

10285

I N A S S E M B L Y

May 20, 2016

Introduced by M. of A. CAHILL -- read once and referred to the Committee
on Housing

AN ACT to amend the private housing finance law, in relation to the
mobile and manufactured home replacement program

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

1 Section 1. The private housing finance law is amended by adding a new
2 article 28 to read as follows:

3 ARTICLE XXVIII

4 MOBILE AND MANUFACTURED HOME REPLACEMENT PROGRAM

5 SECTION 1240. STATEMENT OF LEGISLATIVE FINDINGS AND PURPOSE.

6 1241. DEFINITIONS.

7 1242. MOBILE AND MANUFACTURED HOME REPLACEMENT CONTRACTS.

8 S 1240. STATEMENT OF LEGISLATIVE FINDINGS AND PURPOSE. THE LEGISLATURE
9 HEREBY FINDS AND DECLARES THAT THERE EXISTS IN NEW YORK STATE A SERIOUS
10 NEED TO ELIMINATE OLDER, DILAPIDATED MOBILE AND MANUFACTURED HOMES AND
11 REPLACE THEM WITH NEW MANUFACTURED, MODULAR OR SITE-BUILT HOMES. OLDER
12 MOBILE OR MANUFACTURED HOME UNITS WITH RUSTED, LEAKING METAL ROOFS,
13 METAL-FRAMED WINDOWS WITH INTERIOR TAKE-OUT STORMS, AND METAL SIDING,
14 ARE THOSE THAT MOST NEED REPLACEMENT. NO MATTER THE AMOUNT OF REHABILI-
15 TATION INVESTMENT, THE END RESULT IS UNSATISFACTORY IN TERMS OF LONGEV-
16 ITY, ENERGY EFFICIENCY AND AFFORDABILITY. THE LEGISLATURE THEREFORE
17 FINDS THAT THE STATE SHOULD ESTABLISH A PROGRAM TO FUND THE REPLACEMENT
18 OF MOBILE OR MANUFACTURED HOMES WITH NEW AFFORDABLE AND ENERGY EFFICIENT
19 MANUFACTURED, MODULAR OR SITE-BUILT HOMES.

20 S 1241. DEFINITIONS. FOR THE PURPOSES OF THIS ARTICLE THE FOLLOWING
21 TERMS SHALL HAVE THE FOLLOWING MEANINGS:

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

24 2. "DILAPIDATED" SHALL MEAN A HOUSING UNIT THAT DOES NOT PROVIDE SAFE
25 AND ADEQUATE SHELTER, AND IN ITS PRESENT CONDITION ENDANGERS THE HEALTH,
26 SAFETY OR WELL-BEING OF THE OCCUPANTS. SUCH A HOUSING UNIT SHALL HAVE
27 ONE OR MORE CRITICAL DEFECTS, OR A COMBINATION OF INTERMEDIATE DEFECTS
28 IN SUFFICIENT NUMBER OR EXTENT TO REQUIRE CONSIDERABLE REPAIR OR

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

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1 REBUILDING. SUCH DEFECTS MAY INVOLVE ORIGINAL CONSTRUCTION, OR THEY MAY
2 RESULT FROM CONTINUED NEGLECT OR LACK OF REPAIR OR FROM SERIOUS DAMAGE
3 TO THE STRUCTURE.

4 3. "ELIGIBLE APPLICANT" SHALL MEAN A UNIT OF LOCAL GOVERNMENT OR A
5 NOT-FOR-PROFIT CORPORATION IN EXISTENCE FOR A PERIOD OF ONE OR MORE
6 YEARS PRIOR TO APPLICATION, WHICH IS, OR WILL BE AT THE TIME OF AWARD,
7 INCORPORATED UNDER THE NOT-FOR-PROFIT CORPORATION LAW AND HAS SUBSTAN-
8 TIAL EXPERIENCE IN AFFORDABLE HOUSING.

9 4. "ELIGIBLE PROPERTY" SHALL MEAN A MOBILE OR MANUFACTURED HOME THAT
10 IS THE PRIMARY RESIDENCE OF A HOMEOWNER WITH A TOTAL HOUSEHOLD INCOME
11 THAT DOES NOT EXCEED EIGHTY PERCENT OF AREA MEDIAN INCOME FOR THE COUNTY
12 IN WHICH A PROJECT IS LOCATED AS CALCULATED BY THE UNITED STATES DEPART-
13 MENT OF HOUSING AND URBAN DEVELOPMENT.

14 5. "MANUFACTURED HOME" SHALL HAVE THE SAME MEANING AS IS SET FORTH FOR
15 SUCH TERM IN SUBDIVISION SEVEN OF SECTION SIX HUNDRED ONE OF THE EXECU-
16 TIVE LAW.

