

# STATE OF NEW YORK

6593--B

2021-2022 Regular Sessions

## IN ASSEMBLY

March 19, 2021

Introduced by M. of A. REYES, MITAYNES, MAMDANI, JACKSON, BARRON, PICHARDO, EPSTEIN, KELLES, BARNWELL, HEVESI, L. ROSENTHAL, MEEKS, DE LA ROSA, OTIS, GONZALEZ-ROJAS, CLARK, CARROLL, FORREST, SIMON -- read once and referred to the Committee on Housing -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the private housing finance law, in relation to enacting the "housing our neighbors with dignity act"

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as  
2 the "housing our neighbors with dignity act".

3 § 2. The private housing finance law is amended by adding a new arti-  
4 cle 31 to read as follows:

### ARTICLE XXXI

#### HOUSING OUR NEIGHBORS WITH DIGNITY PROGRAM

7 Section 1280. Legislative findings and purpose.

8 1281. Definitions.

9 1282. Housing our neighbors with dignity program.

10 § 1280. Legislative findings and purpose. The state of New York,  
11 through the housing trust fund corporation, is empowered to finance the  
12 purchase, acquisition, holding or conversion of distressed hotels and  
13 commercial office properties for use as affordable permanent housing  
14 that meets standards established to ensure safety, habitability, quali-  
15 ty, and access to supportive services as appropriate, to be made avail-  
16 able to low-income households and people experiencing homelessness imme-  
17 diately prior to entering such housing. These properties shall be owned,  
18 operated and managed by appropriate nonprofit organizations through the  
19 use of government agency funding to acquire the property.

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

LBD09863-11-1

1     The acquired properties shall be converted into permanently affordable  
2 housing modeled as financially and operationally deemed necessary by the  
3 state or appropriate nonprofit organization for the purposes of creating  
4 supportive or permanently affordable housing units; provided that the  
5 housing shall remain affordable as defined by the term affordable hous-  
6 ing included in this article.

7     § 1281. Definitions. For the purposes of this article, the following  
8 terms shall have the following meanings:

9     1. "Corporation" shall mean the housing trust fund corporation estab-  
10 lished pursuant to section forty-five-a of this chapter.

11     2. "Appropriate nonprofit organization" shall mean a not-for-profit  
12 organization that:

13         (a) Has as one of such organization's primary purposes:

14             (i) The provision of housing that is affordable to low-income fami-  
15 lies; or

16             (ii) The provision of services or housing for individuals or families  
17 experiencing homelessness; or

18         (b) Is otherwise considered by the state as a suitable housing manage-  
19 ment organization, by a vetting process developed by the corporation.

20     3. "Affordable housing" shall mean permanent housing that is afforda-  
21 ble to low and moderate-income households, such that the new housing  
22 achieves income averaging at or below fifty percent of the area median  
23 income, with residents' eligibility capped at a maximum of eighty  
24 percent of the area median income at the start of their lease. Appli-  
25 cants shall not be rejected from eligibility based on credit histories  
26 or credit scores.

27     4. "Building service employee" shall mean any person who is regularly  
28 employed at, and performs work in connection with the care or mainte-  
29 nance of, a converted property in a city with a population of one  
30 million or more, including but not limited to, a watchman, guard, door-  
31 man, building cleaner, porter, handyman, janitor, gardener, groundskeep-  
32 er, elevator operator and starter, or window cleaner.

33     5. "Distressed" shall mean an available asset that is financially  
34 distressed as determined by the corporation.

35     6. "Exempt supportive housing" shall mean converted property for which  
36 a nonprofit organization has:

37         (a) entered into a regulatory agreement with a federal, state, or  
38 local government entity in a city with a population of one million or  
39 more that requires:

40             (i) at least fifty percent of the residential units in such converted  
41 property be reserved for homeless, disabled individuals or homeless  
42 families with a disabled head-of-household; and

43             (ii) the provision of on-site supportive services to the residents of  
44 at least fifty percent of the residential units; and

45         (b) the remaining fifty percent of the residential units in such  
46 converted property rented to households earning, on average, up to  
47 eighty percent of the area median income, adjusted for household size.

48     7. "Experiencing homelessness" shall refer to those individuals resid-  
49 ing in shelters, transitional housing, public spaces, and other types of  
50 emergency housing.

51     8. "Fiscal officer" shall mean the comptroller of the city of New York  
52 or other analogous officer of such city.

53     9. "Prevailing wage" shall mean the rate of wages and supplemental  
54 benefits paid in the locality to workers in the same trade or occupation  
55 and annually determined by the fiscal officer in accordance with the  
56 provisions of section two hundred thirty-four of the labor law.

10. "Rent stabilized" shall mean collectively, the rent stabilization law of nineteen hundred sixty-nine, the rent stabilization code, and the emergency tenant protection act of nineteen seventy-four, all as in effect as of the effective date of the chapter of the laws of two thousand twenty-one that added this subdivision or as amended thereafter, together with any successor statutes or regulations addressing substantially the same subject matter.

11. "Small converted property" shall mean a converted property project (a) to improve no more than one hundred nineteen residential units in one or more buildings; and (b) which has received financial assistance pursuant to this article.

