STATE OF NEW YORK

1378--A

2017-2018 Regular Sessions

IN SENATE

January 9, 2017

Introduced by Sens. LITTLE, RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- recommitted to the Committee on Housing, Construction and Community Development in accordance with Senate Rule 6, sec. 8 -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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 Assembly, do enact as follows:

Section 1. The private housing finance law is amended by adding a new article 29 to read as follows:

ARTICLE XXIX

MOBILE AND MANUFACTURED HOME REPLACEMENT PROGRAM

Section 1260. Statement of legislative findings and purpose.

1261. Definitions.

1262. Mobile and manufactured home replacement contracts.

§ 1260. Statement of legislative findings and purpose. The legislature hereby finds and declares that there exists in New York state a serious need to eliminate older, dilapidated mobile and manufactured homes and replace them with new manufactured, modular or site-built homes. Older mobile or manufactured home units with rusted, leaking metal roofs, metal-framed windows with interior take-out storms, and metal siding, are those that most need replacement. No matter the amount of rehabilitation investment, the end result is unsatisfactory in terms of longevity, energy efficiency and affordability. The legislature therefore finds that the state should establish a program to fund the replacement of mobile or manufactured homes with new affordable and energy efficient manufactured, modular or site-built homes.

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

LBD00666-02-8

§ 1261. Definitions. For the purposes of this article the following terms shall have the following meanings:

1. "Corporation" shall mean the housing trust fund corporation established in section forty-five-a of this chapter.

2. "Dilapidated" shall mean a housing unit that does not provide safe and adequate shelter, and in its present condition endangers the health, safety or well-being of the occupants. Such a housing unit shall have one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. Such defects may involve original construction, or they may result from continued neglect or lack of repair or from serious damage to the structure.

3. "Eligible applicant" shall mean a unit of local government or a 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 substantial experience in affordable housing.

4. "Eligible property" shall mean a mobile or manufactured home that is the primary residence of a homeowner with a total household income that does not exceed eighty percent of area median income for the county in which a project is located as calculated by the United States department of housing and urban development.

5. "Manufactured home" shall have the same meaning as is set forth for such term in subdivision seven of section six hundred one of the executive law.

6. "Mobile and manufactured home replacement program" or "program" shall mean a proposal by an eligible applicant for the replacement of a dilapidated mobile or manufactured home with a new manufactured, modular or site-built home. All replacement homes shall be energy star rated for energy efficiency.

7. "Modular home" shall have the same meaning as is set forth for such term in paragraph thirty-three of subdivision (b) of section eleven hundred one of the tax law.

8. "Site-built home" shall mean a structure built on-site using building materials delivered to the site, even if some of such materials were manufactured, produced or assembled off-site such as, by way of example and not by way of limitation, concrete blocks, windows, door units, wall or roof panels, trusses and dormers.

§ 1262. Mobile and manufactured home replacement contracts. 1. Grants. Within the limit of funds available in the mobile and manufactured home replacement program, the corporation is hereby authorized to enter into contracts with eligible applicants to provide grants, which shall be used to establish programs to provide assistance to eligible property owners to replace dilapidated mobile or manufactured homes in the state.

2. Program criteria. The corporation shall develop procedures, criteria and requirements related to the application and award of projects pursuant to this section which shall include: eligibility, market demand, feasibility and funding criteria; the funding determination process; supervision and evaluation of contracting applicants; reporting, budgeting and record-keeping requirements; provisions for modification and termination of contracts; and such other matters not inconsistent with the purposes and provisions of this article as the corporation shall deem necessary or appropriate.

3. Contract limitations. The total contract pursuant to any one eligible applicant in a specified region 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 four years from commencement of the program. Upon request, the corporation may extend the term of the contract for up to an additional one year period for good cause shown by the eligible applicant.

4. Planning and administrative costs. The corporation shall authorize the eligible applicant to spend seven and one-half percent of the contract amount for approved planning and administrative costs associated with administering the program.

5. The corporation shall require that, in order to receive a grant pursuant to this article, the eligible property owner shall have no liens on the land after closing the grant other than the new home financing and currently existing mortgage or mortgages, and all property taxes and insurances must be current.

6. Assistance. Financial assistance to eligible property owners shall be one hundred percent grants in the form of deferred payment loans (hereinafter referred to in this subdivision as "DPL"). A ten year declining balance lien in the form of a note and mortgage, duly filed at the county clerk's office, will be utilized for replacement projects. No interest or payments will be required on the DPL unless the property is sold or transferred before the regulatory term expires. In such cases funds will be recaptured from the proceeds of the sale of the home, on a declining balance basis, unless an income-eligible immediate family member accepts ownership of, and resides in the new replacement home for the remainder of the regulatory term. In addition the mobile and manufactured home replacement program established by this article shall: (a) provide funds for relocation assistance to homeowners who are unable to voluntarily relocate during the demolition and construction phases of the project; (b) provide funding for the costs of demolishing and disposing of the dilapidated home; and (c) complement and be in addition to any existing mobile home replacement established under the New York state HOME program pursuant to section eleven hundred seventy-two of this chapter, or any successor thereto, and funded with federal funds.

7. Homeownership training. The eligible property owner must agree to attend an approved homeownership training program for post-purchase, credit/budget, and home maintenance counseling as part of the application process.

8. Funding criteria. The total payment pursuant to any one grant contract shall not exceed one hundred thousand dollars and the contract shall provide for completion of the program within a reasonable period, as specified therein, not to exceed four years.

9. Funding and annual report. The corporation in its sole discretion shall authorize all funding decisions and make all award announcements. The corporation shall, on or before December thirty-first in each year submit a report to the legislature on the implementation of this article. Such report shall include, but not be limited to, for each award made to a grantee under this article: a description of such award; contract amount and cumulative total; and such other information as the corporation deems pertinent.

§ 2. This act shall take effect immediately.