17 6. "MOBILE AND MANUFACTURED HOME REPLACEMENT PROGRAM" OR "PROGRAM"
18 SHALL MEAN A PROPOSAL BY AN ELIGIBLE APPLICANT FOR THE REPLACEMENT OF A
19 DILAPIDATED MOBILE OR MANUFACTURED HOME WITH A NEW MANUFACTURED, MODULAR
20 OR SITE-BUILT HOME. ALL REPLACEMENT HOMES SHALL BE ENERGY STAR RATED FOR
21 ENERGY EFFICIENCY.

22 7. "MODULAR HOME" SHALL HAVE THE SAME MEANING AS IS SET FORTH FOR SUCH
23 TERM IN PARAGRAPH THIRTY-THREE OF SUBDIVISION (B) OF SECTION ELEVEN
24 HUNDRED ONE OF THE TAX LAW.

25 8. "SITE-BUILT HOME" SHALL MEAN A STRUCTURE BUILT ON-SITE USING BUILD-
26 ING MATERIALS DELIVERED TO THE SITE, EVEN IF SOME OF SUCH MATERIALS WERE
27 MANUFACTURED, PRODUCED OR ASSEMBLED OFF-SITE SUCH AS, BY WAY OF EXAMPLE
28 AND NOT BY WAY OF LIMITATION, CONCRETE BLOCKS, WINDOWS, DOOR UNITS, WALL
29 OR ROOF PANELS, TRUSSES AND DORMERS.

30 S 1242. MOBILE AND MANUFACTURED HOME REPLACEMENT CONTRACTS. 1. GRANTS.
31 WITHIN THE LIMIT OF FUNDS AVAILABLE IN THE MOBILE AND MANUFACTURED HOME
32 REPLACEMENT PROGRAM, THE CORPORATION IS HEREBY AUTHORIZED TO ENTER INTO
33 CONTRACTS WITH ELIGIBLE APPLICANTS TO PROVIDE GRANTS, WHICH SHALL BE
34 USED TO ESTABLISH PROGRAMS TO PROVIDE ASSISTANCE TO ELIGIBLE PROPERTY
35 OWNERS TO REPLACE DILAPIDATED MOBILE OR MANUFACTURED HOMES IN THE STATE.

36 2. PROGRAM CRITERIA. THE CORPORATION SHALL DEVELOP PROCEDURES, CRITE-
37 RIA AND REQUIREMENTS RELATED TO THE APPLICATION AND AWARD OF PROJECTS
38 PURSUANT TO THIS SECTION WHICH SHALL INCLUDE: ELIGIBILITY, MARKET
39 DEMAND, FEASIBILITY AND FUNDING CRITERIA; THE FUNDING DETERMINATION
40 PROCESS; SUPERVISION AND EVALUATION OF CONTRACTING APPLICANTS; REPORT-
41 ING, BUDGETING AND RECORD-KEEPING REQUIREMENTS; PROVISIONS FOR MODIFICA-
42 TION AND TERMINATION OF CONTRACTS; AND SUCH OTHER MATTERS NOT INCONSIST-
43 ENT WITH THE PURPOSES AND PROVISIONS OF THIS ARTICLE AS THE CORPORATION
44 SHALL DEEM NECESSARY OR APPROPRIATE.

45 3. CONTRACT LIMITATIONS. THE TOTAL CONTRACT PURSUANT TO ANY ONE ELIGI-
46 BLE APPLICANT IN A SPECIFIED REGION SHALL NOT EXCEED FIVE HUNDRED THOU-
47 SAND DOLLARS AND THE CONTRACT SHALL PROVIDE FOR COMPLETION OF THE
48 PROGRAM WITHIN A REASONABLE PERIOD, AS SPECIFIED THEREIN, WHICH SHALL
49 NOT IN ANY EVENT EXCEED FOUR YEARS FROM COMMENCEMENT OF THE PROGRAM.
50 UPON REQUEST, THE CORPORATION MAY EXTEND THE TERM OF THE CONTRACT FOR UP
51 TO AN ADDITIONAL ONE YEAR PERIOD FOR GOOD CAUSE SHOWN BY THE ELIGIBLE
52 APPLICANT.

53 4. PLANNING AND ADMINISTRATIVE COSTS. THE CORPORATION SHALL AUTHORIZE
54 THE ELIGIBLE APPLICANT TO SPEND SEVEN AND ONE-HALF PERCENT OF THE
55 CONTRACT AMOUNT FOR APPROVED PLANNING AND ADMINISTRATIVE COSTS ASSOCI-
56 ATED WITH ADMINISTERING THE PROGRAM.

