

STATE OF NEW YORK

9356

IN SENATE

May 19, 2022

Introduced by Sen. HINCHEY -- 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 establishing the small rental housing development initiative

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

1 Section 1. The private housing finance law is amended by adding a new
2 article 17-C to read as follows:

ARTICLE XVII-C

SMALL RENTAL HOUSING DEVELOPMENT INITIATIVE

5 Section 1060. Legislative findings and statement of policy.

6 1061. Definitions.

7 1062. Small rental housing development initiative.

8 § 1060. Legislative findings and statement of policy. The legislature
9 hereby finds and declares that there exists in many rural areas of the
10 state a substantial need for affordable rental housing of a size that is
11 suitable to small communities with limited infrastructure. The findings
12 set forth in article seventeen of this chapter, with respect to the
13 special needs and problems of such areas and the significant potential
14 role of locally based not-for-profit organizations in helping to meet
15 such needs, are hereby reaffirmed. The legislature hereby determines
16 that, in addition to the program of state support to help meet the
17 administrative expenses of such organizations under article seventeen of
18 this chapter, a further public need exists for state funding for the
19 development of affordable rental housing of twenty units or less. It is
20 the purpose of this article to encourage the construction of affordable
21 rental housing in the rural areas of the state by establishing a dedi-
22 cated program of such funding.

23 § 1061. Definitions. For the purposes of this article, the following
24 terms shall have the following meanings:

25 1. "Small rental housing developments" shall mean affordable rental
26 apartment buildings of twenty units or less for low to moderate income
27 households.

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

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1 2. "Eligible area" shall mean a town or city with a population of
2 thirty thousand or less

3 3. "Eligible applicant" shall mean a non-profit housing agency such as
4 a rural preservation or neighborhood company or other similar non-profit
5 entity chartered by the state.

6 4. "Low to moderate income household" shall mean a household between
7 eighty to one hundred twenty percent of average median income.

8 § 1062. Small rental housing development initiative. 1. Eligible
9 applicants constructing small rental housing developments in eligible
10 areas shall be eligible for state funding in the form of zero percent
11 interest loans with loan forgiveness after ten years of payments.

12 (a) The eligible applicant shall choose a payback period for such loan
13 of between ten and twenty years.

14 (b) The maximum per unit subsidy limit shall utilize the most current
15 limits established for federally funded HOME projects.

16 (c) Funds may be used for the construction of residential units as
17 well as community rooms or common areas used for the benefit of resi-
18 dents.

19 (d) The developer fee for the eligible applicant shall be twenty-three
20 percent of the project costs.

21 (e) The use of the division of housing and community renewal's design
22 handbook shall not be required.

23 2. The division of housing and community renewal shall develop addi-
24 tional procedures and requirements related to the application and award
25 of funding for projects pursuant to this article as deemed necessary or
26 appropriate to implement the purposes and provisions of this article.

27 § 2. This act shall take effect immediately.