S T A T E O F N E W Y O R K

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2009-2010 Regular Sessions

I N A S S E M B L Y

February 19, 2009

Introduced by M. of A. V. LOPEZ, LENTOL, MORELLE, KAVANAGH -- read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law, in relation to neighborhood and rural preservation contracts

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

Section 1. Subdivision 5 of section 902 of the private housing finance law, as amended by chapter 668 of the laws of 1985, is amended to read as follows:

5. "Neighborhood preservation activities" shall mean activities engaged in by a neighborhood preservation company within [a] ONE OR MORE geographically defined neighborhood OR NEIGHBORHOODS of a municipality OR MUNICIPALITIES designed (a) to construct, maintain, preserve, repair, renovate, upgrade, improve, modernize, rehabilitate or otherwise prolong the useful life and to manage and coordinate the rehabilitation of residential dwelling accommodations within such neighborhood OR NEIGHBORHOODS, to restore abandoned and vacant as well as occupied housing accommodations to habitable condition; to demolish structurally unsound or unsafe or otherwise unsightly or unhealthy structures which no longer serve or can economically be made to serve a useful purpose consistent with stabilizing or improving a neighborhood OR NEIGHBORHOODS; to seal and maintain vacant but structurally sound structures which are capable of being rehabilitated at a future time and used for housing purposes; to acquire, where appropriate, buildings which contain housing accommodations; to facilitate the disposition of buildings containing housing accommodations to individual occupants thereof or to cooperative groups whose members shall be occupants thereof; to assist owners, occupants and tenants of housing accommodations to obtain improvements in the physical conditions thereof and in the maintenance and management thereof; and to manage housing accommodations as agents for the owners thereof or administrators or receivers appointed or designated pursuant to

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

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any law of the state; and (b) to accomplish similar purposes and meet similar needs with respect to retail and service establishments within such neighborhoods when carried out in connection with and incidental to a program of housing related activities.

S 2. Subdivisions 2, 3 and 4 of section 903 of the private housing finance law, subdivision 2 as amended by chapter 668 of the laws of 1985, subdivision 3 as added by chapter 852 of the laws of 1977, paragraph (h) of subdivision 3 as amended by chapter 347 of the laws of 1980 and subdivision 4 as amended by section 1 of part II of chapter 59 of the laws of 2008, are amended to read as follows:

2. Prior to entering into a contract with a neighborhood preservation company, the commissioner shall have made a finding that the neighborhood OR NEIGHBORHOODS in which the activities are proposed to be conducted [contains] CONTAIN a significant amount of deteriorating or substandard housing which is not being adequately repaired, renovated, upgraded, modernized or rehabilitated under existing programs so as to provide sound housing at costs which the residents of such neighborhoods can afford; that the neighborhood preservation company which proposes to contract with the commissioner is a bona fide organization which shall have been in existence either as a corporation or as an unincorporated, organized group and performing significant neighborhood preservation activities for at least one full year prior to entering into any contract with the commissioner and which shall have demonstrated by its immediate past and current activities that it has the ability to preserve, repair, maintain, renovate, rehabilitate, manage or operate housing accommodations or to engage in other neighborhood preservation activities in such neighborhood OR NEIGHBORHOODS; that the neighborhood preservation activities which are to be performed pursuant to the proposed contract are needed by the neighborhood OR NEIGHBORHOODS; and that the neighborhood preservation company possesses or will acquire or gain access to the requisite staff, office facilities within such neighborhood OR NEIGHBORHOODS, equipment and expertise to enable it to perform the activities which it proposes to undertake pursuant to such contract; provided, however, that it shall not be a bar to the commissioner's contracting with a neighborhood preservation company that one or more organizations, whether pursuant to contract with the commissioner or not, are conducting neighborhood preservation activities wholly or partially within the same neighborhood OR NEIGHBORHOODS.

3. In determining to enter into a contract with a neighborhood preservation company pursuant to this article, the commissioner shall investigate, to the extent which [he] THE COMMISSIONER shall deem necessary or appropriate, and determine;

(a) that the geographic boundaries proposed by the applicant for such a contract define [a] ONE OR MORE recognized or established [neighborhood] NEIGHBORHOODS or [area] AREAS within [the municipality] ONE OR MORE MUNICIPALITIES;

(b) that the demographic and other relevant data pertaining to such neighborhood OR NEIGHBORHOODS indicate that the neighborhood has OR NEIGHBORHOODS HAVE sustained physical deterioration, decay, neglect or disinvestment, that a substantial proportion of the residential population that the neighborhood preservation company proposes to assist through its activities is of low income and that such neighborhood is OR NEIGHBORHOODS ARE in need of active intervention to effect [its] THEIR preservation, stabilization or improvement;

