

1 OF A SOCIAL PROGRAM SHALL NOT BE CONSIDERED WHEN CALCULATING AN INDIVID-
2 UAL'S GROSS INCOME. THE DEPARTMENT SHALL DETERMINE INCOME ELIGIBILITY
3 OF HOME BUYERS USING THE INCOME DETERMINATION METHODOLOGY UTILIZED BY
4 THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IN ACCORD-
5 ANCE WITH THEIR SECTION 8 HOUSING PROGRAM; OR

6 (II) IS OVER THE AGE OF SIXTY-FIVE; OR

7 (III) IS DIAGNOSED BY A LICENSED PHYSICIAN TO BE MENTALLY OR PHYS-
8 ICALLY DISABLED;

9 B. DOES NOT CURRENTLY OWN A HOUSING UNIT IN THE CITY OF NEW YORK OR
10 ANY OTHER LOCATION, INCLUDING A SINGLE FAMILY HOUSE, CONDOMINIUM UNIT,
11 COOPERATIVE UNIT, OR RENTAL UNIT THAT COULD BE OWNER OCCUPIED;

12 C. HAS NOT PREVIOUSLY RECEIVED HOME OWNERSHIP ASSISTANCE PAYMENTS
13 PURSUANT TO THIS ARTICLE; AND

14 D. IS CURRENTLY EMPLOYED AND HAS BEEN GAINFULLY EMPLOYED FOR AT LEAST
15 TWELVE MONTHS PRIOR TO HIS OR HER APPLICATION FOR HOME OWNERSHIP ASSIST-
16 ANCE PAYMENTS, EXCEPT THAT THIS PARAGRAPH SHALL NOT APPLY TO AN INDIVID-
17 UAL WHO QUALIFIES PURSUANT TO SUBPARAGRAPH (II) OR (III) OF PARAGRAPH A
18 OF THIS SUBDIVISION.

19 4. "QUALIFIED NOT-FOR-PROFIT ORGANIZATION" SHALL MEAN AN ORGANIZATION
20 THAT IS TAX EXEMPT PURSUANT TO SUBSECTION (C) OF SECTION 501 OF THE
21 INTERNAL REVENUE CODE AND WHOSE PURPOSE IS TO ASSIST HOUSEHOLDS, WHOSE
22 INCOME IS UNDER EIGHTY PERCENT OF THE MEDIAN POVERTY LEVEL, WITH
23 PURCHASING A HOME. SUCH ORGANIZATION MUST SHOW EXPERIENCE AND CAPACITY
24 TO UNDERTAKE A PURCHASE FOR REHABILITATION AND TO RESELL TO QUALIFIED
25 HOUSEHOLDS AS DEFINED IN SUBDIVISION THREE OF THIS SECTION.

26 S 171. HOME OWNERSHIP ASSISTANCE PROGRAM. 1. THERE IS HEREBY ESTAB-
27 LISHED A HOME OWNERSHIP ASSISTANCE PROGRAM. THE PURPOSE OF THE PROGRAM
28 IS TO PROVIDE FINANCIAL ASSISTANCE TO LOW INCOME HOUSEHOLDS, WITH ANNUAL
29 INCOMES UNDER EIGHTY PERCENT OF THE MEDIAN POVERTY LEVEL WHO DO NOT
30 CURRENTLY OWN A HOME, TO PURCHASE AN ELIGIBLE UNIT FOR PURPOSES OF REHA-
31 BILITATION AND OWNERSHIP.

32 2. THE MAXIMUM PURCHASE PRICE SHALL BE THE SINGLE FAMILY MORTGAGE
33 LIMITS DEFINED UNDER 24 C.F.R. 203 AND SHALL BE ADJUSTED ACCORDING TO
34 THE ADJUSTMENTS MADE BY THE UNITED STATES DEPARTMENT OF HOUSING AND
35 URBAN DEVELOPMENT.

36 3. THE UNIT MAY NOT BE "OVERCROWDED" AS DEFINED IN THE HOUSING QUALITY
37 STANDARDS, WHICH ARE ISSUED BY THE UNITED STATES DEPARTMENT OF HOUSING
38 AND URBAN DEVELOPMENT. A SUFFICIENT NUMBER OF BEDROOMS ARE REQUIRED TO
39 PROVIDE ADEQUATE SLEEPING SPACE FOR ALL MEMBERS OF THE HOUSEHOLD. THERE
40 MUST BE ONE BEDROOM FOR EVERY TWO MEMBERS OF THE FAMILY, PROVIDED THAT
41 CHILDREN OF THE OPPOSITE SEX MAY NOT SHARE A BEDROOM.