1 5. THE CORPORATION SHALL REQUIRE THAT, IN ORDER TO RECEIVE A GRANT
2 PURSUANT TO THIS ARTICLE, THE ELIGIBLE PROPERTY OWNER SHALL HAVE NO
3 LIENS ON THE LAND AFTER CLOSING THE GRANT OTHER THAN THE NEW HOME
4 FINANCING AND CURRENTLY EXISTING MORTGAGE OR MORTGAGES, AND ALL PROPERTY
5 TAXES AND INSURANCES MUST BE CURRENT.

6 6. ASSISTANCE. FINANCIAL ASSISTANCE TO ELIGIBLE PROPERTY OWNERS SHALL
7 BE ONE HUNDRED PERCENT GRANTS IN THE FORM OF DEFERRED PAYMENT LOANS
8 (DPL). A TEN YEAR DECLINING BALANCE LIEN IN THE FORM OF A NOTE AND MORT-
9 GAGE, DULY FILED AT THE COUNTY CLERK'S OFFICE, WILL BE UTILIZED FOR
10 REPLACEMENT PROJECTS. NO INTEREST OR PAYMENTS WILL BE REQUIRED ON THE
11 DPL UNLESS THE PROPERTY IS SOLD OR TRANSFERRED BEFORE THE REGULATORY
12 TERM EXPIRES. IN SUCH CASES FUNDS WILL BE RECAPTURED FROM THE PROCEEDS
13 OF THE SALE OF THE HOME, ON A DECLINING BALANCE BASIS, UNLESS AN
14 INCOME-ELIGIBLE IMMEDIATE FAMILY MEMBER ACCEPTS OWNERSHIP OF, AND
15 RESIDES IN THE NEW REPLACEMENT HOME FOR THE REMAINDER OF THE REGULATORY
16 TERM. IN ADDITION THE MOBILE AND MANUFACTURED HOME REPLACEMENT PROGRAM
17 ESTABLISHED BY THIS ARTICLE SHALL: (A) PROVIDE FUNDS FOR RELOCATION
18 ASSISTANCE TO HOMEOWNERS WHO ARE UNABLE TO VOLUNTARILY RELOCATE DURING
19 THE DEMOLITION AND CONSTRUCTION PHASES OF THE PROJECT; (B) PROVIDE FUND-
20 ING FOR THE COSTS OF DEMOLISHING AND DISPOSING OF THE DILAPIDATED HOME;
21 AND (C) COMPLEMENT AND BE IN ADDITION TO ANY EXISTING MOBILE HOME
22 REPLACEMENT ESTABLISHED UNDER THE NEW YORK STATE HOME PROGRAM PURSUANT
23 TO SECTION ELEVEN HUNDRED SEVENTY-TWO OF THIS CHAPTER, OR ANY SUCCESSOR
24 THERETO, AND FUNDED WITH FEDERAL FUNDS.

25 7. HOMEOWNERSHIP TRAINING. THE ELIGIBLE PROPERTY OWNER MUST AGREE TO
26 ATTEND AN APPROVED HOMEOWNERSHIP TRAINING PROGRAM FOR POST-PURCHASE,
27 CREDIT/BUDGET, AND HOME MAINTENANCE COUNSELING AS PART OF THE APPLICA-
28 TION PROCESS.

29 8. FUNDING CRITERIA. THE TOTAL PAYMENT PURSUANT TO ANY ONE GRANT
30 CONTRACT SHALL NOT EXCEED ONE HUNDRED THOUSAND DOLLARS AND THE CONTRACT
31 SHALL PROVIDE FOR COMPLETION OF THE PROGRAM WITHIN A REASONABLE PERIOD,
32 AS SPECIFIED THEREIN, NOT TO EXCEED FOUR YEARS.

33 9. FUNDING AND ANNUAL REPORT. THE CORPORATION IN ITS SOLE DISCRETION
34 SHALL AUTHORIZE ALL FUNDING DECISIONS AND MAKE ALL AWARD ANNOUNCEMENTS.
35 THE CORPORATION SHALL, ON OR BEFORE DECEMBER THIRTY-FIRST IN EACH YEAR
36 SUBMIT A REPORT TO THE LEGISLATURE ON THE IMPLEMENTATION OF THIS ARTI-
37 CLE. SUCH REPORT SHALL INCLUDE, BUT NOT BE LIMITED TO, FOR EACH AWARD
38 MADE TO A GRANTEE UNDER THIS ARTICLE: A DESCRIPTION OF SUCH AWARD;
39 CONTRACT AMOUNT AND CUMULATIVE TOTAL; AND SUCH OTHER INFORMATION AS THE
40 CORPORATION DEEMS PERTINENT.

41 S 2. This act shall take effect immediately.