

# STATE OF NEW YORK

5257

2021-2022 Regular Sessions

## IN SENATE

March 1, 2021

Introduced by Sen. GIANARIS -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the private housing finance law and the state finance law, in relation to enacting the "housing our neighbors with dignity act"

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Short title. This act shall be known and may be cited as the "housing our neighbors with dignity act".

§ 2. The private housing finance law is amended by adding a new article 31 to read as follows:

### ARTICLE XXXI

#### HOUSING OUR NEIGHBORS WITH DIGNITY PROGRAM

Section 1280. Legislative findings and purpose.

1281. Definitions.

1282. Housing our neighbors with dignity program.

§ 1280. Legislative findings and purpose. The state of New York, through the division of housing and community renewal, is empowered to purchase and convert distressed hotels and commercial properties, in cities with a population of one million or more, for use as affordable permanent housing that meets standards established to ensure safety, habitability, quality, and access to supportive services as appropriate, to be made available to low-income households and people experiencing homelessness immediately prior to entering such housing. These properties will be managed by appropriate nonprofit organizations, either through transfer of ownership or long-term net lease by the New York governmental entity that acquired the property.

The acquired properties may be converted into housing models as deemed necessary by the state or appropriate nonprofit authority for the purposes of creating supportive and/or affordable housing units;

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

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1 provided that the housing remains affordable as defined by the term  
2 affordable housing included in this article.

3 § 1281. Definitions. For the purposes of this article, the following  
4 terms shall have the following meanings:

5 1. "Appropriate nonprofit organization" shall mean a nonprofit organ-  
6 ization that:

7 (a) Has one of such organization's primary purposes:

8 (i) The provision of housing that is affordable to low-income fami-  
9 lies; or

10 (ii) The provision of services or housing for individuals or families  
11 experiencing homelessness; or

12 (b) Is otherwise considered by the state as a suitable housing manage-  
13 ment organization.

14 2. "Affordable housing" shall mean housing that is affordable to a  
15 low-income household with income at or below fifty percent of the area  
16 median income for the county in which the property is located as calcu-  
17 lated by the United States department of housing and urban development.

18 3. "Distressed" shall mean an asset that is:

19 (a) Listed for sale; and

20 (b) In a financially distressing condition, as determined by the  
21 state.

22 4. "Experiencing homelessness" shall refer to those individuals resid-  
23 ing in shelters, transitional housing, and other types of emergency  
24 housing.

25 5. "Rent stabilized" shall mean collectively, the rent stabilization  
26 law of nineteen hundred sixty-nine, the rent stabilization code, and the  
27 emergency tenant protection act of nineteen seventy-four, all as in  
28 effect as of the effective date of the chapter of the laws of two thou-  
29 sand twenty-one that added this subdivision or as amended thereafter,  
30 together with any successor statutes or regulations addressing substan-  
31 tially the same subject matter.

32 § 1282. Housing our neighbors with dignity program. 1. Establishment.  
33 The commissioner, in conjunction with the division of housing and commu-  
34 nity renewal, shall develop a housing our neighbors with dignity program  
35 (hereinafter referred to as "the program"), which shall provide a mech-  
36 anism for the state to purchase, acquire and hold distressed commercial  
37 real estate and other commercial properties for the purpose of maintain-  
38 ing or increasing affordable housing in cities with a population of one  
39 million or more. Such program shall actively acquire such properties  
40 for two years following the effective date of this article; provided,  
41 however, that all affordable housing properties produced through this  
42 program shall remain permanently affordable, pursuant to this article.

43 2. Purpose. The purpose of the housing our neighbors with dignity  
44 program shall be to:

45 (a) Acquire distressed commercial real estate property for the purpose  
46 of stabilizing communities and the housing market;

47 (b) Convert and rehabilitate the physical condition of acquired prop-  
48 erty in order to enhance the value and condition of such property for  
49 future occupants, for the environmental sustainability of such property,  
50 and for the economic and social conditions of the surrounding community;

51 (c) Sell or otherwise transfer acquired property to entities that will  
52 use such property to guarantee affordable, habitable and environmentally  
53 sustainable housing to asset-limited, low-income individuals and fami-  
54 lies;

55 (d) Finance the transfer of acquired property to such entities; and

1 (e) Provide an appropriate and expedient manner for owners of  
2 distressed properties to transfer ownership or long-term net lease.

3 3. Powers. (a) The state may purchase, acquire, and hold distressed  
4 hotel real estate assets, and may take such actions as may be necessary  
5 to identify such distressed real estate and other commercial properties,  
6 and acquire such properties, for the purpose of maintaining or increas-  
7 ing the stock of affordable, stable, quality housing in cities with a  
8 population of one million or more.

