S T A T E O F N E W Y O R K

6554

I N S E N A T E

February 27, 2012

Introduced by Sen. YOUNG -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the private housing finance law, in relation to affordable home ownership development contracts

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 1 of section 1112 of the private housing finance law, as amended by chapter 333 of the laws of 2004, is amended to read as follows:

1. Within the limit of funds available in the affordable housing development account, the corporation is hereby authorized to enter into contracts with eligible applicants to provide grants which such applicants shall use to finance affordable home ownership development programs subject to the terms and conditions of this article. Any grants received by a municipality hereunder shall not be deemed to be municipal funds. Grantees shall utilize funds provided pursuant to this article solely as payments, grants and loans to owners to reduce the costs of new construction, rehabilitation or home improvement or the cost of acquisition, but only where such acquisition is part of an affordable home ownership development program or project to construct or rehabilitate homes, or as otherwise authorized by law. Such financial assistance may be in the form of loans, participation in loans including but not limited to participation in loans originated or financed by lending institutions as defined in section forty-two of this chapter, private or public employee pension funds or the state of New York mortgage agency, or grants, on such terms and conditions as the grantee with the approval of the corporation shall determine, provided that no such payments, grants and loans shall exceed the lesser of (i) sixty percent of the project cost FOR PROJECTS INVOLVING ACQUISITION OR ONE HUNDRED PERCENT OF REHABILITATION PROGRAMS WITHOUT AN ACQUISITION COMPONENT or (ii) the following per dwelling unit limitations (A) thirty-five thousand dollars for projects except as provided in [clause] ITEM (B) of this [item (ii)] CLAUSE or (B) forty thousand dollars for a high cost project or a

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

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project which will receive a loan from the federal farmers home administration. UP TO TEN PERCENT OF THE PROGRAM OR PROJECT COST MAY BE USED FOR GRANTEE OPERATING EXPENSES INCLUDING EXPENSES RELATED TO THE ORGANIZATION OPERATING SUPPORT AND ADMINISTRATION OF THE CONTRACT. Among the criteria the corporation shall consider in determining whether a project is a high cost project are: average cost of construction in the area, location of the project, and the impact of the additional funding on the affordability of the project for the occupants of such project. No more than fifty percent of the total amount appropriated pursuant to this article in any fiscal year shall be allocated to homes located within any single municipality.

S 2. This act shall take effect immediately.