

STATE OF NEW YORK

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IN SENATE

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Introduced by Sens. GIANARIS, BRISPORT, KAVANAGH, MYRIE, RIVERA, SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- 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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the private housing finance law, the state finance law and the multiple dwelling 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:

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

3 § 2. The private housing finance law is amended by adding a new arti-
4 cle 31 to read as follows:

ARTICLE XXXI

HOUSING OUR NEIGHBORS WITH DIGNITY PROGRAM

5
6 Section 1280. Legislative findings and purpose.

7 1281. Definitions.

8 1282. Housing our neighbors with dignity program.

9
10 § 1280. Legislative findings and purpose. The state of New York,
11 through the division of housing and community renewal, is empowered to
12 purchase, acquire, hold and/or convert or finance the purchase, acquisi-
13 tion, holding and/or conversion of distressed hotels and commercial
14 office properties for use as affordable permanent housing that meets
15 standards established to ensure safety, habitability, quality, and
16 access to supportive services as appropriate, to be made available to
17 low-income households and people experiencing homelessness immediately
18 prior to entering such housing. These properties shall be owned, oper-

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

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1 ated and managed by appropriate nonprofit organizations, either through
2 transfer of ownership or long-term net lease by the New York govern-
3 mental entity that acquired the property, or through the use of govern-
4 ment agency funding to acquire the property.

5 The acquired properties shall be converted into permanently affordable
6 housing modeled as financially and operationally deemed necessary by the
7 state or appropriate nonprofit organization for the purposes of creating
8 supportive and/or permanently affordable housing units; provided that
9 the housing shall remain affordable as defined by the term affordable
10 housing included in this article.

11 § 1281. Definitions. For the purposes of this article, the following
12 terms shall have the following meanings:

13 1. "Appropriate nonprofit organization" shall mean a bona fide nonpro-
14 fit organization that:

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

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

18 (ii) The provision of services or housing for individuals or families
19 experiencing homelessness; or

20 (b) Is otherwise considered by the state as a suitable housing manage-
21 ment organization, by a vetting process developed by the division of
22 housing and community renewal.

23 2. "Affordable housing" shall mean housing that is affordable to low
24 and moderate-income households, such that the new housing achieves
25 income averaging at or below fifty percent of the area median income,
26 with residents' eligibility capped at a maximum of eighty percent of the
27 area median income at the start of their lease. Applicants shall not be
28 rejected from eligibility based on credit histories or credit scores.

29 3. "Distressed" shall mean an asset that is financially distressed or
30 for sale, as determined by the commissioner of the division of housing
31 and community renewal.

32 4. "Experiencing homelessness" shall refer to those individuals resid-
33 ing in shelters, transitional housing, public spaces, and other types of
34 emergency housing.

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

42 § 1282. Housing our neighbors with dignity program. 1. Establishment.
43 The commissioner, in conjunction with the division of housing and commu-
44 nity renewal, shall develop a housing our neighbors with dignity program
45 (hereinafter referred to as "the program"), which shall provide a mech-
46 anism for the state to purchase, acquire and hold distressed hotels
47 and/or commercial office properties or finance appropriate nonprofit
48 organizations to acquire such properties for the purpose of maintaining
49 or increasing affordable housing. Such program shall actively acquire
50 such properties following the effective date of this article; provided,
51 however, that all affordable housing properties produced through this
52 program shall remain permanently affordable, pursuant to this article.
53 Permanent affordability restrictions require at least one of the follow-
54 ing: (a) a ninety-nine-year renewable land lease between the division of
55 housing and community renewal or other government agency and the nonpro-
56 fit manager with a regulatory agreement in place, where such lease

1 includes automatic reverter language for regulatory agreement
2 violations, including but not limited to failure to meet the minimum
3 obligations set forth in this article; (b) other affordability
4 restrictions in land leases or other recorded documents not specifically
5 listed in this subdivision, so long as the division of housing and
6 community renewal or other government agency determines that such
7 restrictions are enforceable and likely to be enforced, including but
8 not limited to a regulatory agreement with a local housing agency; or
9 (c) a community land trust lease, which is a ninety-nine-year renewable
10 land lease with affordability and owner-occupancy restrictions.

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

13 (a) Acquire or finance appropriate nonprofit organizations to acquire
14 distressed hotels and/or commercial office properties for the purpose of
15 stabilizing communities and the housing market;

16 (b) Convert and rehabilitate or finance appropriate nonprofit organ-
17 izations to convert and rehabilitate the physical condition of acquired
18 property in order to enhance the condition of such property for future
19 occupants;

20 (c) Transfer acquired property to appropriate nonprofit organizations
21 that will operate and manage such property to guarantee affordable,
22 habitable and environmentally sustainable housing to formerly homeless
23 asset-limited, or low and moderate-income individuals and families;

24 (d) Finance the transfer of acquired property to such organizations;
25 and

26 (e) Provide an appropriate and expedient manner for owners of such
27 distressed properties to transfer ownership to the division of housing
28 and community renewal, any other government agency, or to an appropriate
29 nonprofit organization.

30 3. Powers. The state may purchase, acquire, and hold or finance appro-
31 priate nonprofit organizations to purchase, acquire and hold distressed
32 hotel and/or commercial office properties in any part of the state, and
33 may take such actions as may be necessary to identify and acquire such
34 distressed properties, for the purpose of maintaining or increasing the
35 stock of affordable, stable, quality housing, and such action shall be
36 defined as an acquisition for purposes of this subdivision; provided
37 that in the case of a property at which any hotel workers are repres-
38 ented by a collective bargaining representative, prior to the proposed
39 acquisition, the collective bargaining representative shall be notified
40 in writing of the proposed acquisition, and the property owner shall
41 certify prior to the state initiating such acquisition that the collec-
42 tive bargaining representative has mutually agreed in a separate writing
43 with the property owner to take the specific acquisition described in
44 the written notice.