9 (b) Hotel real estate assets shall only include hotels with fewer than  
10 one hundred fifty units, and those that are located in any borough  
11 outside of Manhattan, or within Manhattan excluding the following area  
12 in the borough of Manhattan: beginning at the intersection of the United  
13 States pierhead line in the Hudson river and the center line of Chambers  
14 street, extended, thence easterly to the center line of Chambers street  
15 and continuing along the center line of Chambers street to the center  
16 line of Centre street, thence southerly along the center line of Centre  
17 street to the center line of the Brooklyn Bridge to the intersection of  
18 the Brooklyn Bridge and the United States pierhead line in the East  
19 river, thence northerly along the United States pierhead line in the  
20 East river to the intersection of the United States pierhead line in the  
21 East river and the center line of One Hundred Tenth street extended,  
22 thence westerly to the center line of One Hundred Tenth street and  
23 continuing along the center line of One Hundred Tenth street to its  
24 westerly terminus, thence westerly to the intersection of the center  
25 line of One Hundred Tenth street extended and the United States pierhead  
26 line in the Hudson river, thence southerly along the United States pier-  
27 head line in the Hudson river to the point of beginning.

28 4. Converted properties. All properties converted to affordable hous-  
29 ing pursuant to this section shall meet the minimum standards of habita-  
30 bility, safety and quality of life for all established housing. Tenants  
31 shall pay no more than thirty percent of their income toward rent. Addi-  
32 tional operating expenses shall be met through any combination of subsi-  
33 dies, vouchers, commercial rents, or other sources of income available  
34 to the housing provider under the model the non-profit chooses to  
35 pursue. All units shall be rent stabilized as defined in this article.  
36 At least fifty percent of all converted properties shall be set aside  
37 for individuals and families who were experiencing homelessness imme-  
38 diately prior to entering such converted affordable housing.

39 5. Restrictions. The state shall not, in any case, sell or transfer  
40 property unless the state has:

41 (a) Taken all actions necessary to bring the property into compliance  
42 with applicable building, safety, health and habitability codes and  
43 requirements; or

44 (b) Entered into such agreements with the purchaser or transferee to  
45 ensure that any actions necessary to bring the property into compliance  
46 with applicable building, safety, health and habitability codes and  
47 requirements will be taken before such property is occupied.

48 6. Tenant protections. Tenants residing in properties converted to  
49 affordable housing pursuant to this section shall have full tenancy  
50 rights, including all the tenant protections pursuant to rent stabiliza-  
51 tion as defined in this article. Tenancy in such affordable housing  
52 shall not be restricted on the basis of sexual identity or orientation,  
53 gender identity or expression, conviction or arrest record, credit  
54 history, or immigration status.

55 § 3. The state finance law is amended by adding a new section 99-ii to  
56 read as follows:

1     § 99-ii. Distressed property conversion fund. 1. There is hereby  
2 established in the joint custody of the commissioner of housing and  
3 community renewal and the comptroller, a special fund to be known as the  
4 "distressed property conversion fund".

5     2. The distressed property conversion fund shall consist of monetary  
6 grants, gifts or bequests received by the state for the purposes of the  
7 fund, and all other moneys credited or transferred thereto from any  
8 other fund or source. Moneys of such fund shall be expended only to  
9 carry out the provisions of the housing our neighbors with dignity  
10 program pursuant to article thirty-one of the private housing finance  
11 law. Nothing in this section shall prevent the state from soliciting and  
12 receiving grants, gifts or bequests for the purposes of such fund and  
13 depositing them into the fund according to law.

14     3. Moneys in such fund shall be kept separate from and shall not be  
15 commingled with any other moneys in the custody of the comptroller or  
16 the commissioner of taxation and finance. Any moneys of the fund not  
17 required for immediate use may, at the discretion of the comptroller, in  
18 consultation with the director of the budget, be invested by the comp-  
19 troller in obligations of the United States or the state, or in obli-  
20 gations the principal and interest on which are guaranteed by the United  
21 States or by the state. Any income earned by the investment of such  
22 moneys shall be added to and become a part of and shall be used for the  
23 purposes of such fund.

24     § 4. This act shall take effect on the sixtieth day after it shall  
25 have become a law. Effective immediately, the addition, amendment  
26 and/or repeal of any rule or regulation necessary for the implementation  
27 of this act on its effective date are authorized to be made and  
28 completed on or before such effective date.