

7278

I N S E N A T E

May 2, 2012

Introduced by Sen. YOUNG -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the private housing finance law, in relation to the funding for contracts of neighborhood preservation companies and not-for-profit corporations

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 902 of the private housing finance law is amended
2 by adding two new subdivisions 7 and 8 to read as follows:
3 7. "MERGED COMPANY" SHALL MEAN A NEIGHBORHOOD PRESERVATION COMPANY
4 MAINTAINING A CONTRACT PURSUANT TO SECTION NINE HUNDRED THREE OF THIS
5 ARTICLE THAT HAS UNDERGONE A MERGER WITH ONE OR MORE OTHER NEIGHBORHOOD
6 PRESERVATION COMPANIES, WHICH IS ALSO MAINTAINING A CONTRACT PURSUANT TO
7 SECTION NINE HUNDRED THREE OF THIS ARTICLE, THAT HAS LED THE MERGED
8 COMPANIES TO REDUCE THE NUMBER OF CONTRACTS BEING MAINTAINED WITH THE
9 DIVISION PURSUANT TO SECTION NINE HUNDRED THREE OF THIS ARTICLE TO A
10 TOTAL OF ONE.
11 8. "UNMERGED COMPANY" SHALL MEAN A NEIGHBORHOOD PRESERVATION COMPANY
12 THAT IS NOT A MERGED COMPANY.
13 S 2. Subdivision 5 of section 902 of the private housing finance law,
14 as amended by chapter 668 of the laws of 1985, is amended to read as
15 follows:
16 5. "Neighborhood preservation activities" shall mean activities
17 engaged in by a neighborhood preservation company within a geograph-
18 ically defined neighborhood of a municipality, PROVIDED, HOWEVER, THAT
19 THE DIVISION MAY FUND A NEIGHBORHOOD PRESERVATION COMPANY TO ENGAGE IN
20 SUCH ACTIVITIES IN UNSERVED AND UNDERSERVED AREAS OF THE MUNICIPALITY
21 LYING OUTSIDE OF ITS INITIALLY DESIGNATED NEIGHBORHOOD AREA, THAT ARE
22 designed (a) to construct, maintain, preserve, repair, renovate,
23 upgrade, improve, modernize, rehabilitate or otherwise prolong the
24 useful life and to manage and coordinate the rehabilitation of residen-
25 tial dwelling accommodations within such neighborhood, to restore aban-
26 doned and vacant as well as occupied housing accommodations to habitable

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD14807-06-2

1 condition; to demolish structurally unsound or unsafe or otherwise
2 unsightly or unhealthy structures which no longer serve or can econom-
3 ically be made to serve a useful purpose consistent with stabilizing or
4 improving a neighborhood; to seal and maintain vacant but structurally
5 sound structures which are capable of being rehabilitated at a future
6 time and used for housing purposes; to acquire, where appropriate,
7 buildings which contain housing accommodations; to facilitate the dispo-
8 sition of buildings containing housing accommodations to individual
9 occupants thereof or to cooperative groups whose members shall be occu-
10 pants thereof; to assist owners, occupants and tenants of housing accom-
11 modations to obtain improvements in the physical conditions thereof and
12 in the maintenance and management thereof; and to manage housing accom-
13 modations as agents for the owners thereof or administrators or receiv-
14 ers appointed or designated pursuant to any law of the state; and (b) to
15 accomplish similar purposes and meet similar needs with respect to
16 retail and service establishments within such neighborhoods when carried
17 out in connection with and incidental to a program of housing related
18 activities.

19 S 3. Subdivision 2 of section 903 of the private housing finance law,
20 as amended by chapter 668 of the laws of 1985, is amended to read as
21 follows:

