

STATE OF NEW YORK

7063

IN SENATE

(Prefiled)

January 3, 2018

Introduced by Sen. BAILEY -- 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 housing corporation grants

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

1 Section 1. Subdivision 1 of section 1112 of the private housing
2 finance law, as amended by chapter 64 of the laws of 2012, is amended to
3 read as follows:
4 1. Within the limit of funds available in the affordable housing
5 development account, the corporation is hereby authorized to enter into
6 contracts with eligible applicants to provide grants which such appli-
7 cants shall use to finance affordable home ownership development
8 programs subject to the terms and conditions of this article. Any grants
9 received by a municipality hereunder shall not be deemed to be municipal
10 funds. Grantees shall utilize funds provided pursuant to this article
11 solely as payments, grants and loans to owners to reduce the costs of
12 new construction, rehabilitation or home improvement or the cost of
13 acquisition, but only where such acquisition is part of an affordable
14 home ownership development program or project to construct or rehabili-
15 tate homes, or as otherwise authorized by law. Such financial assistance
16 may be in the form of loans, participation in loans including but not
17 limited to participation in loans originated or financed by lending
18 institutions as defined in section forty-two of this chapter, private or
19 public employee pension funds or the state of New York mortgage agency,
20 or grants, on such terms and conditions as the grantee with the approval
21 of the corporation shall determine, provided that no such payments,
22 grants and loans shall exceed the lesser of (i) sixty percent of the
23 project cost for projects involving acquisition or one hundred percent
24 of rehabilitation programs without an acquisition component or (ii) the
25 following per dwelling unit limitations (A) thirty-five thousand dollars
26 for projects except as provided in item (B) of this clause or (B)

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

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1 [~~forty~~] one hundred ten thousand dollars for a high cost project or a
2 project which will receive a loan from the federal farmers home adminis-
3 tration. Up to ten percent of the program or project cost may be used
4 for grantee operating expenses including expenses related to the organ-
5 ization operating support and administration of the contract. Among the
6 criteria the corporation shall consider in determining whether a project
7 is a high cost project are: average cost of construction in the area,
8 location of the project, and the impact of the additional funding on the
9 affordability of the project for the occupants of such project. No more
10 than fifty percent of the total amount appropriated pursuant to this
11 article in any fiscal year shall be allocated to homes located within
12 any single municipality.

13 § 2. Subdivision 2 of section 1112 of the private housing finance law
14 is amended by adding a new paragraph (j) to read as follows:

15 (j) In the case of an award of over forty thousand dollars, the gran-
16 tee shall for a period of at least sixty years, but no more than nine-
17 ty-nine years, not sell the property improved through a grant from the
18 corporation and the grantee shall ensure this resale restriction by use
19 of deed restrictions, community land trusts, or limited-equity cooper-
20 ative ownership structure.

21 § 3. Section 1112 of the private housing finance law is amended by
22 adding a new subdivision 3-a to read as follows:

23 3-a. In determining awards pursuant to this article, the corporation
24 shall establish tiered project funding levels based on length and depth
25 of affordability with preference for approval and allocation amounts
26 being given to longer terms and greater depth of affordability.

27 § 4. Projects in pre-development that have already received commit-
28 ments from the corporation prior to the effective date of this act shall
29 be granted the opportunity to request additional capital under the law
30 after the effective date of this act.

31 § 5. This act shall take effect immediately.