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I N A S S E M B L Y

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Introduced by M. of A. HOYT, V. LOPEZ, SCHIMEL, CYMBROWITZ, COOK, TOWNS, JACOBS, LUPARDO, SCHROEDER, DelMONTE, BENEDETTO, CASTRO, JAFFEE, TITONE, HYER-SPENCER, RAMOS, EDDINGTON, GORDON, SPANO, STIRPE -- Multi-Sponsored by -- M. of A. BENJAMIN, BING, CANESTRARI, DESTITO, GABRYSZAK, HEASTIE, McENENY, MENG, MILLMAN, PHEFFER, POWELL, RUSSELL -- (at request of the Division of Housing & Community Renewal) -- read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law, in relation to establishing the New York main street program

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

1 Section 1. The private housing finance law is amended by adding a new
2 article 26 to read as follows:

3 ARTICLE XXVI

4 NEW YORK MAIN STREET PROGRAM

5 SECTION 1220. STATEMENT OF LEGISLATIVE FINDINGS AND PURPOSE.

6 1221. DEFINITIONS.

7 1222. MAIN STREET CONTRACTS.

8 S 1220. STATEMENT OF LEGISLATIVE FINDINGS AND PURPOSE. THE LEGISLATURE
9 HEREBY FINDS AND DECLARES THAT THERE EXISTS IN NEW YORK STATE A SERIOUS
10 NEED FOR FINANCIAL AND TECHNICAL RESOURCES TO HELP COMMUNITIES WITH
11 THEIR EFFORTS TO PRESERVE AND REVITALIZE MAIN STREET AND DOWNTOWN BUSI-
12 NESS DISTRICTS WHICH INCLUDE COMMERCIAL AND RESIDENTIAL USES. THE LEGIS-
13 LATURE THEREFORE FINDS THAT A PROGRAM SHOULD BE ESTABLISHED TO PROVIDE
14 FINANCIAL ASSISTANCE TO STIMULATE REINVESTMENT IN PROPERTIES LOCATED
15 WITHIN MAIN STREET, MIXED-USE COMMERCIAL, AND DOWNTOWN BUSINESS
16 DISTRICTS IN URBAN, SMALL TOWN, AND RURAL AREAS BY PRESERVING EXISTING
17 HOUSING UNITS, FOSTERING THE DEVELOPMENT OF NEW HOUSING UNITS, UPGRADING
18 COMMERCIAL AND RETAIL AREAS, AND BY CREATING INNOVATIVE APPROACHES TO
19 NEIGHBORHOOD AND COMMUNITY REVITALIZATION, INCLUDING THE IMPROVEMENT OF
20 CULTURAL, CIVIC AND COMMUNITY FACILITIES.

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

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1 S 1221. DEFINITIONS. AS USED IN THIS ARTICLE:

2 1. "CORPORATION" SHALL MEAN THE HOUSING TRUST FUND CORPORATION ESTAB-
3 LISHED IN SECTION FORTY-FIVE-A OF THIS CHAPTER.

4 2. "ELIGIBLE APPLICANT" SHALL MEAN A UNIT OF LOCAL GOVERNMENT OR NOT-
5 FOR-PROFIT CORPORATION IN EXISTENCE FOR A PERIOD OF ONE OR MORE YEARS
6 PRIOR TO APPLICATION, WHICH IS, OR WILL BE AT THE TIME OF AWARD, INCOR-
7 PORATED UNDER THE NOT-FOR-PROFIT CORPORATION LAW AND HAS BEEN ENGAGED
8 PRIMARILY IN COMMUNITY DEVELOPMENT ACTIVITIES.

9 3. "ELIGIBLE AREA" SHALL MEAN AN AREA: (I) THAT HAS EXPERIENCED
10 SUSTAINED PHYSICAL DETERIORATION, DECAY, NEGLECT, OR DISINVESTMENT; (II)
11 HAS A NUMBER OF SUBSTANDARD BUILDINGS OR VACANT RESIDENTIAL OR COMMER-
12 CIAL UNITS; AND (III) IN WHICH MORE THAN FIFTY PERCENT OF THE RESIDENTS
13 ARE PERSONS OF LOW INCOME, OR WHICH IS DESIGNATED BY A STATE OR FEDERAL
14 AGENCY TO BE ELIGIBLE FOR A COMMUNITY OR ECONOMIC DEVELOPMENT PROGRAM.