22 2. Prior to entering into a contract with a neighborhood preservation
23 company, the commissioner shall have made a finding that the neighbor-
24 hood in which the activities are proposed to be conducted contains a
25 significant amount of deteriorating or substandard housing which is not
26 being adequately repaired, renovated, upgraded, modernized or rehabili-
27 tated under existing programs so as to provide sound housing at costs
28 which the residents of such neighborhoods can afford; that the neighbor-
29 hood preservation company which proposes to contract with the commis-
30 sioner is a bona fide organization which shall have been in existence
31 either as a corporation or as an unincorporated, organized group and
32 performing significant neighborhood preservation activities for at least
33 one full year prior to entering into any contract with the commissioner
34 and which shall have demonstrated by its immediate past and current
35 activities that it has the ability to preserve, repair, maintain, reno-
36 vate, rehabilitate, manage or operate housing accommodations or to
37 engage in other neighborhood preservation activities in such neighbor-
38 hood; that the neighborhood preservation activities which are to be
39 performed pursuant to the proposed contract are needed by the neighbor-
40 hood; and that the neighborhood preservation company possesses or will
41 acquire or gain access to the requisite staff, office facilities within
42 such neighborhood, equipment and expertise to enable it to perform the
43 activities which it proposes to undertake pursuant to such contract;
44 PROVIDED, HOWEVER, THAT MERGED COMPANIES' OFFICE FACILITIES MAY BE
45 LOCATED OUTSIDE SUCH NEIGHBORHOOD IF THEY ARE LOCATED IN A MUNICIPALITY
46 WHOLLY CONTAINED WITHIN THE MERGED COMPANIES' NEIGHBORHOOD, AND provided
47 FURTHER, however, that it shall not be a bar to the commissioner's
48 contracting with a neighborhood preservation company that one or more
49 organizations, whether pursuant to contract with the commissioner or
50 not, are conducting neighborhood preservation activities wholly or
51 partially within the same neighborhood.

52 S 4. Subdivision 4 of section 903 of the private housing finance law,
53 as amended by section 1 of part FF of chapter 57 of the laws of 2009, is
54 amended to read as follows:

55 4. Contracts entered into hereunder with neighborhood preservation
56 companies shall be limited in duration to periods of one year, but may

thereafter be renewed, extended or succeeded by new contracts from year to year in the discretion of the commissioner; [they shall be limited in amount to the sum of one hundred thousand dollars in a single year, provided that in any year in which the aggregate sum of three hundred thousand dollars shall have been reached and all succeeding years, the annual contract amount shall be subject to a limit of ninety-seven thousand five hundred dollars per year;] they shall define with particularity the neighborhood or portion thereof within which the neighborhood preservation activities shall be performed; they shall specify the nature of the neighborhood preservation activities which shall be performed including the approximate number of buildings, residential dwelling units and local retail and service establishments which shall be affected; they shall locate and describe, with as much particularity as is reasonably possible, the buildings with respect to which such activities shall be performed during the contract term; and they shall specify the number of persons, salaries or rates of compensation and a description of duties of those who shall be engaged by the neighborhood preservation company to perform the activities embraced by the contract together with a schedule of other anticipated expenses.

S 5. Section 904 of the private housing finance law is amended by adding a new subdivision 5 to read as follows:

5. WHEN DISBURSING FUNDS FOR CONTRACTS WITH NEIGHBORHOOD PRESERVATION COMPANIES, PURSUANT TO SECTION NINE HUNDRED THREE OF THIS ARTICLE, THE DIVISION SHALL USE THE FOLLOWING CRITERIA, FORMULAS AND TABLES TO DETERMINE THE DISTRIBUTION OF FUNDS:

(A)(I) THE TOTAL UNMERGED COMPANY FUNDING SHALL EQUAL THE CURRENT NUMBER OF UNMERGED COMPANY CONTRACTS MULTIPLIED BY THE PER GROUP AWARD.

(II) THE UNMERGED COMPANY FUNDING SHALL EQUAL THE PER GROUP AWARD.

(III) THE MERGED COMPANY FUNDING SHALL EQUAL THE FUNDING MODIFICATION MULTIPLIED BY THE PER GROUP AWARD.

(B) MERGED COMPANY FUNDING SHALL BE DETERMINED ON AN INDIVIDUAL BASIS FOR EACH NEIGHBORHOOD PRESERVATION COMPANY. THE FOLLOWING TABLES SHOW THE FUNDING MODIFICATION TO BE USED:

(I) IN THE CASE OF TWO COMPANIES MERGING, THE FOLLOWING TABLE SHALL BE USED:

YEARS SINCE MERGER	FUNDING MODIFICATION
1	200%
2	190%
3	180%
4	170%
5	160%
6	150%

(II) IN THE CASE OF THREE COMPANIES MERGING, THE FOLLOWING TABLE SHALL BE USED:

YEARS SINCE MERGER	FUNDING MODIFICATION
1	300%
2	290%
3	280%
4	270%
5	260%
6	250%
7	240%
8	230%
9	220%

1 10 210%
 2 11 200%
 3 (III) IN THE CASE OF FOUR OR MORE COMPANIES MERGING, THE FOLLOWING
 4 TABLE SHALL BE USED:

