

STATE OF NEW YORK

6593--B

2021-2022 Regular Sessions

IN ASSEMBLY

March 19, 2021

Introduced by M. of A. REYES, MITAYNES, MAMDANI, JACKSON, BARRON, PICHARDO, EPSTEIN, KELLES, BARNWELL, HEVESI, L. ROSENTHAL, MEEKS, DE LA ROSA, OTIS, GONZALEZ-ROJAS, CLARK, CARROLL, FORREST, SIMON -- read once and referred to the Committee on Housing -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, 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:

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 housing trust fund corporation, is empowered to finance the
12 purchase, acquisition, holding or conversion of distressed hotels and
13 commercial office properties for use as affordable permanent housing
14 that meets standards established to ensure safety, habitability, quali-
15 ty, and access to supportive services as appropriate, to be made avail-
16 able to low-income households and people experiencing homelessness imme-
17 diately prior to entering such housing. These properties shall be owned,
18 operated and managed by appropriate nonprofit organizations through the
19 use of government agency funding to acquire the property.

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

LBD09863-11-1

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

7 § 1281. Definitions. For the purposes of this article, the following
8 terms shall have the following meanings:

9 1. "Corporation" shall mean the housing trust fund corporation estab-
10 lished pursuant to section forty-five-a of this chapter.

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

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

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

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

18 (b) Is otherwise considered by the state as a suitable housing manage-
19 ment organization, by a vetting process developed by the corporation.

20 3. "Affordable housing" shall mean permanent housing that is afforda-
21 ble to low and moderate-income households, such that the new housing
22 achieves income averaging at or below fifty percent of the area median
23 income, with residents' eligibility capped at a maximum of eighty
24 percent of the area median income at the start of their lease. Appli-
25 cants shall not be rejected from eligibility based on credit histories
26 or credit scores.

27 4. "Building service employee" shall mean any person who is regularly
28 employed at, and performs work in connection with the care or mainte-
29 nance of, a converted property in a city with a population of one
30 million or more, including but not limited to, a watchman, guard, door-
31 man, building cleaner, porter, handyman, janitor, gardener, groundskeep-
32 er, elevator operator and starter, or window cleaner.

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

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

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

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

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

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

48 7. "Experiencing homelessness" shall refer to those individuals resid-
49 ing in shelters, transitional housing, public spaces, and other types of
50 emergency housing.

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

53 9. "Prevailing wage" shall mean the rate of wages and supplemental
54 benefits paid in the locality to workers in the same trade or occupation
55 and annually determined by the fiscal officer in accordance with the
56 provisions of section two hundred thirty-four of the labor law.

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

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

12 § 1282. Housing our neighbors with dignity program. 1. Establishment.
13 Subject to amounts available by appropriation therefor, the corporation
14 shall develop a housing our neighbors with dignity program (hereinafter
15 referred to as "the program"), which shall provide a mechanism for the
16 state to finance the acquisition of distressed hotels and commercial
17 office properties by appropriate nonprofit organizations for the purpose
18 of maintaining or increasing affordable housing. All affordable housing
19 properties produced through this program shall remain permanently
20 affordable, and all converted properties in a city with a population of
21 one million or more, with the exception of small converted properties
22 and exempt supportive housing, shall be required to pay building service
23 employees the applicable prevailing wage pursuant to subdivision one-a
24 of this section. Permanent affordability restrictions shall require a
25 regulatory agreement with the corporation or local housing agency or
26 other affordability restrictions in recorded documents not specifically
27 listed in this subdivision, provided the corporation or local housing
28 agency determines that such restrictions are enforceable and likely to
29 be enforced. Such enforcement measures shall include but not be limited
30 to the ability to cancel or transfer the regulatory agreement or proper-
31 ty to another entity for violating the terms of such regulatory agree-
32 ment, such as failure to meet the minimum obligations set forth in this
33 article when such failure is not cured.

34 1-a. In a city with a population of one million or more, all building
35 service employees employed by an appropriate nonprofit organization at a
36 converted property or otherwise employed at a converted property that is
37 not a small converted property or exempt supportive housing shall
38 receive at least the applicable prevailing wage in such city for craft,
39 trade, or occupation of such building service employee. The fiscal
40 officer shall have the power to enforce such provisions in the same
41 manner as provided under subparagraph (iii) of paragraph (g) of subdivi-
42 sion seventeen of section four hundred twenty-one-a of the real property
43 tax law. In addition, the fiscal officer shall have the power to conduct
44 an investigation and hearing and file a determination as to the payment
45 of wages owed by a lessee, owner, successor, or any employer of building
46 service employees, as provided under subdivisions one, four, five, six,
47 eight and nine of section two hundred thirty-five of the labor law.

48 2. Purpose. The program shall seek to:

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

52 (b) Finance the conversion and rehabilitation of the physical condi-
53 tion of acquired property by appropriate nonprofit organizations in
54 order to enhance the condition of such property for future occupants,
55 such as habitability and environmental sustainability; and

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

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

19 4. Converted properties. All properties converted to affordable hous-
20 ing pursuant to this section shall meet the minimum standards of habita-
21 bility, safety and quality of life for all established housing. Addi-
22 tional operating expenses shall be met through any combination of
23 subsidies, vouchers, commercial rents, or other sources of income avail-
24 able to the housing provider under the model the non-profit chooses to
25 pursue. All units shall be rent stabilized as defined in this article in
26 localities that have adopted or opted in to the rent stabilization law.
27 At least fifty percent of all converted properties shall be set aside
28 for individuals and families who were experiencing homelessness imme-
29 diately prior to entering such converted affordable housing. Each unit
30 must contain, at a minimum, a living/sleeping space, private bathroom
31 with bath or shower, and either a full kitchen or a kitchenette with at
32 least a 24-inch refrigerator, sink, cooktop, microwave oven and outlets
33 for countertop appliances.

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

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

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

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