45 4. Converted properties. All properties converted to affordable hous-
46 ing pursuant to this section shall meet the minimum standards of habita-
47 bility, safety and quality of life for all established housing. Tenants
48 shall pay no more than thirty percent of their income toward rent. Addi-
49 tional operating expenses shall be met through any combination of subsi-
50 dies, vouchers, commercial rents, or other sources of income available
51 to the housing provider under the model the non-profit chooses to
52 pursue. All units shall be rent stabilized as defined in this article in
53 localities that have adopted or opted in to the rent stabilization law.
54 At least fifty percent of all converted properties shall be set aside
55 for individuals and families who were experiencing homelessness imme-
56 diately prior to entering such converted affordable housing. Each unit

1 must contain, at a minimum, a living/sleeping space, private bathroom
2 with bath and/or shower, and either a full kitchen or a kitchenette with
3 at least a 24-inch refrigerator, sink, cooktop, microwave oven and
4 outlets for countertop appliances.

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

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

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

14 6. Tenant protections. Tenants residing in properties converted to
15 affordable housing pursuant to this section shall have full tenancy
16 rights, including all the tenant protections pursuant to rent stabiliza-
17 tion as defined in this article. Tenancy in such affordable housing
18 shall not be restricted on the basis of sexual identity or orientation,
19 gender identity or expression, conviction or arrest record, credit
20 history, or immigration status.

21 § 3. Section 301 of the multiple dwelling law is amended by adding a
22 new subdivision 7 to read as follows:

23 7. a. Any certificate by the department authorizing occupancy of a
24 dwelling as a class B hotel shall also authorize occupancy of units in
25 such dwelling for permanent residence purposes notwithstanding any
26 provision of this chapter or of any state law, local law, ordinance,
27 resolution or regulation that would otherwise prohibit such occupancy,
28 require a change or alteration to the dwelling, or require a new or
29 amended certificate, provided that: (i) such occupancy for permanent
30 residence purposes shall be subject to the approval of the local housing
31 agency in its discretion; (ii) a portion of such dwelling shall be
32 located within four hundred feet of a district that under the local
33 zoning regulations or ordinances permits residential uses and such
34 dwelling shall not be located in an industrial business zone established
35 pursuant to chapter six-D of title twenty-two of the administrative code
36 of the city of New York; and (iii) such dwelling shall meet the condi-
37 tions in paragraph b of this subdivision. Alterations to the configura-
38 tion of any such units shall be permitted and shall comply with any
39 applicable requirements of any state law, local law, ordinance, resol-
40 ution or regulation relating to class B hotels. If occupancy for perma-
41 nent residence purposes is authorized under the provisions of this
42 subdivision within a district where the local zoning regulations or
43 ordinances would not otherwise permit such use, the residential tenants
44 shall be notified of the district's zoning.

45 b. Occupancy of units in a dwelling shall not be authorized under the
46 provisions of paragraph a of this subdivision unless such units are
47 purchased, acquired, or financed: (i) by the state pursuant to and in
48 compliance with the provisions of article thirty-one of the private
49 housing finance law; or (ii) by a local housing agency, for the purpose
50 of creating supportive and/or affordable housing to be operated by an
51 appropriate nonprofit organization pursuant to a regulatory agreement or
52 contract with such local agency for low-income households or people
53 experiencing homelessness immediately prior to entering such housing,
54 where tenants shall pay no more than thirty percent of their income
55 toward rent and all units are rent stabilized and subject to permanent
56 affordability restrictions. For purposes of this paragraph, "appropriate

1 nonprofit organization," "affordable housing," "experiencing homeless-
2 ness," "rent stabilized," and "permanent affordability restrictions"
3 shall have the same meaning as defined in article thirty-one of the
4 private housing finance law.

5 § 4. The state finance law is amended by adding a new section 99-nn to
6 read as follows:

7 § 99-nn. Social housing conversion fund. 1. There is hereby estab-
8 lished in the joint custody of the commissioner of housing and community
9 renewal and the comptroller, a special fund to be known as the "social
10 housing conversion fund".

11 2. The social housing conversion fund shall consist of monetary
12 grants, gifts, bequests or loan authority received by the state for the
13 purposes of the fund, and all other moneys credited or transferred ther-
14 eto from any other fund or source. Moneys of such fund shall be expended
15 only to carry out the provisions of the housing our neighbors with
16 dignity program pursuant to article thirty-one of the private housing
17 finance law. Nothing in this section shall prevent the state from solici-
18 ting and receiving grants, gifts or bequests for the purposes of such
19 fund and depositing them into the fund according to law.

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

30 § 5. Non-severability clause. If any clause, sentence, subdivision,
31 paragraph, section or part of this act shall be adjudged by any court of
32 competent jurisdiction to be invalid, and such decision is not reversed
33 or is otherwise deemed to be final, such judgment shall have the effect
34 of rendering this act invalid, inoperative and void.

35 § 6. This act shall take effect on the sixtieth day after it shall
36 have become a law. Effective immediately, the addition, amendment
37 and/or repeal of any rule or regulation necessary for the implementation
38 of this act on its effective date are authorized to be made and
39 completed on or before such effective date.