

CHAPTER 38
CAMPAIGN FINANCE ACT IMPLEMENTATION*[\[See Footnote 1\]](#)

§38- Definitions.

01

**§38- [Actions, Transactions and Agreements for Providing Affordable Housing
02 Which Constitute "Business Dealings with the City".]**

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03 Which Do Not Constitute "Business Dealings with the City".]**

§38-01 Definitions.

As used in this chapter, the following terms shall have the following meaning:

(a) **Act.** "Act" shall mean the New York City Campaign Finance Act, §§3-701 through 3-720 of the New York City Administrative Code.

(b) **BCL.** "BCL" shall mean the Business Corporation Law.

(c) **City.** "City" shall mean the City of New York.

(d) **Discretionary Tax Benefit.** "Discretionary Tax Benefit" shall mean an exemption from or abatement of real property taxation approved by the City Council, including, but not limited to, any such exemption or abatement pursuant to PHFL Articles II, V, and XI, GML Article 16, or RPTL §422.

(e) **EDC.** "EDC" shall mean the New York City Economic Development Corporation.

(f) **GML.** "GML" shall mean the General Municipal Law.

(g) **HDC.** "HDC" shall mean the New York City Housing Development Corporation.

(h) **HPD.** "HPD" shall mean the City's Department of Housing Preservation and Development.

(i) **PHFL.** "PHFL" shall mean the Private Housing Finance Law.

(j) **RPTL.** "RPTL" shall mean the Real Property Tax Law.

(k) **UDAAP.** "UDAAP" shall mean Article 16 of the General Municipal Law.

(l) **ULURP.** "ULURP" shall mean the Uniform Land Use Review Procedure set forth in §§197-c and 197-d of the New York City Charter.

(m) **Urban Renewal Law.** "Urban Renewal Law" shall mean Article 15 of the General Municipal Law.

(n) **Zoning Resolution.** "Zoning Resolution" shall mean the New York City Zoning Resolution.

HISTORICAL NOTE

Section added City Record Sept. 22, 2008 §1, eff. Oct. 22, 2008. [See Chapter 38 footnote]

§38-02 [Actions, Transactions and Agreements for Providing Affordable Housing Which Constitute "Business Dealings with the City".]**[\[See Footnote 2\]](#)

(a) Except as otherwise provided in the Act and §38-03 of these rules, actions, transactions and agreements for providing affordable housing shall constitute

"business dealings with the city" for purposes of the Act where any such action, transaction or agreement involves:

- (1) the disposition of City-owned real property; or
 - (2) a loan or grant by HPD or HDC, except as otherwise provided in §38-03 of these rules; or
 - (3) any Discretionary Tax Benefit; or
 - (4) any discretionary approval following a public hearing by either the City Council or the Office of the Mayor, including, but not limited to, any approval pursuant to ULURP, UDAAP, the Urban Renewal Law, the PHFL or the Zoning Resolution; or
 - (5) the allocation of federal low income housing tax credits by HPD pursuant to Internal Revenue Code §42; or
 - (6) the execution of an agreement with HPD regarding the creation of inclusionary housing in accordance with any applicable provision of the Zoning Resolution.
- (b) The actions, transactions or agreements set forth in subdivision a of this section shall only constitute business dealings with the City during the following periods:
- (1) For an action, transaction or agreement that involves the disposition of City-owned real property, the period commencing on the date that the proposed sponsor submits or makes a proposal to HPD, HDC or EDC to acquire such property and ending as provided in paragraph b of subdivision 18 of §3-702 of the Act.
 - (2) For an action, transaction or agreement that involves a loan or grant by HPD or HDC, the period commencing on the date that the proposed sponsor makes or submits an application or proposal to HPD or HDC for such loan or grant and ending one year after the date of construction completion or the final advance or disbursement of funds pursuant to such loan or grant.
 - (3) For an action, transaction or agreement that involves a Discretionary Tax Benefit, the period commencing with the submission of an application for such exemption or abatement and ending one year after the date of approval of such exemption or abatement by the City Council.
 - (4) For an action, transaction or agreement that requires any discretionary approval following a public hearing by either the City Council or the Office of the Mayor, including, but not limited to, any approval pursuant to ULURP, UDAAP, the Urban Renewal Law, the PHFL or the Zoning Resolution, but not including the approval of a Discretionary Tax Benefit by the City Council, the period commencing with negotiations and ending as provided in paragraph b of subdivision 18 of §3-702 of the Act, where applicable, or 120 days after approval by the City Council or the Office of the Mayor.
 - (5) For an action, transaction or agreement that involves the allocation of federal low income housing tax credits by HPD, the period commencing with the submission of an application for such tax credits to HPD and ending one year after the date of

issuance by HPD of the Low Income Housing Credit Allocation and Certification form to the applicant.