YEARS SINCE MERGER	FUNDING MODIFICATION
1	400%
2	390%
3	380%
4	370%
5	360%
6	350%
7	340%
8	330%
9	320%
10	310%
11	300%
12	290%
13	280%
14	270%
15	260%
16	250%

5 10 210%
 6 11 200%
 7 (III) IN THE CASE OF FOUR OR MORE COMPANIES MERGING, THE FOLLOWING
 8 TABLE SHALL BE USED:
 9 YEARS SINCE FUNDING
 10 MERGER MODIFICATION
 11 1 400%
 12 2 390%
 13 3 380%
 14 4 370%
 15 5 360%
 16 6 350%
 17 7 340%
 18 8 330%
 19 9 320%
 20 10 310%
 21 11 300%
 22 12 290%
 23 13 280%
 24 14 270%
 25 15 260%
 26 16 250%

27 (C) IF A NEIGHBORHOOD PRESERVATION COMPANY THAT HAS UNDERGONE A MERGER
 28 CONTINUES TO RENEW THEIR CONTRACT BEYOND THE TIMEFRAMES LISTED IN THE
 29 ABOVE TABLES, IT SHALL HAVE ITS FUNDING DETERMINED USING THE LAST FUND-
 30 ING MODIFICATION LISTED.
 31 (D) THE MERGED COMPANY SAVINGS SHALL BE DETERMINED ON AN INDIVIDUAL
 32 BASIS FOR EACH MERGED COMPANY. IT SHALL BE EQUAL TO FIFTY PERCENT OF THE
 33 ACTUAL SAVING, WHICH IS CALCULATED BY SUBTRACTING THE AMOUNT OF THEIR
 34 MERGED COMPANY FUNDING FROM THE AMOUNT THE MERGED COMPANIES WOULD HAVE
 35 RECEIVED IF THEY HAD MAINTAINED SEPARATE CONTRACTS.

36 (E) THE PER GROUP AWARD SHALL EQUAL THE TOTAL FUNDING AVAILABLE MINUS
 37 THE AMOUNT FOR THE CONTRACT WITH THE NEIGHBORHOOD PRESERVATION COALI-
 38 TION, WHICH SHALL EQUAL THE TOTAL UNMERGED COMPANY FUNDING PLUS THE SUM
 39 OF THE MERGED COMPANY FUNDING PLUS THE SUM OF THE MERGED COMPANY
 40 SAVINGS.

41 S 6. The private housing finance law is amended by adding a new
 42 section 910 to read as follows:

43 S 910. MERGED COMPANY SAVINGS FUND. THE DIVISION SHALL CREATE A FUND
 44 TO HOLD AND SHALL TRANSFER ALL FUNDS DETERMINED TO BE MERGED COMPANY
 45 SAVINGS PURSUANT TO PARAGRAPH (D) OF SUBDIVISION FIVE OF SECTION NINE
 46 HUNDRED FOUR OF THIS ARTICLE INTO SUCH FUND. THE DIVISION SHALL DISBURSE
 47 SUCH FUNDS, AS AVAILABLE, TO THE NEIGHBORHOOD PRESERVATION COALITION TO
 48 PROVIDE TECHNICAL ASSISTANCE AND SERVICES TO NEIGHBORHOOD PRESERVATION
 49 COMPANIES MAINTAINING A CONTRACT PURSUANT TO SECTION NINE HUNDRED THREE
 50 OF THIS ARTICLE FOR THE PURPOSE OF ASSISTING NEIGHBORHOOD PRESERVATION
 51 COMPANIES TO ACHIEVE GREATER EFFICIENCY AND EFFECTIVENESS, OR TO ASSIST
 52 SUCH COMPANIES THAT ARE UNDERGOING A MERGER.

53 S 7. Section 1002 of the private housing finance law is amended by
 54 adding two new subdivisions 7 and 8 to read as follows:

55 7. "MERGED CORPORATION" SHALL MEAN A NOT-FOR-PROFIT CORPORATION MAIN-
 56 TAINING A CONTRACT PURSUANT TO SECTION ONE THOUSAND THREE OF THIS ARTI-
 CLE THAT HAS UNDERGONE A MERGER WITH ONE OR MORE OTHER NOT-FOR-PROFIT
 CORPORATION, WHICH IS ALSO MAINTAINING A CONTRACT PURSUANT TO SECTION
 ONE THOUSAND THREE OF THIS ARTICLE, THAT HAS LED THE MERGED CORPORATIONS
 TO REDUCE THE NUMBER OF CONTRACTS BEING MAINTAINED WITH THE DIVISION

1 PURSUANT TO SECTION ONE THOUSAND THREE OF THIS ARTICLE TO A TOTAL OF
2 ONE.

3 8. "UNMERGED CORPORATION" SHALL MEAN A NOT-FOR-PROFIT CORPORATION THAT
4 IS NOT A MERGED CORPORATION.