42 4. MONTHLY HOME OWNERSHIP EXPENSES SHALL INCLUDE INTEREST ON THE MORT-
43 GAGE, MORTGAGE INSURANCE PREMIUMS, REAL ESTATE TAXES, HOME OWNERSHIP
44 INSURANCE, AND MAJOR REPAIRS AND REPLACEMENTS. HOUSING EXPENSES AFTER
45 THE PURCHASE AND REHABILITATION OF A HOME MAY NOT EXCEED THIRTY PERCENT
46 OF THE HOUSEHOLD'S GROSS MONTHLY INCOME.

47 S 172. APPLICABILITY OF THE PROGRAM. 1. A QUALIFIED HOUSEHOLD MUST
48 MAKE AN APPLICATION TO THE DEPARTMENT TO RECEIVE HOME OWNERSHIP ASSIST-
49 ANCE PAYMENTS.

50 2. THE DEPARTMENT SHALL APPROVE AN INDIVIDUAL'S APPLICATION IF IT
51 FINDS THAT:

52 A. SUCH INDIVIDUAL IS PART OF A QUALIFIED HOUSEHOLD AS DEFINED IN
53 SUBDIVISION THREE OF SECTION ONE HUNDRED SEVENTY OF THIS ARTICLE;

54 B. THE HOME TO BE PURCHASED BY THE INDIVIDUAL IS AN ELIGIBLE UNIT AS
55 DEFINED IN SUBDIVISION TWO OF SECTION ONE HUNDRED SEVENTY OF THIS ARTI-
56 CLE;

C. THE HOME TO BE PURCHASED HAS BEEN INSPECTED BY A DEPARTMENT APPROVED HOME INSPECTOR;

D. THE HOME TO BE PURCHASED HAS BEEN APPRAISED AT A VALUE NEAR OR ABOVE THE MAXIMUM PURCHASE PRICE AS DEFINED IN SUBDIVISION TWO OF SECTION ONE HUNDRED SEVENTY-ONE OF THIS ARTICLE. IF THE PURCHASE PRICE EXCEEDS THE MAXIMUM PURCHASE PRICE, THE ELIGIBLE HOUSEHOLD MUST PAY THE DIFFERENCE. THE ELIGIBLE HOUSEHOLD MUST GIVE THE FUNDS TO THE DEPARTMENT AT THE CLOSING. THE DEPARTMENT WILL HOLD THE FUNDS IN AN INTEREST BEARING ESCROW ACCOUNT AND MAKE PAYMENTS FROM SUCH ACCOUNT AS NECESSARY. ALL ELIGIBLE HOUSEHOLD FUNDS MUST BE EXPENDED BEFORE ANY HOME OWNERSHIP ASSISTANCE PROGRAM PAYMENTS MAY BE MADE.

3. UPON APPROVAL OF THE INDIVIDUAL'S APPLICATION, THE INDIVIDUAL MUST ATTEND HOME OWNERSHIP ASSISTANCE COUNSELING. SUCH COUNSELING SHALL INCLUDE, BUT NEED NOT BE LIMITED TO:

A. HOME MAINTENANCE;

B. BUDGETING AND MONEY MANAGEMENT;

C. CREDIT COUNSELING; AND

D. HOW TO OBTAIN HOME OWNERSHIP FINANCING, INCLUDING HOW TO IDENTIFY AND AVOID LOANS WITH OPPRESSIVE TERMS AND CONDITIONS.

4. UPON COMPLETION OF THE HOME OWNERSHIP COUNSELING PURSUANT TO SUBDIVISION THREE OF THIS SECTION, THE DEPARTMENT SHALL MAKE HOME OWNERSHIP ASSISTANCE PAYMENTS IN ACCORDANCE WITH SECTION ONE HUNDRED SEVENTY-THREE OF THIS ARTICLE.

5. THE REFINANCING OF A HOME THAT IS A BASIS FOR RECEIVING HOME OWNERSHIP ASSISTANCE PAYMENTS SHALL AUTOMATICALLY CAUSE SUCH PAYMENTS TO CEASE AND BE TERMINATED.

6. IF ANY QUALIFIED HOUSEHOLD THAT HAS BEEN APPROVED AND IS RECEIVING HOME OWNERSHIP ASSISTANCE PAYMENTS DEFAULTS ON ITS MORTGAGE PAYMENT, SUCH HOME OWNERSHIP ASSISTANCE PAYMENTS SHALL AUTOMATICALLY CEASE AND BE TERMINATED.

S 173. AMOUNT AND PROCEDURE FOR HOME OWNERSHIP ASSISTANCE PAYMENTS.

