

STATE OF NEW YORK

3219

2025-2026 Regular Sessions

IN SENATE

January 24, 2025

Introduced by Sen. KAVANAGH -- 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 creating an affordable housing relief fund program to preserve affordable multifamily residential properties located in New York state

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 33 to read as follows:

ARTICLE XXXIII

AFFORDABLE HOUSING RELIEF FUND PROGRAM

Section 1300. Statement of legislative findings.

1301. Definitions.

1302. Affordable housing relief fund program.

1303. Program criteria.

1304. Funding criteria.

1305. Affordability protection.

1306. Funding.

1307. Annual report.

13 § 1300. Statement of legislative findings. The legislature finds and
14 declares that there exists a serious shortage of safe and habitable
15 affordable housing in New York state for persons and families of low
16 income. A portion of the affordable, multifamily housing stock is in
17 operational and financial distress, threatening to exacerbate this shor-
18 tage. Rent collection losses, rising interest rates and insurance costs,
19 and other factors have caused significant increases in operating
20 expenses, which may jeopardize the availability to tenants of affordable
21 housing units or even the viability of some buildings. Existing preser-
22 vation program funding is limited, and distressed affordable housing
23 properties may not be eligible for such funding. The legislature there-

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

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1 fore finds that a program should be established to provide needed capi-
2 tal funds and debt restructuring to ensure these distressed affordable
3 housing properties remain available to tenants.

4 § 1301. Definitions. For the purposes of this article, the following
5 terms shall have the following meanings:

6 1. "Corporation" shall mean the housing trust fund corporation estab-
7 lished in section forty-five-a of this chapter.

8 2. "Affordable housing relief fund program" shall mean forgivable
9 loans available to support the recapitalization and stabilization of
10 qualified properties and to assist developments that are outside of the
11 allowable refinancing term.

12 3. "Eligible projects" shall mean existing at-risk, one hundred
13 percent affordable or supportive multifamily rental properties subject
14 to a regulatory agreement with one or more municipal, state, or federal
15 housing agencies.

16 4. "Eligible uses" shall include but not be limited to the preserva-
17 tion and improvement of eligible projects, as established by this
18 section, to address deferred maintenance, capital needs, emergency
19 repairs, or any condition which poses a threat to the life, health,
20 safety, or habitation of residents, to include debt restructuring to
21 stabilize and preserve the housing supply and reduce the risk of
22 default.

23 5. "Eligible applicant" shall include not-for-profit or charitable
24 organizations, or a wholly owned subsidiary of such organizations, or
25 private for-profit property owners that have a regulatory agreement with
26 one or more municipal, state, or federal housing agencies applicable to
27 one hundred percent of the housing units on the property. The sponsor,
28 management company and principal participants in the project shall be in
29 good standing, not in default under any existing mortgage financing and
30 shall meet all credit review criteria imposed by the corporation.

31 § 1302. Affordable housing relief fund program. Within amounts appro-
32 priated or otherwise available therefor, the housing trust fund corpo-
33 ration shall develop and administer an affordable housing relief fund
34 program which shall provide aid in the form of payments and grants for
35 reasonable and necessary expenses to eligible applicants for the preser-
36 vation or improvement of affordable housing properties.

37 § 1303. Program criteria. The corporation shall develop procedures,
38 criteria and requirements related to the competitive application for and
39 award of aid pursuant to this section which shall include: eligibility,
40 market demand, feasibility and funding criteria; the funding determi-
41 nation process; supervision and evaluation of contracting applicants;
42 reporting, budgeting and record-keeping requirements; provisions for
43 modification and termination of contracts; and such other matters not
44 inconsistent with the purposes and provisions of this article as the
45 corporation shall deem necessary or appropriate. The corporation may
46 prioritize properties in the greatest distress.

47 § 1304. Funding criteria. Up to fifty thousand dollars per income-res-
48 tricted housing unit may be awarded for residential affordable housing
49 preservation or rehabilitation. Assistance shall be in the form of a
50 zero percent interest rate loan, with no monthly payments, that shall be
51 forgiven after ten years. All or a portion of program funds may be
52 required to be repaid if the project is sold within ten years or fails
53 to comply with the regulatory agreement. The amount subject to possible
54 repayment shall decrease by 1/120 per month each month the property
55 remains in compliance with affordability terms.

1 § 1305. Affordability protection. Recipients of assistance shall be
2 subject to affordability restrictions, tenant protections, and all
3 existing provisions of any regulatory agreement with one or more munici-
4 pality, state, or federal housing agency that serves as a basis for
5 eligibility for assistance under this program.

6 § 1306. Funding. Subject to appropriations for this program, the
7 corporation in its sole discretion shall authorize all funding decisions
8 and make all award determinations.

9 § 1307. Annual report. The corporation shall, on or before January
10 thirty-first in each year submit a report to the legislature on the
11 implementation of this article. Such report shall include, but not be
12 limited to, the number of applications received by the end of the
13 preceding calendar year, the total dollar amount of such applications,
14 and the disposition of such applications; and for each award made to a
15 grantee under this article, a description of such award, the contract
16 amount and cumulative total, the specific activities performed by such
17 grantee, the amounts of monies received by the grantee from sources
18 other than payments made pursuant to this article, and such other infor-
19 mation as the corporation deems pertinent.

20 § 2. This act shall take effect immediately.