5 S 8. Subdivision 2 of section 1003 of the private housing finance law,
6 as amended by chapter 625 of the laws of 1988, is amended to read as
7 follows:

8 2. Prior to entering into a contract with a corporation, the commis-
9 sioner shall have made a finding that the region in which the activities
10 are proposed to be conducted contains a significant amount of deteri-
11 orating or substandard housing which is not being adequately repaired,
12 renovated, upgraded, modernized or rehabilitated under existing programs
13 so as to provide sound housing at costs which the residents of such
14 region can afford; that the corporation which proposes to contract with
15 the commissioner is a bona fide organization which shall have been in
16 existence either as a corporation or as an unincorporated, organized
17 group and performing significant housing preservation and community
18 renewal activities for at least one full year prior to entering into any
19 contract with the commissioner and which shall have demonstrated by its
20 immediate past and current activities that it has the ability to
21 preserve, repair, maintain, renovate, rehabilitate, manage or operate
22 housing accommodations or to engage in other housing preservation and
23 community renewal activities in such region; that the housing preserva-
24 tion and community renewal activities which are to be performed pursuant
25 to the proposed contract are needed by the region; and that the corpo-
26 ration possesses or will acquire or gain access to the requisite staff,
27 office facilities with direct access to such region, equipment and
28 expertise to enable it to perform the activities which it proposes to
29 undertake pursuant to such contract; PROVIDED, HOWEVER, THAT MERGED
30 CORPORATIONS' OFFICE FACILITIES MAY BE LOCATED OUTSIDE SUCH REGION IF
31 THEY ARE LOCATED IN A MUNICIPALITY WHOLLY CONTAINED WITHIN THE MERGED
32 CORPORATIONS' REGION, OR THEY ARE LOCATED IN A MUNICIPALITY WHOLLY
33 CONTAINED WITHIN THE INFORMAL MERGED CORPORATIONS' COMBINED REGION, AND
34 provided FURTHER, however, that it shall not be a bar to the commis-
35 sioner's contracting with a corporation that one or more other organiza-
36 tions, are conducting housing preservation and community renewal activ-
37 ities wholly or partially within the same region whether or not pursuant
38 to contract with the commissioner.

39 S 9. Subdivision 4 of section 1003 of the private housing finance law,
40 as amended by section 2 of part FF of chapter 57 of the laws of 2009, is
41 amended to read as follows:

42 4. Contracts pursuant to this section shall be for a period of no more
43 than one year, but may be renewed or extended from year to year[, and
44 shall provide for payment by the division of no more than one hundred
45 thousand dollars per year, provided that in any year in which the aggre-
46 gate sum of three hundred thousand dollars shall have been reached and
47 all succeeding years, the annual contract amount shall be subject to a
48 limit of ninety-seven thousand five hundred dollars per year]; they
49 shall define with particularity the region or portion thereof within
50 which the housing preservation and community renewal activities shall be
51 performed; they shall specify the nature of the housing preservation and
52 community renewal activities which shall be performed including the
53 approximate number of buildings, residential dwelling units and local
54 retail and service establishments which shall be affected; they shall
55 locate and describe, with as much particularity as is reasonably possi-
56 ble, the buildings with respect to which such activities shall be

performed during the contract term; and they shall specify the number of persons, salaries or rates of compensation and a description of duties of those who shall be engaged by the corporation to perform the activities embraced by the contract together with a schedule of other anticipated expenses.

S 10. Section 1004 of the private housing finance law is amended by adding a new subdivision 5 to read as follows:

5. WHEN DISBURSING FUNDS FOR CONTRACTS WITH NOT-FOR-PROFIT CORPORATIONS, PURSUANT TO SECTION ONE THOUSAND THREE OF THIS ARTICLE, THE DIVISION SHALL USE THE FOLLOWING CRITERIA, FORMULAS AND TABLES TO DETERMINE THE DISTRIBUTION OF FUNDS:

(A) (I) THE TOTAL UNMERGED CORPORATION FUNDING SHALL EQUAL THE CURRENT NUMBER OF UNMERGED CORPORATION CONTRACTS MULTIPLIED BY THE PER GROUP AWARD.