1. THE MAXIMUM FINANCIAL ASSISTANCE UNDER THE HOME OWNERSHIP ASSISTANCE PROGRAM FOR ELIGIBLE HOUSEHOLDS SHALL NOT EXCEED THE TOTAL COST OF ACQUISITION AND REHABILITATION. THE ASSISTANCE PROVIDED FOR THE PURCHASE OF THE PROPERTY SHALL BE A PRORATED LOAN. THE DEPARTMENT WILL PLACE A MORTGAGE ON THE PROPERTY TO SECURE THE LOAN. THE MORTGAGEE MAY BE SUBORDINATED TO ANY OTHER MORTGAGEE APPROVED BY THE DEPARTMENT THAT IS PRESENTLY ON OR THAT MAY BE PLACED ON THE PROPERTY.

THE DEPARTMENT SHALL HAVE THE RIGHT TO DETERMINE WHETHER OR NOT AN IMPROVEMENT QUALIFIES AS CAPITAL IMPROVEMENTS. PRIOR TO THE COMMENCEMENT OF CAPITAL IMPROVEMENTS, THE PROPERTY OWNER MUST NOTIFY THE DEPARTMENT AND PROVIDE A COST ESTIMATE. THE DEPARTMENT SHALL HAVE THE RIGHT TO INSPECT THE PROPERTY PRIOR TO AND UPON COMPLETION OF CONSTRUCTION. THE PROPERTY OWNER MUST PROVIDE DOCUMENTATION OF ALL WORK PERFORMED.

2. THE MAXIMUM ASSISTANCE FOR QUALIFIED NOT-FOR-PROFIT ORGANIZATIONS, AS DEFINED IN SUBDIVISION FOUR OF SECTION ONE HUNDRED SEVENTY OF THIS ARTICLE, MAY NOT EXCEED TWENTY THOUSAND DOLLARS PER BUILDING.

3. THE PROPERTY MAY BE SOLD SUBJECT TO THE FOLLOWING CONDITIONS:

A. THE MAXIMUM SALE PRICE WILL BE DETERMINED BY THE FOLLOWING FORMULA: THE ORIGINAL SUBSIDIZED PRICE OF THE HOME MULTIPLIED BY A FRACTION WHERE THE NUMERATOR IS THE MEDIAN INCOME FOR A FAMILY OF FOUR IN NEW YORK CITY IN THE YEAR OF THE RESALE AND THE DENOMINATOR IS THE CORRESPONDING FIGURE FOR THE YEAR THE PROPERTY WAS PURCHASED. BOTH NUMBERS SHALL BE DETERMINED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

1 B. THE OWNER'S DOWN PAYMENT AND THE VALUE OF QUALIFYING CAPITAL
2 IMPROVEMENTS MAY BE ADDED TO THE MAXIMUM RESALE PRICE. QUALIFYING
3 IMPROVEMENTS ARE THOSE DEFINED AND APPLIED BY THE NEW YORK STATE DEPART-
4 MENT OF TAXATION AND FINANCE THAT DO NOT CONSTITUTE UNAFFORDABLE LUXU-
5 RIES DEFINED AS ITEMS NOT NORMALLY CONSIDERED A NECESSARY OR CUSTOMARY
6 PART OF A RESIDENCE IN THE SURROUNDING NEIGHBORHOOD. THE DEPARTMENT
7 SHALL HAVE THE RIGHT TO DETERMINE WHETHER OR NOT AN IMPROVEMENT QUALI-
8 FIES AS CAPITAL IMPROVEMENTS. PRIOR TO THE COMMENCEMENT OF CAPITAL
9 IMPROVEMENTS, THE PROPERTY OWNER MUST NOTIFY THE DEPARTMENT AND PROVIDE
10 A COST ESTIMATE. THE DEPARTMENT SHALL HAVE THE RIGHT TO INSPECT THE
11 PROPERTY PRIOR TO AND UPON COMPLETION OF CONSTRUCTION. THE PROPERTY
12 OWNER MUST PROVIDE DOCUMENTATION OF ALL WORK PERFORMED.

13 S 174. TERMS OF ASSISTANCE FOR NOT-FOR-PROFIT ORGANIZATIONS. FINANCIAL
14 ASSISTANCE AS DEFINED IN SECTION ONE HUNDRED SEVENTY-THREE OF THIS ARTI-
15 CLE MAY BE PROVIDED TO NOT-FOR-PROFIT ORGANIZATIONS FOR THE PURPOSE OF
16 RESALE TO QUALIFIED HOUSEHOLDS AS DEFINED IN SUBDIVISION THREE OF
17 SECTION ONE HUNDRED SEVENTY OF THIS ARTICLE.

