 1982, the Legislature has created six additional code compliance timetables. In 1992, 1996, 1999, and 2002, the Legislature enacted code compliance timetables in paragraphs (ii), (iii), (iv) and (v) of subdivision 1 of MDL § 284, respectively, that apply to the buildings described in MDL § 281(1) and (4). In 2010, the Legislature enacted the code compliance timetable in MDL § 284(1)(vi) for buildings described in MDL § 281(5), and in 2019, the Legislature enacted the code compliance timetable for buildings described in MDL § 281(6), which are set forth in MDL § 284(1)(vii).

There are four deadlines in each code compliance timetable. Each deadline references a milestone in the legalization process. One of the milestones is achieving compliance with the fire and safety standards of Article 7-B of the MDL. The Loft Board's current rules allow an owner to demonstrate compliance with these fire and safety standards by submitting a temporary or final certificate of occupancy, by filing a sworn statement attesting to compliance, or by submitting DOB records demonstrating that necessary renovations have been completed. The last milestone in the code compliance timetables is obtaining a final certificate of occupancy for the residential portions of the building. The Loft Board is aware of approximately 33 buildings for which owners filed these sworn statements regarding Article 7-B compliance dating back as far as 1995, but which still have not reached compliance by obtaining a certificate of occupancy.

The proposed amendments would eliminate the options for demonstrating compliance with Article 7-B fire and safety standards by submitting either a sworn statement or DOB records showing completion of the necessary renovations for issuance of a residential

certificate of occupancy. As the DOB has improved its response time for inspections necessary to obtain a certificate of occupancy, these statements and records are no longer necessary. As evidence of compliance with the fire and safety standards, the Loft Board's proposed amendment would require the issuance of a temporary or a final certificate of occupancy.

With respect to buildings for which a sworn statement attesting to compliance with Article 7-B fire and safety standards has already been submitted, the Loft Board proposes to require that these buildings obtain a temporary or final residential certificate of occupancy within six months of the effective date of the amendments that would be made by this proposed rule. Failure to obtain a certificate of occupancy within such time frame would result in a rebuttable presumption that an Owner, Landlord or Responsible Party failed to exercise all reasonable and necessary action to obtain a certificate of occupancy, and the Loft Board could pursue enforcement and the imposition of fines. An incremental penalty is also proposed.

The Loft Board's rules require quarterly reporting to the Loft Board about the progress of legalization. The existing opportunity for owners to cure violations impedes enforcement, because owners file the reports only when issued a violation from the Loft Board and do not file quarterly, as required. This hampers the Loft Board's ability to oversee the legalization process in interim multiple dwellings. The proposed amendment to 29 RCNY § 2-11.1(b)(5) would remove the cure possibility for untimely quarterly reports concerning legalization and would facilitate the Loft Board's enforcement efforts.

Summary of the Amendments

Section 1 would amend the definition of "Art. 7-B compliance" in § 2-12 of Title 29 of the Rules of the City of New York ("29 RCNY") to remove both the option of filing a sworn statement from an architect or professional engineer and the option of submitting DOB records of alterations as evidence of compliance with the fire and safety standards of Article 7-B of the Multiple Dwelling Law.

Section 2 would amend § 2-01.1(b)(6) of 29 RCNY to clarify a date referenced in § 2-01.1(b)(6)(i).

Section 3 would amend § 2-01.1(b)(6) of 29 RCNY to add a new subparagraph (vi). This new subparagraph would provide an enforcement mechanism against Owners, Landlords, or Responsible Parties of IMD buildings that filed a sworn certification of Article 7-B compliance but have not obtained a residential certificate of occupancy. Any such Owner, Landlord or Responsible Party would have to obtain a temporary or final certificate of occupancy within six months from the effective date of these amended rules. If the temporary or final residential certificate of occupancy is not obtained within this time frame, the Loft Board may pursue enforcement and impose fines.