(II) THE UNMERGED CORPORATION FUNDING SHALL EQUAL THE PER GROUP AWARD.

(III) THE MERGED CORPORATION FUNDING SHALL EQUAL THE FUNDING MODIFICATION MULTIPLIED BY THE PER GROUP AWARD.

(B) MERGED CORPORATION FUNDING SHALL BE DETERMINED ON AN INDIVIDUAL BASIS FOR EACH NOT-FOR-PROFIT CORPORATION. THE FOLLOWING TABLES SHOW THE FUNDING MODIFICATION TO BE USED:

(I) IN THE CASE OF TWO NOT-FOR-PROFIT CORPORATIONS MERGING, THE FOLLOWING TABLE SHALL BE USED:

YEARS SINCE MERGER	FUNDING MODIFICATION
1	200%
2	190%
3	180%
4	170%
5	160%
6	150%

(II) IN THE CASE OF THREE NOT-FOR-PROFIT CORPORATIONS MERGING, THE FOLLOWING TABLE SHALL BE USED:

YEARS SINCE MERGER	FUNDING MODIFICATION
1	300%
2	290%
3	280%
4	270%
5	260%
6	250%
7	240%
8	230%
9	220%
10	210%
11	200%

(III) IN THE CASE OF FOUR OR MORE NOT-FOR-PROFIT CORPORATIONS MERGING, THE FOLLOWING TABLE SHALL BE USED:

YEARS SINCE MERGER	FUNDING MODIFICATION
1	400%
2	390%
3	380%
4	370%
5	360%
6	350%
7	340%

1	8	330%
2	9	320%
3	10	310%
4	11	300%
5	12	290%
6	13	280%
7	14	270%
8	15	260%
9	16	250%

10 (C) IF A NOT-FOR-PROFIT CORPORATION THAT HAS UNDERGONE A MERGER
11 CONTINUES TO RENEW THEIR CONTRACT BEYOND THE TIMEFRAMES LISTED IN THE
12 ABOVE TABLES, IT SHALL HAVE ITS FUNDING DETERMINED USING THE LAST FUND-
13 ING MODIFICATION LISTED.

14 (D) THE MERGED CORPORATION SAVINGS SHALL BE DETERMINED ON AN INDIVID-
15 UAL BASIS FOR EACH MERGED CORPORATION. IT SHALL BE EQUAL TO FIFTY
16 PERCENT OF THE ACTUAL SAVINGS, WHICH IS CALCULATED BY SUBTRACTING THE
17 AMOUNT OF THEIR MERGED CORPORATION FUNDING FROM THE AMOUNT THE MERGED
18 CORPORATIONS WOULD HAVE RECEIVED IF THEY HAD MAINTAINED SEPARATE
19 CONTRACTS.

20 (E) THE PER GROUP AWARD SHALL EQUAL THE TOTAL FUNDING AVAILABLE MINUS
21 THE AMOUNT FOR THE CONTRACT WITH THE RURAL PRESERVATION COALITION WHICH
22 SHALL EQUAL THE TOTAL UNMERGED COMPANY FUNDING PLUS THE SUM OF THE
23 MERGED COMPANY FUNDING.

24 S 11. The private housing finance law is amended by adding a new
25 section 1011 to read as follows:

26 S 1011. MERGED COMPANY SAVINGS FUND. THE DIVISION SHALL CREATE A FUND
27 TO HOLD AND SHALL TRANSFER ALL FUNDS DETERMINED TO BE MERGED CORPORATION
28 SAVINGS PURSUANT TO PARAGRAPH (D) OF SUBDIVISION FIVE OF SECTION ONE
29 THOUSAND FOUR OF THIS ARTICLE INTO SUCH FUND. THE DIVISION SHALL
30 DISBURSE SUCH FUNDS, AS AVAILABLE, TO THE RURAL HOUSING COALITION TO
31 PROVIDE TECHNICAL ASSISTANCE AND SERVICES TO NOT-FOR-PROFIT CORPORATIONS
32 MAINTAINING A CONTRACT PURSUANT TO SECTION ONE THOUSAND THREE OF THIS
33 ARTICLE FOR THE PURPOSE OF ASSISTING NOT-FOR-PROFIT CORPORATIONS ACHIEVE
34 GREATER EFFICIENCY AND EFFECTIVENESS, OR TO ASSIST SUCH CORPORATIONS
35 THAT ARE UNDERGOING A MERGER.

36 S 12. This act shall take effect immediately.