

7278--A

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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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-

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

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

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

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

53 S 4. Paragraph (d) of subdivision 3 of section 903 of the private
54 housing finance law, as added by chapter 852 of the laws of 1977, is
55 amended to read as follows:

(d) that the neighborhood preservation company's officers, directors and members are fairly representative of the residents and other legitimate interests of the neighborhood, that they will carry out such a contract in a responsible manner and that [a majority] AT LEAST THIRTY-THREE PERCENT of the directors of the neighborhood preservation company are residents of the neighborhood;

S 5. Subdivision 4 of section 903 of the private housing finance law, as amended by section 1 of part FF of chapter 57 of the laws of 2009, is amended to read as follows:

4. Contracts entered into hereunder with neighborhood preservation 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 6. 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	1	300%
2	2	290%
3	3	280%
4	4	270%
5	5	260%
6	6	250%
7	7	240%
8	8	230%
9	9	220%
10	10	210%
11	11	200%

(III) IN THE CASE OF FOUR OR MORE COMPANIES MERGING, THE FOLLOWING TABLE SHALL BE USED:

	YEARS SINCE MERGER	FUNDING MODIFICATION
16	1	400%
17	2	390%
18	3	380%
19	4	370%
20	5	360%
21	6	350%
22	7	340%
23	8	330%
24	9	320%
25	10	310%
26	11	300%
27	12	290%
28	13	280%
29	14	270%
30	15	260%
31	16	250%

(C) IF A NEIGHBORHOOD PRESERVATION COMPANY THAT HAS UNDERGONE A MERGER CONTINUES TO RENEW THEIR CONTRACT BEYOND THE TIMEFRAMES LISTED IN THE ABOVE TABLES, IT SHALL HAVE ITS FUNDING DETERMINED USING THE LAST FUNDING MODIFICATION LISTED.

(D) THE MERGED COMPANY SAVINGS SHALL BE DETERMINED ON AN INDIVIDUAL BASIS FOR EACH MERGED COMPANY. IT SHALL BE CALCULATED BY SUBTRACTING THE AMOUNT OF SUCH COMPANY'S MERGED COMPANY FUNDING FROM THE AMOUNT THE MERGED COMPANIES WOULD HAVE RECEIVED IF THEY HAD MAINTAINED SEPARATE CONTRACTS.

(E) THE PER GROUP AWARD SHALL EQUAL THE TOTAL FUNDING AVAILABLE MINUS THE AMOUNT FOR THE CONTRACT WITH THE NEIGHBORHOOD PRESERVATION COALITION, WHICH SHALL EQUAL THE TOTAL UNMERGED COMPANY FUNDING PLUS THE SUM OF THE MERGED COMPANY FUNDING PLUS THE SUM OF THE MERGED COMPANY SAVINGS.

S 7. The private housing finance law is amended by adding a new section 910 to read as follows:

S 910. MERGED COMPANY SAVINGS FUND. THE DIVISION SHALL CREATE A FUND TO HOLD AND SHALL TRANSFER ALL FUNDS DETERMINED TO BE MERGED COMPANY SAVINGS PURSUANT TO PARAGRAPH (D) OF SUBDIVISION FIVE OF SECTION NINE HUNDRED FOUR OF THIS ARTICLE INTO SUCH FUND. THE DIVISION SHALL USE SUCH FUNDS, AS AVAILABLE, FOR ENTERING INTO NEW CONTRACTS, PURSUANT TO SECTION NINE HUNDRED THREE OF THIS ARTICLE, WITH NEIGHBORHOOD PRESERVA-

1 TION COMPANIES LOCATED IN AREAS OF THE STATE THAT ARE CURRENTLY UNSERVED
2 BY A NEIGHBORHOOD PRESERVATION COMPANY.

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

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

13 8. "UNMERGED CORPORATION" SHALL MEAN A NOT-FOR-PROFIT CORPORATION THAT
14 IS NOT A MERGED CORPORATION.

15 S 9. Subdivision 2 of section 1003 of the private housing finance law,
16 as amended by chapter 625 of the laws of 1988, is amended to read as
17 follows:

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

47 S 10. Subdivision 4 of section 1003 of the private housing finance
48 law, as amended by section 2 of part FF of chapter 57 of the laws of
49 2009, is amended to read as follows:

50 4. Contracts pursuant to this section shall be for a period of no more
51 than one year, but may be renewed or extended from year to year[, and
52 shall provide for payment by the division of no more than one hundred
53 thousand dollars per year, provided that in any year in which the aggre-
54 gate sum of three hundred thousand dollars shall have been reached and
55 all succeeding years, the annual contract amount shall be subject to a
56 limit of ninety-seven thousand five hundred dollars per year]; they

