STATE OF NEW YORK

7772

IN SENATE

January 11, 2022

Introduced by Sen. GIANARIS -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the private housing finance law, in relation to the housing our neighbors with dignity program

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

Section 1. Section 1280 of the private housing finance law, as added by a chapter of the laws of 2021 amending the private housing finance law relating to enacting the "housing our neighbors with dignity act", as proposed in legislative bills numbers S.5257C and A.6593B, is amended to read as follows:

§ 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, operated and managed by appropriate nonprofit organizations through the use of government agency funding**, pursuant to such appropriation to support the creation of an adaptive reuse affordable housing program,** to acquire **and/or convert** 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.

§ 2. Subdivisions 2 and 3 of section 1281 of the private housing finance law, as added by a chapter of the laws of 2021 amending the private housing finance law relating to enacting the "housing our neighbors with dignity act", as proposed in legislative bills numbers S.5257C and A.6593B, are amended to read as follows:

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

LBD09863-12-2

2. "Appropriate nonprofit organization" shall mean a not-for-profit [~~organization~~] **corporation formed pursuant to the not-for-profit corporation law and exempt pursuant to section 501(c)(3) or 502(c)(4) of the Internal Revenue Code of 1984 as amended and** 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~~] **sixty** 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.

§ 3. Subdivision 1 of section 1282 of the private housing finance law, as added by a chapter of the laws of 2021 amending the private housing finance law relating to enacting the "housing our neighbors with dignity act", as proposed in legislative bills numbers S. 5257C and A. 6593B, is amended to read as follows:

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 **and/or conversion** 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.

§ 4. Subdivisions 2, 3 and 4 of section 1282 of the private housing finance law, as added by a chapter of the laws of 2021 amending the private housing finance law relating to enacting the "housing our neighbors with dignity act", as proposed in legislative bills numbers S. 5257C and A. 6593B, are amended to read as follows:

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~~] **improve** 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~~] **, conversion and/or** 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 **through financing** 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~~] **units** 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~~] **7-cubic feet capacity** refrigerator, sink, cooktop, microwave oven and outlets for countertop appliances.

§ 5. This act shall take effect on the same date and in the same manner as a chapter of the laws of 2021 amending the private housing finance law relating to enacting the "housing our neighbors with dignity act", as proposed in legislative bills numbers S. 5257C and A. 6593B, takes effect.