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

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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:

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

ARTICLE XXVI

NEW YORK MAIN STREET PROGRAM

SECTION 1220. STATEMENT OF LEGISLATIVE FINDINGS AND PURPOSE.
1221. DEFINITIONS.
1222. MAIN STREET CONTRACTS.

S 1220. STATEMENT OF LEGISLATIVE FINDINGS AND PURPOSE. THE LEGISLATURE HEREBY FINDS AND DECLARES THAT THERE EXISTS IN NEW YORK STATE A SERIOUS NEED FOR FINANCIAL AND TECHNICAL RESOURCES TO HELP COMMUNITIES WITH THEIR EFFORTS TO PRESERVE AND REVITALIZE MAIN STREET AND DOWNTOWN BUSINESS DISTRICTS WHICH INCLUDE COMMERCIAL AND RESIDENTIAL USES. THE LEGISLATURE THEREFORE FINDS THAT A PROGRAM SHOULD BE ESTABLISHED TO PROVIDE FINANCIAL ASSISTANCE TO STIMULATE REINVESTMENT IN PROPERTIES LOCATED WITHIN MAIN STREET, MIXED-USE COMMERCIAL, AND DOWNTOWN BUSINESS DISTRICTS IN URBAN, SMALL TOWN, AND RURAL AREAS BY PRESERVING EXISTING HOUSING UNITS, FOSTERING THE DEVELOPMENT OF NEW HOUSING UNITS, UPGRADING COMMERCIAL AND RETAIL AREAS, AND BY CREATING INNOVATIVE APPROACHES TO NEIGHBORHOOD AND COMMUNITY REVITALIZATION, INCLUDING THE IMPROVEMENT OF 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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S 1221. DEFINITIONS. AS USED IN THIS ARTICLE:

1. "CORPORATION" SHALL MEAN THE HOUSING TRUST FUND CORPORATION ESTABLISHED IN SECTION FORTY-FIVE-A OF THIS CHAPTER.

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

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

4. "MAIN STREET PROGRAM" OR "PROGRAM" SHALL MEAN A PROPOSAL BY AN ELIGIBLE APPLICANT FOR A SPECIFIC WORK OR SERIES OF WORKS FOR THE REVITALIZATION AND IMPROVEMENT OF AN ELIGIBLE AREA THROUGH THE CREATION, PRESERVATION OR IMPROVEMENT OF RESIDENTIAL HOUSING UNITS; LOCAL COMMERCIAL FACILITIES; PUBLIC FACILITIES OR OTHER ASPECTS OF THE AREA ENVIRONMENT. NOT LESS THAN EIGHTY PERCENT OF THE TOTAL AMOUNT AWARDED PURSUANT TO THIS ARTICLE IN ANY FISCAL YEAR SHALL BE ALLOCATED TO MAIN STREET PROGRAMS THAT INCLUDE THE CREATION, PRESERVATION OR IMPROVEMENT OF RESIDENTIAL HOUSING UNITS AS AN OBJECTIVE.

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

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

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

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

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

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

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

MAINTAIN THE AFFORDABILITY OF RESIDENTIAL HOUSING UNITS TO PERSONS OF LOW INCOME; AND TO OBTAIN THE CONSENT OF THE CORPORATION PRIOR TO MAKING ALTERATIONS TO THE PROPERTY OR CHANGING ITS USE.

S 2. This act shall take effect immediately.