

# 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:

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

##### Section 1280. Legislative findings and purpose.

##### 1281. Definitions.

##### 1282. Housing our neighbors with dignity program.

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,

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

LBD09863-10-1

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

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

9 § 1281. Definitions. For the purposes of this article, the following  
10 terms shall have the following meanings:

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

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

15 (a) Has as 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 corporation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50 2. Purpose. The program shall seek to:

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

54 (b) Finance the conversion and rehabilitation of the physical condi-  
55 tion of acquired property by appropriate nonprofit organizations in

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

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

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

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

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

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

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

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