Section 4 would amend § 2-11.1(b)(5) of 29 RCNY:

1. To add a fine for the failure to file a narrative statement after filing the alteration application with the DOB for the legalization work required under Article 7-C;

2. To remove the cure period for failure to file a timely quarterly legalization report on the Loft Board form;
3. To add an incremental annual penalty for failure to obtain a temporary or final residential certificate of occupancy within six months after the effective date of this amended rule; and
4. To make corrections to the sections of law referenced in the penalty schedule.

On July 17, 2025, the Loft Board voted to initiate the rulemaking process under the Citywide Administrative Procedure Act for this proposed rule amendment. The Loft Board is authorized to make these rules pursuant to MDL § 282 and City Charter § 1043.

New material is underlined.

[Deleted material is in brackets.]

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

Section 1. The definition of “Art. 7-B compliance” in subdivision (a) of section 2-12 of Title 29 of the Rules of the City of New York is amended to read as follows:

Art. 7-B compliance means compliance with the fire protection and safety standards of Art. 7-B of the MDL, or alternative building codes as authorized by MDL § 287. Art. 7-B compliance must be evidenced by:

- (1) DOB's issuance of a temporary residential certificate of occupancy; or
- (2) DOB's issuance of a final residential certificate of occupancy after June 21, 1992[;
- (3) DOB records demonstrating that the alterations necessary for issuance of a residential certificate of occupancy have been completed; or
- (4) The filing with the Loft Board of a sworn statement by a registered architect or professional engineer licensed in the State of New York stating that the IMD has achieved Art. 7-B compliance and the date of such compliance on the Loft Board approved form].

Section 2. Subparagraph (i) of paragraph (6) of subdivision (b) of section 2-01.1 of Title 29 of the Rules of the City of New York is amended to read as follows:

(i) Failure to file an Alteration Application to convert the IMD units to residential units within the later of the time periods set forth below constitutes a rebuttable presumption that the Owner, Landlord or Responsible Party has failed to take reasonable and necessary action to obtain a residential certificate of occupancy or a certificate of occupancy for the residential portions of the Building:

- (A) [Three (3) Months of the effective date of this rule] December 11, 2013, or

(B) Six (6) Months from receipt of a Loft Board Order granting IMD status to a Building or the issuance of an IMD registration number to the Owner or Responsible Party, or

(C) Six (6) Months from a finding of Art. 7-C coverage by a court of competent jurisdiction [constitutes a rebuttable presumption that the Owner or Responsible Party is not engaged in taking reasonable and necessary action to obtain a residential certificate of occupancy or a certificate of occupancy for the residential portions of the Building].

Section 3. Paragraph (6) of subdivision (b) of section 2-01.1 of Title 29 of the Rules of the City of New York is amended by adding a new subparagraph (vi) to read as follows:

(vi) (A) Rebuttable presumption. Where an Owner, Landlord or Responsible Party has filed with the Loft Board a sworn statement by a registered architect or professional engineer licensed in the State of New York stating that an IMD has achieved Art. 7-B compliance prior to the effective date of this rule, but such Owner, Landlord or Responsible Party has not obtained either a temporary certificate of occupancy or a final certificate of occupancy for the residential portions of the IMD, and more than six (6) months has elapsed since the effective date of this rule, the failure to obtain such a certificate of occupancy constitutes a rebuttable presumption that the Owner, Landlord or Responsible Party has failed to take reasonable and necessary action to obtain such a certificate of occupancy.

(B) Continuing violations. Failure to obtain a certificate of occupancy as described in clause (A) of this subparagraph shall constitute a violation of these rules. For each six-month period following the initial six-month period as described in such clause (A) during which an Owner, Landlord or Responsible Party has not obtained either a temporary certificate of occupancy or a final certificate of occupancy for the residential portions of the IMD, such failure shall constitute a separate and distinct violation.