1 shall define with particularity the region or portion thereof within
 2 which the housing preservation and community renewal activities shall be
 3 performed; they shall specify the nature of the housing preservation and
 4 community renewal activities which shall be performed including the
 5 approximate number of buildings, residential dwelling units and local
 6 retail and service establishments which shall be affected; they shall
 7 locate and describe, with as much particularity as is reasonably possi-
 8 ble, the buildings with respect to which such activities shall be
 9 performed during the contract term; and they shall specify the number of
 10 persons, salaries or rates of compensation and a description of duties
 11 of those who shall be engaged by the corporation to perform the activ-
 12 ities embraced by the contract together with a schedule of other antic-
 13 ipated expenses.

14 S 11. Section 1004 of the private housing finance law is amended by
 15 adding a new subdivision 5 to read as follows:

16 5. WHEN DISBURSING FUNDS FOR CONTRACTS WITH NOT-FOR-PROFIT CORPO-
 17 RATIONS, PURSUANT TO SECTION ONE THOUSAND THREE OF THIS ARTICLE, THE
 18 DIVISION SHALL USE THE FOLLOWING CRITERIA, FORMULAS AND TABLES TO DETER-
 19 MINE THE DISTRIBUTION OF FUNDS:

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

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

24 (III) THE MERGED CORPORATION FUNDING SHALL EQUAL THE FUNDING MODIFICA-
 25 TION MULTIPLIED BY THE PER GROUP AWARD.

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

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

31 YEARS SINCE	32 FUNDING
33 MERGER	34 MODIFICATION
35 1	36 200%
37 2	38 190%
39 3	40 180%
41 4	42 170%
43 5	44 160%
45 6	46 150%

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

41 YEARS SINCE	42 FUNDING
43 MERGER	44 MODIFICATION
45 1	46 300%
47 2	48 290%
49 3	50 280%
51 4	52 270%
53 5	54 260%
55 6	56 250%
57 7	58 240%
59 8	60 230%
61 9	62 220%
63 10	64 210%
65 11	66 200%

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

56 YEARS SINCE FUNDING

	MERGER	MODIFICATION
1		
2	1	400%
3	2	390%
4	3	380%
5	4	370%
6	5	360%
7	6	350%
8	7	340%
9	8	330%
10	9	320%
11	10	310%
12	11	300%
13	12	290%
14	13	280%
15	14	270%
16	15	260%
17	16	250%

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

22 (D) THE MERGED CORPORATION SAVINGS SHALL BE DETERMINED ON AN INDIVID-
23 UAL BASIS FOR EACH MERGED CORPORATION. IT SHALL BE CALCULATED BY
24 SUBTRACTING THE AMOUNT OF SUCH CORPORATION'S MERGED CORPORATION FUNDING
25 FROM THE AMOUNT THE MERGED CORPORATIONS WOULD HAVE RECEIVED IF THEY HAD
26 MAINTAINED SEPARATE CONTRACTS.

27 (E) THE PER GROUP AWARD SHALL EQUAL THE TOTAL FUNDING AVAILABLE MINUS
28 THE AMOUNT FOR THE CONTRACT WITH THE RURAL PRESERVATION COALITION WHICH
29 SHALL EQUAL THE TOTAL UNMERGED COMPANY FUNDING PLUS THE SUM OF THE
30 MERGED COMPANY FUNDING.

31 S 12. The private housing finance law is amended by adding a new
32 section 1011 to read as follows:

33 S 1011. MERGED COMPANY SAVINGS FUND. THE DIVISION SHALL CREATE A FUND
34 TO HOLD AND SHALL TRANSFER ALL FUNDS DETERMINED TO BE MERGED CORPORATION
35 SAVINGS PURSUANT TO PARAGRAPH (D) OF SUBDIVISION FIVE OF SECTION ONE
36 THOUSAND FOUR OF THIS ARTICLE INTO SUCH FUND. THE DIVISION SHALL USE
37 SUCH FUNDS, AS AVAILABLE, FOR ENTERING INTO NEW CONTRACTS, PURSUANT TO
38 SECTION ONE THOUSAND THREE OF THIS ARTICLE, WITH NOT-FOR-PROFIT CORPO-
39 RATIONS LOCATED IN AREAS OF THE STATE THAT ARE CURRENTLY UNSERVED BY A
40 NOT-FOR-PROFIT CORPORATION THAT IS MAINTAINING A CONTRACT PURSUANT TO
41 SECTION ONE THOUSAND THREE OF THIS ARTICLE.

42 S 13. This act shall take effect immediately.