(6) For an action, transaction or agreement that involves the execution of an agreement with HPD regarding the creation of inclusionary housing in accordance with any applicable provision of the Zoning Resolution, the period commencing with the submission of an application to HPD for such agreement, and ending one year after the date of execution by HPD of a certificate of completion for the inclusionary housing dwelling units.

(7) For an action, transaction or agreement that involves more than one of the actions, transactions and agreements set forth in subparagraphs one through six of this subdivision, the period commencing on the earliest date provided in such subparagraphs and ending on the latest date provided in such subparagraphs.

(8) Notwithstanding anything to the contrary contained herein, for any proposed action or transaction that HPD determines will not be consummated or for any proposed agreement that HPD determines will not be executed, the end date shall be one year after the date upon which HPD notifies the Office of the Mayor of such determination.

HISTORICAL NOTE

Section added City Record Sept. 22, 2008 §1, eff. Oct. 22, 2008. [See Chapter 38 footnote]

§38-03 **[Actions, Transactions and Agreements for Providing Affordable Housing Which Do Not Constitute "Business Dealings with the City".]***[\[See Footnote 3\]](#)

(a) Notwithstanding any other provision of these rules to the contrary, actions, transactions and agreements for providing affordable housing shall not constitute "business dealings with the city" as defined in subdivision 18 of §3-702 of the Act where any such action, transaction or agreement:

(1) is entered into with a housing development fund company that is formed as a cooperative corporation pursuant to PHFL Article XI and the Business Corporation Law, including any discretionary tax benefit granted to such company; or

(2) is entered into with a limited profit housing company formed pursuant to PHFL Article II that is organized and operated as a mutual company; or

(3) involves solely a mortgage modification; or

(4) involves solely the subordination, satisfaction, or assignment of a mortgage; or

(5) relates to approval of a certificate of incorporation for a housing development fund company; or

(6) involves solely a license agreement or lease for use of City-owned property for nominal consideration or no consideration; or

(7) is entered into by an individual or family in connection with the purchase of a one- to four-unit home, a condominium dwelling unit, or the shares attributable to a cooperative dwelling unit under a housing program administered by HPD; or

(8) involves a loan pursuant to PHFL §8-b; or

- (9) involves a loan or grant the sole purpose of which is the remediation of lead-based paint hazards; or
- (10) involves exemption or abatement of real property taxes pursuant to RPTL §§420-a, 420-c, 421-a, 421-b, 488-a, or 489; or
- (11) involves a change in ownership of property that is the subject of an action, transaction or agreement for providing affordable housing and that constituted "business dealings with the city" pursuant to subdivision a of §38-02 of these rules; or
- (12) involves an approval or consent granted pursuant to the provisions of an agreement with HPD, EDC or HDC providing for such approval or consent; or
- (13) involves the conveyance of property pursuant to New York City Administrative Code §11-412.1; or
- (14) involves provision of relocation services pursuant to Administrative Code §26-301 or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC §§4601 et seq.); or
- (15) is entered into for the purpose of settlement of litigation to which the City of New York, HDC, or EDC is a party; or
- (16) is entered into by an individual or entity as a grantee or borrower of Community Development Block Grant Disaster Recovery funds in connection with the rehabilitation, construction, repair, or improvement of housing; or
- (17) is not listed in §38-02 of these rules.

HISTORICAL NOTE

Section added City Record Sept. 22, 2008 §1, eff. Oct. 22, 2008. [See Chapter 38 footnote]
Subd. (a) par (16) added City Record Sept. 19, 2014 §1, eff. Oct. 19, 2014. [See Note 1]
Subd. (a) par (17) renumbered (former par (16)) City Record Sept. 19, 2014 §1, eff. Oct. 19, 2014.

[See Note 1]

NOTE

1. Statement of Basis and Purpose in City Record Sept. 19, 2014:

The adopted rule amends section 38-03 of the Campaign Finance Act ("Act") rules relating to business dealings with the City. The Act authorizes the Department of Housing Preservation and Development (HPD) to disseminate rules that clearly state which categories of actions, transactions and agreements providing affordable housing do, and do not, constitute business dealings with the City of New York for purposes of the Act. Entities engaging in actions, transactions and agreements that do not constitute business dealings with the City are not subject to disclosure requirements or to the campaign contribution limitation set forth in the Act. The proposed amendment clarifies that individuals and entities receiving grants or loans consisting of Community Development Block Grant–Disaster Recovery funds will not be considered to be doing business with the City for purposes of the Act, and so will not be subject to the Act's disclosure and contribution requirements.