Section 4. Paragraph (5) of subdivision (b) of section 2-11.1 of Title 29 of the Rules of the City of New York is amended to read as follows:

(5) Quarterly and requested reports and failure to take reasonable and necessary action to legalize Building pursuant to 29 RCNY §§ 2-01.1(a)(1)(ii) and (b)(6):

An Owner or Responsible Party who is found:

(i) By the Loft Board's Executive Director to have violated the provisions of 29 RCNY § 2-01.1(b)(6) may be subject to a Class B civil penalty pursuant to 29 RCNY § 2-01.1(b)(7) as follows; or

(ii) To have failed to file quarterly or requested reports or to have made false statements in the reports filed pursuant to 29 RCNY § 2-01.1(a)(1)(ii), may be subject to a Class B civil penalty as follows:

VIOLATION DESCRIPTION	SECTION OF LAW	CURE within 30 days	PENALTY PER VIOLATION, UP TO \$25,000
Failure to Take Reasonable and Necessary Action: Failure to File an Alteration Application with DOB	29 RCNY § 2-01.1(b)(6)(i), (b)(7)	Yes	Up to \$1,000 per day
<u>Failure to Take Reasonable and Necessary Action: Failure to File a Narrative Statement</u>	<u>29 RCNY § 2-01.1(b)(6)(ii), (b)(7)</u>	<u>No</u>	<u>Up to \$1,000 per day</u>
Failure to Take Reasonable and Necessary Action: Failure to Obtain [a] <u>an</u> Alteration Permit	[29 RCNY § 2-01.1(b)(6)(ii), (b)(7)] <u>29 RCNY § 2-01.1(b)(6)(iii), (b)(7)</u>	Yes	Up to \$1,000 per day
Failure to Take Reasonable and Necessary Action: Failure to Maintain a Current Alteration Permit	[29 RCNY § 2-01.1(b)(6)(iii), (b)(7)] <u>29 RCNY § 2-01.1(b)(6)(iv), (b)(7)</u>	Yes	Up to \$1,000 per day
Failure to Take Reasonable and Necessary Action: Failure to Maintain a Temporary Certificate of Occupancy for the Residential Portion of the Building	[29 RCNY § 2-01.1(b)(6)(iv), (b)(7)] <u>29 RCNY § 2-01.1(b)(6)(v), (b)(7)</u>	Yes	Up to \$1,000 per day
<u>Failure to Take Reasonable and Necessary Action: Failure to Obtain a Temporary or Final Certificate of Occupancy Within Six Months of the Effective Date of This Rule After Submission of Documents Evidencing Compliance with the Fire and Safety Standards of Article 7-B of the MDL</u>	<u>29 RCNY § 2-01.1(b)(6)(vi)</u>	<u>No</u>	<u>\$3,000 for the 1st violation</u> <u>\$10,000 for the 2nd violation</u> <u>\$15,000 for the 3rd violation</u> <u>\$18,000 for the 4th violation</u> <u>\$25,000 for the 5th violation and every violation thereafter</u>
Failure to Take Reasonable and Necessary Action: Failure	[29 RCNY § 2-01.1(a)(1)(ii)(D)] <u>29</u>	[Yes] <u>No</u>	Up to \$1,000 per missing report

to File Quarterly or Requested Reports	<u>RCNY § 2-01.1(a)(1)(ii)(A), (D)</u>		
Failure to Take Reasonable and Necessary Action: Filing False Statements in Quarterly or Requested Report	29 RCNY § 2-01.1(a)(1)(ii)(E)	No	\$5,000 per false statement

**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH
STREET NEW
YORK, NY 10007
212-356-4028**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Amendments of Rules Relating to Certificates of Occupancy

REFERENCE NUMBER: 2025 RG 088

RULEMAKING AGENCY: Loft Board

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Senior Counsel

Date: November 7, 2025

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS 253
BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400**

**CERTIFICATION / ANALYSIS PURSUANT
TO CHARTER SECTION 1043(d)**

RULE TITLE: Amendments of Rules Relating to Certificates of Occupancy

REFERENCE NUMBER: LOFT-3

RULEMAKING AGENCY: Loft Board

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because a cure period is not practicable under the circumstance and a violation cannot be corrected or undone.

/s/ Francisco X. Navarro
Mayor's Office of Operations

November 10, 2025
Date