§ 1282. Housing our neighbors with dignity program. 1. Establishment. Subject to amounts available by appropriation therefor, the corporation shall develop a housing our neighbors with dignity program (hereinafter referred to as "the program"), which shall provide a mechanism for the state to finance the acquisition of distressed hotels and commercial office properties by appropriate nonprofit organizations for the purpose of maintaining or increasing affordable housing. All affordable housing properties produced through this program shall remain permanently affordable, and all converted properties in a city with a population of one million or more, with the exception of small converted properties and exempt supportive housing, shall be required to pay building service employees the applicable prevailing wage pursuant to subdivision one-a of this section. Permanent affordability restrictions shall require a regulatory agreement with the corporation or local housing agency or other affordability restrictions in recorded documents not specifically listed in this subdivision, provided the corporation or local housing agency determines that such restrictions are enforceable and likely to be enforced. Such enforcement measures shall include but not be limited to the ability to cancel or transfer the regulatory agreement or property to another entity for violating the terms of such regulatory agreement, such as failure to meet the minimum obligations set forth in this article when such failure is not cured.

1-a. In a city with a population of one million or more, all building service employees employed by an appropriate nonprofit organization at a converted property or otherwise employed at a converted property that is not a small converted property or exempt supportive housing shall receive at least the applicable prevailing wage in such city for craft, trade, or occupation of such building service employee. The fiscal officer shall have the power to enforce such provisions in the same manner as provided under subparagraph (iii) of paragraph (g) of subdivision seventeen of section four hundred twenty-one-a of the real property tax law. In addition, the fiscal officer shall have the power to conduct an investigation and hearing and file a determination as to the payment of wages owed by a lessee, owner, successor, or any employer of building service employees, as provided under subdivisions one, four, five, six, eight and nine of section two hundred thirty-five of the labor law.

2. Purpose. The program shall seek to:

(a) Finance the acquisition of distressed hotels and commercial office properties by appropriate nonprofit organizations for the purpose of stabilizing communities and the housing market;

(b) Finance the conversion and rehabilitation of the physical condition of acquired property by appropriate nonprofit organizations in order to enhance the condition of such property for future occupants, such as habitability and environmental sustainability; and

1 (c) Provide an appropriate, expedient and efficient manner for owners  
2 of such distressed properties to transfer ownership to an appropriate  
3 nonprofit organization so as to promote the state's interest in the  
4 conversion of such properties to new supportive and affordable permanent  
5 housing units.

6 3. Powers. The state may finance the purchase, acquisition and holding  
7 by appropriate nonprofit organizations of distressed hotel or commercial  
8 office properties in any part of the state, and may take such actions as  
9 may be necessary to identify such distressed properties, for the purpose  
10 of maintaining or increasing the stock of affordable, stable, quality  
11 housing; provided that in the case of a property at which any hotel  
12 workers are represented by a collective bargaining representative, prior  
13 to the proposed acquisition, the collective bargaining representative  
14 shall be notified in writing of the proposed acquisition, and the prop-  
15 erty owner shall certify prior to the state initiating such acquisition  
16 that the collective bargaining representative has mutually agreed in a  
17 separate writing with the property owner to take the specific acquisi-  
18 tion described in the written notice.

19 4. Converted properties. All properties converted to affordable hous-  
20 ing pursuant to this section shall meet the minimum standards of habita-  
21 bility, safety and quality of life for all established housing. Addi-  
22 tional operating expenses shall be met through any combination of  
23 subsidies, vouchers, commercial rents, or other sources of income avail-  
24 able to the housing provider under the model the non-profit chooses to  
25 pursue. All units shall be rent stabilized as defined in this article in  
26 localities that have adopted or opted in to the rent stabilization law.  
27 At least fifty percent of all converted properties shall be set aside  
28 for individuals and families who were experiencing homelessness imme-  
29 diately prior to entering such converted affordable housing. Each unit  
30 must contain, at a minimum, a living/sleeping space, private bathroom  
31 with bath or shower, and either a full kitchen or a kitchenette with at  
32 least a 24-inch refrigerator, sink, cooktop, microwave oven and outlets  
33 for countertop appliances.

34 5. Restrictions. The state shall not, in any case, facilitate the sale  
35 or transfer of property unless the state has entered into an agreement  
36 with the appropriate nonprofit organization to ensure that any actions  
37 necessary to bring the property into compliance with applicable build-  
38 ing, safety, health and habitability codes and requirements will be  
39 taken before such property is occupied.

40 6. Tenant protections. Tenants residing in properties converted to  
41 affordable housing pursuant to this section shall have full tenancy  
42 rights, including all the tenant protections pursuant to rent stabiliza-  
43 tion as defined in this article in localities that have adopted or opted  
44 in to the rent stabilization laws. Tenancy in such affordable housing  
45 shall not be restricted on the basis of sexual identity or orientation,  
46 gender identity or expression, conviction or arrest record, credit  
47 history, credit score, or immigration status.

48 § 3. Non-severability clause. If any clause, sentence, subdivision,  
49 paragraph, section or part of this act shall be adjudged by any court of  
50 competent jurisdiction to be invalid, and such decision is not reversed  
51 or is otherwise deemed to be final, such judgment shall have the effect  
52 of rendering this act invalid, inoperative and void.

53 § 4. This act shall take effect immediately and shall be deemed to  
54 have been in full force and effect on and after April 1, 2021.