15 4. "MAIN STREET PROGRAM" OR "PROGRAM" SHALL MEAN A PROPOSAL BY AN
16 ELIGIBLE APPLICANT FOR A SPECIFIC WORK OR SERIES OF WORKS FOR THE REVI-
17 TALIZATION AND IMPROVEMENT OF AN ELIGIBLE AREA THROUGH THE CREATION,
18 PRESERVATION OR IMPROVEMENT OF RESIDENTIAL HOUSING UNITS; LOCAL COMMER-
19 CIAL FACILITIES; PUBLIC FACILITIES OR OTHER ASPECTS OF THE AREA ENVIRON-
20 MENT. NOT LESS THAN EIGHTY PERCENT OF THE TOTAL AMOUNT AWARDED PURSUANT
21 TO THIS ARTICLE IN ANY FISCAL YEAR SHALL BE ALLOCATED TO MAIN STREET
22 PROGRAMS THAT INCLUDE THE CREATION, PRESERVATION OR IMPROVEMENT OF RESI-
23 DENTIAL HOUSING UNITS AS AN OBJECTIVE.

24 5. "PERSONS OF LOW INCOME" SHALL MEAN THOSE PERSONS AND FAMILIES WHOSE
25 INCOMES DO NOT EXCEED NINETY PERCENT OF THE MEDIAN INCOME FOR THE METRO-
26 POLITAN STATISTICAL AREA IN WHICH A PROJECT IS LOCATED.

27 S 1222. MAIN STREET CONTRACTS. 1. WITHIN THE LIMIT OF FUNDS AVAILABLE
28 IN THE MAIN STREET PROGRAM, THE CORPORATION IS HEREBY AUTHORIZED TO
29 ENTER INTO CONTRACTS WITH ELIGIBLE APPLICANTS TO PROVIDE FINANCIAL
30 ASSISTANCE FOR THE ACTUAL COSTS OF A MAIN STREET PROGRAM. THE FINANCIAL
31 ASSISTANCE SHALL BE EITHER IN THE FORM OF PAYMENTS, GRANTS OR LOANS, AS
32 THE CORPORATION SHALL DETERMINE. NO MORE THAN FIFTY PERCENT OF THE TOTAL
33 AMOUNT AWARDED PURSUANT TO THIS ARTICLE IN ANY FISCAL YEAR SHALL BE
34 ALLOCATED TO MAIN STREET PROGRAMS LOCATED WITHIN ANY SINGLE MUNICI-
35 PALITY.

36 2. THE TOTAL PAYMENT PURSUANT TO ANY ONE CONTRACT SHALL NOT EXCEED
37 FIVE HUNDRED THOUSAND DOLLARS AND THE CONTRACT SHALL PROVIDE FOR
38 COMPLETION OF THE PROGRAM WITHIN A REASONABLE PERIOD, AS SPECIFIED THER-
39 EIN WHICH SHALL NOT IN ANY EVENT EXCEED TWO YEARS FROM ITS COMMENCEMENT.
40 UPON REQUEST, THE CORPORATION MAY EXTEND THE TERM OF THE CONTRACT FOR UP
41 TO AN ADDITIONAL TWO YEAR PERIOD FOR GOOD CAUSE SHOWN BY THE ELIGIBLE
42 APPLICANT.

43 3. THE CORPORATION MAY AUTHORIZE THE ELIGIBLE APPLICANT TO SPEND UP TO
44 SEVEN AND ONE-HALF PERCENT OF THE CONTRACT AMOUNT FOR APPROVED PLANNING
45 AND ADMINISTRATIVE COSTS OF CARRYING OUT A PROGRAM.

46 4. THE CORPORATION SHALL REQUIRE THAT, IN ORDER TO RECEIVE FUNDS
47 PURSUANT TO THIS ARTICLE, THE ELIGIBLE APPLICANT MUST SUBMIT A PLAN
48 WHICH SHALL INCLUDE BUT NOT BE LIMITED TO PROGRAM FEASIBILITY, LEVERAG-
49 ING OF OTHER RESOURCES, IMPACT ON THE COMMUNITY, AFFIRMATIVE ACTION AND
50 MINORITY BUSINESS PARTICIPATION.

51 5. IF THE ELIGIBLE APPLICANT IS A NOT-FOR-PROFIT CORPORATION, ITS
52 OFFICERS, DIRECTORS AND MEMBERS MUST BE REPRESENTATIVE OF THE RESIDENTS
53 AND OTHER LEGITIMATE INTERESTS OF THE COMMUNITY.

54 6. THE OWNER OF A PROPERTY IMPROVED WITH FUNDS MADE AVAILABLE UNDER
55 THIS ARTICLE MUST AGREE FOR A MINIMUM OF FIVE YEARS TO: MAINTAIN THE
56 PROPERTY IN GOOD OPERATING ORDER AND CONDITION; TO MAKE AVAILABLE AND

1 MAINTAIN THE AFFORDABILITY OF RESIDENTIAL HOUSING UNITS TO PERSONS OF
2 LOW INCOME; AND TO OBTAIN THE CONSENT OF THE CORPORATION PRIOR TO MAKING
3 ALTERATIONS TO THE PROPERTY OR CHANGING ITS USE.
4 S 2. This act shall take effect immediately.