18 1. THE NOT-FOR-PROFIT ORGANIZATION MAY MANAGE THE PROPERTY DURING AN
19 INTERIM PERIOD UNDER A "LEASE TO OWN" PROGRAM BEFORE TRANSFERRING TITLE
20 TO THE PROPERTY AND MUST SUBMIT COMPLETE DEVELOPMENT AND OPERATING BUDG-
21 ETS FOR THE INTERIM TO THE DEPARTMENT.

22 A. AN ELIGIBLE "LEASE TO OWN" PURCHASER MUST BE LOCATED WITHIN TWELVE
23 MONTHS FROM PURCHASE BY THE NOT-FOR-PROFIT ORGANIZATION.

24 B. THE INITIAL OCCUPANT OF THE OWNER'S UNIT, WHETHER A TENANT DURING A
25 RENTAL AGREEMENT, TENANT DURING A LEASE TO OWN PERIOD, OR HOME BUYER,
26 MUST QUALIFY AS AN ELIGIBLE HOUSEHOLD. FIFTY-ONE PERCENT OF THE UNITS
27 MUST BE OCCUPIED AT INITIAL OCCUPANCY BY HOUSEHOLDS WHOSE HOUSEHOLD
28 INCOME IS LESS THAN EIGHTY PERCENT OF THE MEDIAN POVERTY LEVEL.

29 C. RENT, INCLUDING UTILITIES, FOR A HOUSEHOLD WHERE THE HOUSEHOLD
30 INCOME IS BETWEEN FIFTY AND EIGHTY PERCENT OF THE MEDIAN POVERTY LEVEL
31 CANNOT EXCEED THIRTY PERCENT OF THE HOUSEHOLD MONTHLY INCOME. IF TENANTS
32 PAY UTILITIES, THE RENT SHALL BE ADJUSTED BY THE AMOUNT OF THE UTILI-
33 TIES.

34 D. NOT-FOR-PROFIT ORGANIZATIONS MUST SUBMIT A PROPOSED RESALE PROCESS
35 OR FORMULA FOR DEPARTMENTAL REVIEW AND APPROVAL.

36 E. IN ALL CASES, TRANSFER OF TITLE TO THE PROPERTY FROM THE
37 NOT-FOR-PROFIT ORGANIZATION TO AN ELIGIBLE HOUSEHOLD MUST TAKE PLACE
38 WITHIN FIVE YEARS FROM PURCHASE BY THE NOT-FOR-PROFIT ORGANIZATION.

39 F. IF THE NOT-FOR-PROFIT ORGANIZATION FAILS TO MEET THESE DEADLINES,
40 THE DEFERRED LOAN SHALL BE DUE AND PAYABLE WITH ACCRUED INTEREST AT A
41 RATE OF FOUR PERCENT.

42 S 175. RULES AND REGULATIONS. 1. THE DEPARTMENT IS AUTHORIZED TO
43 IMPLEMENT ANY RULE OR REGULATION NECESSARY FOR THE SUCCESSFUL IMPLEMEN-
44 TATION OF THIS PROGRAM.

45 2. THE DEPARTMENT MAY CREATE ANY FORM AND REQUIRE ANY APPLICANT TO
46 FILL OUT SUCH FORM BEFORE RECEIVING DEPARTMENTAL APPROVAL FOR THE HOME
47 OWNERSHIP ASSISTANCE PAYMENTS.

48 3. THE DEPARTMENT MAY CHARGE AN APPLICATION FEE FOR THE PROCESSING OF
49 A HOUSEHOLD'S HOME OWNERSHIP ASSISTANCE PAYMENT APPLICATION. SUCH FEE
50 SHALL NOT EXCEED ONE HUNDRED DOLLARS.

51 S 176. FUNDING FOR THE HOME OWNERSHIP ASSISTANCE PROGRAM. FUNDING
52 SHALL BE OBTAINED BY USING FUNDS FROM THE COMMUNITY DEVELOPMENT BLOCK
53 GRANT AND THE NEW YORK STATE HOME PROGRAM. TWO PERCENT OF THE TOTAL
54 AMOUNT OF EACH, RESPECTIVELY, SHALL BE USED TO FUND THE HOME OWNERSHIP
55 ASSISTANCE PROGRAM.

1 S 2. This act shall take effect on the one hundred eightieth day after
2 it shall have become a law; provided, however, that effective immediate-
3 ly, the addition, amendment and/or repeal of any rule or regulation
4 necessary for the timely implementation of this act on its effective
5 date is hereby authorized and directed to be made on or before such
6 effective date.