(c) that the activities proposed to be conducted by the neighborhood preservation company are reasonably calculated to have a positive effect

on the preservation, stabilization or improvement of the neighborhood OR NEIGHBORHOODS;

(d) that the neighborhood preservation company's officers, directors and members are fairly representative of the residents and other legitimate interests of the neighborhood OR NEIGHBORHOODS, that they will carry out such a contract in a responsible manner and that a majority of the directors of the neighborhood preservation company are residents of the neighborhood OR NEIGHBORHOODS;

[(f)] (E) that the fees received or proposed to be received by the neighborhood preservation company from the management of housing accommodations are fair and reasonable;

[(g)] (F) that the plan submitted by the neighborhood preservation company demonstrates that such company will, to the extent possible, give priority when hiring new employees to residents of the neighborhood OR NEIGHBORHOODS who are either unemployed or not fully employed;

[(h)] (G) that the neighborhood preservation company has a plan to facilitate, to the maximum extent feasible, the disposition of any buildings containing housing accommodations owned by the company to individual occupants thereof or to cooperative groups whose members shall be occupants thereof; and

[(i)] (H) that the interests of occupants of any buildings containing housing accommodations owned by the neighborhood preservation company are adequately represented.

4. Contracts entered into [hereunder] PURSUANT TO THIS SECTION 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 and to the aggregate sum of two million one hundred four thousand five hundred dollars for a single neighborhood preservation company, 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 NEIGHBORHOODS or portion OR PORTIONS 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 3. Section 903 of the private housing finance law is amended by adding a new subdivision 4-a to read as follows:

4-A. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, TWO OR MORE NEIGHBORHOOD PRESERVATION COMPANIES CURRENTLY UNDER CONTRACT WITH THE COMMISSIONER MAY VOLUNTARILY MERGE OR CONSOLIDATE INTO ONE NEIGHBORHOOD PRESERVATION COMPANY FOR THE PURPOSES OF THIS ARTICLE. NEIGHBORHOOD PRESERVATION COMPANIES WHICH INTEND TO MERGE OR CONSOLIDATE INTO ONE NEIGHBORHOOD PRESERVATION COMPANY FOR THE PURPOSES OF THIS ARTICLE, SHALL SUBMIT A PLAN FOR SUCH MERGER OR CONSOLIDATION TO THE COMMISSION-

ER. SUCH PLAN SHALL SPECIFY HOW THE COMPANIES WILL MERGE OR CONSOLIDATE, INCLUDING A STATEMENT OF HOW THE MERGED OR CONSOLIDATED COMPANY WILL CONTINUE PROVIDING SERVICES TO THE SERVICE AREAS PRESENTLY SERVED BY SAID COMPANIES. UPON THE COMMISSIONER'S WRITTEN APPROVAL OF SAID PLAN, THE COMPANIES MAY MERGE OR CONSOLIDATE AND THE COMMISSIONER MAY THEREAFTER ENTER INTO A CONTRACT WITH THE MERGED OR CONSOLIDATED NEIGHBORHOOD PRESERVATION COMPANY FOR AN INCREASED AWARD AMOUNT AS SET FORTH HEREIN; THE MERGED OR CONSOLIDATED NEIGHBORHOOD PRESERVATION COMPANY SHALL ALSO BE AUTHORIZED TO SERVE THE SERVICE AREA OR AREAS FORMERLY SERVED BY THE COMPANIES AFFECTED. IF TWO NEIGHBORHOOD PRESERVATION COMPANIES MERGE OR CONSOLIDATE PURSUANT TO THIS SUBDIVISION, THE CONTRACT WITH THE MERGED OR CONSOLIDATED COMPANY SHALL BE IN AN AMOUNT NOT TO EXCEED ONE HUNDRED THIRTY THOUSAND DOLLARS PER YEAR, PROVIDED THAT THE AMOUNT OF SUCH CONTRACT SHALL NOT BE LESS THAN THE SUM OF THE CONTRACT AMOUNTS FOR SUCH COMPANIES IN THE PREVIOUS CONTRACT YEAR. IF THREE NEIGHBORHOOD PRESERVATION COMPANIES MERGE OR CONSOLIDATE PURSUANT TO THIS SUBDIVISION, THE CONTRACT WITH THE MERGED OR CONSOLIDATED COMPANY SHALL BE IN AN AMOUNT NOT TO EXCEED ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS PER YEAR, PROVIDED THAT THE AMOUNT OF SUCH CONTRACT SHALL NOT BE LESS THAN THE SUM OF THE CONTRACT AMOUNTS FOR SUCH COMPANIES IN THE PREVIOUS CONTRACT YEAR. NEIGHBORHOOD PRESERVATION COMPANIES WHICH HAVE MERGED OR CONSOLIDATED PURSUANT TO THIS SUBDIVISION SHALL BE REIMBURSED BY THE DIVISION FOR LEGAL, TECHNICAL OR ANY OTHER COST INCIDENTAL TO SUCH MERGER OR CONSOLIDATION IN AN AMOUNT NOT TO EXCEED TWENTY THOUSAND DOLLARS. THE COMMISSIONER SHALL ISSUE AND PROMULGATE RULES AND REGULATIONS REGARDING THE PROCESS OF MERGER OR CONSOLIDATION AS DESCRIBED IN THIS SUBDIVISION.

