STATE OF NEW YORK

5257--C

2021-2022 Regular Sessions

IN SENATE

March 1, 2021

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 -- 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 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 housing trust fund corporation, is empowered to finance the purchase, acquisition, holding or conversion of distressed hotels and commercial office properties 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 shall be owned,

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

LBD09863-10-1

operated and managed by appropriate nonprofit organizations through the use of government agency funding to acquire the property.

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

§ 1281. 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 pursuant to section forty-five-a of this chapter.

2. "Appropriate nonprofit organization" shall mean a not-for-profit organization that:

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

(i) The provision of housing that is affordable to low-income families; or

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

(b) Is otherwise considered by the state as a suitable housing management organization, by a vetting process developed by the corporation.

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

4. "Building service employee" shall mean any person who is regularly employed at, and performs work in connection with the care or maintenance of, a converted property in a city with a population of one million or more, including but not limited to, a watchman, guard, doorman, building cleaner, porter, handyman, janitor, gardener, groundskeeper, elevator operator and starter, or window cleaner.

5. "Distressed" shall mean an available asset that is financially distressed as determined by the corporation.

6. "Exempt supportive housing" shall mean converted property for which a nonprofit organization has:

(a) entered into a regulatory agreement with a federal, state, or local government entity in a city with a population of one million or more that requires:

(i) at least fifty percent of the residential units in such converted property be reserved for homeless, disabled individuals or homeless families with a disabled head-of-household; and

(ii) the provision of on-site supportive services to the residents of at least fifty percent of the residential units; and

(b) the remaining fifty percent of the residential units in such converted property rented to households earning, on average, up to eighty percent of the area median income, adjusted for household size.

7. "Experiencing homelessness" shall refer to those individuals residing in shelters, transitional housing, public spaces, and other types of emergency housing.

8. "Fiscal officer" shall mean the comptroller of the city of New York or other analogous officer of such city.

9. "Prevailing wage" shall mean the rate of wages and supplemental benefits paid in the locality to workers in the same trade or occupation

and annually determined by the fiscal officer in accordance with the provisions of section two hundred thirty-four of the labor law.

10. "Rent stabilized" shall mean collectively, the rent stabilization law of nineteen hundred sixty-nine, the rent stabilization code, and the emergency tenant protection act of nineteen seventy-four, all as in effect as of the effective date of the chapter of the laws of two thousand twenty-one that added this subdivision or as amended thereafter, together with any successor statutes or regulations addressing substantially the same subject matter.

11. "Small converted property" shall mean a converted property project (a) to improve no more than one hundred nineteen residential units in one or more buildings; and (b) which has received financial assistance pursuant to this article.

§ 1282. Housing our neighbors with dignity program. 1. Establishment. Subject to amounts available by appropriation therefor, the corporation shall develop a housing our neighbors with dignity program (hereinafter referred to as "the program"), which shall provide a mechanism for the state to finance the acquisition of distressed hotels and commercial office properties by appropriate nonprofit organizations for the purpose of maintaining or increasing affordable housing. All affordable housing properties produced through this program shall remain permanently affordable, and all converted properties in a city with a population of one million or more, with the exception of small converted properties and exempt supportive housing, shall be required to pay building service employees the applicable prevailing wage pursuant to subdivision one-a of this section. Permanent affordability restrictions shall require a regulatory agreement with the corporation or local housing agency or other affordability restrictions in recorded documents not specifically listed in this subdivision, provided the corporation or local housing agency determines that such restrictions are enforceable and likely to be enforced. Such enforcement measures shall include but not be limited to the ability to cancel or transfer the regulatory agreement or property to another entity for violating the terms of such regulatory agreement, such as failure to meet the minimum obligations set forth in this article when such failure is not cured.

1-a. In a city with a population of one million or more, all building service employees employed by an appropriate nonprofit organization at a converted property or otherwise employed at a converted property that is not a small converted property or exempt supportive housing shall receive at least the applicable prevailing wage in such city for craft, trade, or occupation of such building service employee. The fiscal officer shall have the power to enforce such provisions in the same manner as provided under subparagraph (iii) of paragraph (g) of subdivision seventeen of section four hundred twenty-one-a of the real property tax law. In addition, the fiscal officer shall have the power to conduct an investigation and hearing and file a determination as to the payment of wages owed by a lessee, owner, successor, or any employer of building service employees, as provided under subdivisions one, four, five, six, eight and nine of section two hundred thirty-five of the labor law.

2. Purpose. The program shall seek to:

(a) Finance the acquisition of distressed hotels and commercial office properties by appropriate nonprofit organizations for the purpose of stabilizing communities and the housing market;

(b) Finance the conversion and rehabilitation of the physical condition of acquired property by appropriate nonprofit organizations in

order to enhance the condition of such property for future occupants, such as habitability and environmental sustainability; and

(c) Provide an appropriate, expedient and efficient manner for owners of such distressed properties to transfer ownership to an appropriate nonprofit organization so as to promote the state's interest in the conversion of such properties to new supportive and affordable permanent housing units.

3. Powers. The state may finance the purchase, acquisition and holding by appropriate nonprofit organizations of distressed hotel or commercial office properties in any part of the state, and may take such actions as may be necessary to identify such distressed properties, for the purpose of maintaining or increasing the stock of affordable, stable, quality housing; provided that in the case of a property at which any hotel workers are represented by a collective bargaining representative, prior to the proposed acquisition, the collective bargaining representative shall be notified in writing of the proposed acquisition, and the property owner shall certify prior to the state initiating such acquisition that the collective bargaining representative has mutually agreed in a separate writing with the property owner to take the specific acquisition described in the written notice.

4. Converted properties. All properties converted to affordable housing pursuant to this section shall meet the minimum standards of habitability, safety and quality of life for all established housing. Additional operating expenses shall be met through any combination of subsidies, vouchers, commercial rents, or other sources of income available to the housing provider under the model the non-profit chooses to pursue. All units shall be rent stabilized as defined in this article in localities that have adopted or opted in to the rent stabilization law. At least fifty percent of all converted properties shall be set aside for individuals and families who were experiencing homelessness immediately prior to entering such converted affordable housing. Each unit must contain, at a minimum, a living/sleeping space, private bathroom with bath or shower, and either a full kitchen or a kitchenette with at least a 24-inch refrigerator, sink, cooktop, microwave oven and outlets for countertop appliances.

5. Restrictions. The state shall not, in any case, facilitate the sale or transfer of property unless the state has entered into an agreement with the appropriate nonprofit organization to ensure that any actions necessary to bring the property into compliance with applicable building, safety, health and habitability codes and requirements will be taken before such property is occupied.

6. Tenant protections. Tenants residing in properties converted to affordable housing pursuant to this section shall have full tenancy rights, including all the tenant protections pursuant to rent stabilization as defined in this article in localities that have adopted or opted in to the rent stabilization laws. Tenancy in such affordable housing shall not be restricted on the basis of sexual identity or orientation, gender identity or expression, conviction or arrest record, credit history, credit score, or immigration status.

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

§ 4. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2021.