S 4. Section 1003 of the private housing finance law is amended by adding a new subdivision 4-a to read as follows:

4-A. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, TWO OR MORE CORPORATIONS CURRENTLY UNDER CONTRACT WITH THE COMMISSIONER MAY VOLUNTARILY MERGE OR CONSOLIDATE INTO ONE CORPORATION FOR THE PURPOSES OF THIS ARTICLE. CORPORATIONS WHICH INTEND TO MERGE OR CONSOLIDATE INTO ONE CORPORATION FOR THE PURPOSES OF THIS ARTICLE, SHALL SUBMIT A PLAN FOR SUCH MERGER OR CONSOLIDATION TO THE COMMISSIONER. SUCH PLAN SHALL SPECIFY HOW THE CORPORATIONS WILL MERGE OR CONSOLIDATE, INCLUDING A STATEMENT OF HOW THE MERGED OR CONSOLIDATED CORPORATION WILL CONTINUE PROVIDING SERVICES TO THE SERVICE AREAS PRESENTLY SERVED BY SAID CORPORATIONS. UPON THE COMMISSIONER'S WRITTEN APPROVAL OF SAID PLAN, THE CORPORATIONS MAY MERGE OR CONSOLIDATE AND THE COMMISSIONER MAY THEREAFTER BE AUTHORIZED TO ENTER INTO A CONTRACT WITH THE MERGED OR CONSOLIDATED CORPORATION FOR AN INCREASED AWARD AMOUNT AS SET FORTH HEREIN; THE MERGED OR CONSOLIDATED CORPORATION SHALL ALSO BE AUTHORIZED TO SERVE THE SERVICE AREA OR AREAS FORMERLY SERVED BY THE CORPORATIONS AFFECTED. IF TWO CORPORATIONS MERGE OR CONSOLIDATE PURSUANT TO THIS SUBDIVISION, THE CONTRACT WITH THE MERGED OR CONSOLIDATED CORPORATION SHALL BE IN AN AMOUNT NOT TO EXCEED ONE HUNDRED THIRTY THOUSAND DOLLARS PER YEAR. IF THREE CORPORATIONS MERGE OR CONSOLIDATE PURSUANT TO THIS SUBDIVISION, THE CONTRACT WITH THE MERGED OR CONSOLIDATED CORPORATION SHALL BE IN AN AMOUNT NOT TO EXCEED ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS PER YEAR, PROVIDED THAT THE AMOUNT OF SUCH CONTRACT SHALL NOT BE LESS THAN THE SUM OF THE CONTRACT AMOUNTS FOR SUCH CORPORATIONS IN THE PREVIOUS CONTRACT YEAR. CORPORATIONS WHICH HAVE MERGED OR CONSOLIDATED PURSUANT TO THIS SUBDIVISION SHALL BE REIMBURSED BY THE DIVISION FOR LEGAL, TECHNICAL OR ANY OTHER COST INCIDENTAL TO SUCH MERGER OR CONSOLIDATION IN AN AMOUNT NOT TO EXCEED TWENTY THOUSAND DOLLARS. THE COMMISSIONER SHALL ISSUE AND PROMUL-

GATE RULES AND REGULATIONS REGARDING THE PROCESS OF MERGER OR CONSOLIDATION AS DESCRIBED IN THIS SUBDIVISION.

S 5. This act shall take effect on the one hundred twentieth day after it shall have become a law. Effective immediately any rules and regulations necessary for the timely implementation of this act on its effective date shall be promulgated on or before such date.