

STATE OF NEW YORK

8178

2025-2026 Regular Sessions

IN SENATE

May 19, 2025

Introduced by Sen. KAVANAGH -- (at request of the New York State Homes and Community Renewal) -- 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 the amount of funds that may be used per dwelling unit to modernize certain authorities used by the housing trust fund corporation

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

1 Section 1. Subdivision 1 of section 1102 of the private housing
2 finance law, as amended by chapter 235 of the laws of 2021, is amended
3 to read as follows:
4 1. Within the limit of funds available in the housing trust fund
5 account, the corporation is hereby authorized to enter into contracts
6 with eligible applicants for the furnishing by such applicants of hous-
7 ing for persons of low income. Each such contract shall provide that
8 eligible applicants rehabilitate or construct one or more projects or
9 convert one or more nonresidential properties. Such contracts may
10 provide for payments, grants or loans by the corporation for the activ-
11 ities to be carried out by the eligible applicant under the contract.
12 Such contracts shall provide that a private developer make an equity
13 investment of the greater of (i) two and one-half percent of project
14 costs or (ii) five percent of project costs less grants which are to be
15 applied to such costs. The foregoing shall not preclude a private devel-
16 oper from making a greater equity investment. Any payments, grants or
17 loans made by the corporation outstanding at the time of resale shall be
18 subject to repayment in whole or in part upon resale after termination
19 of the regulatory period and as otherwise provided therein. Such repay-
20 ment provisions may survive the end of the regulatory period. Such
21 contracts may provide that eligible applicants shall either (a) perform
22 activities specified under the contract themselves or (b) act as admin-

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

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1 istrators of a program under which projects are rehabilitated or
2 constructed or nonresidential properties are converted by other eligible
3 applicants or (c) perform both such functions. In the case of a municipi-
4 pality acting as an administrator, funds provided to such municipality
5 hereunder shall not be deemed to be municipal funds. The corporation
6 shall refer any request for payments, grants or loans from persons of
7 low income to eligible applicants in the area in which such persons
8 reside. Loans may be in the form of participation in loans including but
9 not limited to participation in loans originated or financed by lending
10 institutions as defined in section forty-two of this chapter, the state
11 of New York mortgage agency, the New York city housing development
12 corporation, the New York state housing finance agency or private or
13 public employee pension funds. Notwithstanding any other provision of
14 law, payments, grants and loans may be deposited by the corporation
15 directly with a lending institution at or before the time of initial
16 loan closing pursuant to an escrow agreement satisfactory to the corpo-
17 ration. Payments, grants and loans shall be on such terms and conditions
18 as the corporation, or the eligible applicant with the approval of the
19 corporation, as the case may be, shall determine. Payments, grants and
20 loans shall be used to pay for the actual and necessary cost of acquisi-
21 tion, construction, rehabilitation or conversion, provided that not more
22 than fifty percent of such payments, grants and loans received for the
23 rehabilitation, construction or conversion of a project may be used for
24 the cost of the project's acquisition and not more than ten percent of
25 such payments, grants and loans may be used for the rehabilitation,
26 construction or conversion of community service facilities and, provided
27 further, that payments, grants or loans shall not be used for (i) the
28 administrative costs of an eligible applicant except as otherwise
29 authorized by law, (ii) the cost of the acquisition, construction,
30 conversion or rehabilitation of residential units which, subsequent to
31 such acquisition, construction, conversion or rehabilitation, are to be
32 occupied by persons other than persons of low income, and (iii) the cost
33 of the acquisition, construction, conversion or rehabilitation of units
34 which, subsequent to such acquisition, construction, conversion or reha-
35 bilitation, are occupied or to be occupied for other than residential
36 purposes, except for community service facilities as described above. No
37 such payments, grants or loans shall exceed a total of [~~one hundred~~
38 ~~twenty-five~~] two hundred fifty thousand dollars per dwelling unit, or
39 such amount of additional funds as the corporation may determine in
40 accordance with this subdivision. Among the criteria the corporation
41 shall consider in determining whether to provide additional funds are:
42 average cost of construction in the area, location of the project and
43 the impact of the additional funding on the affordability of the project
44 for the occupants of such project. The length of any loan provided under
45 this article shall not exceed forty years. No more than fifty percent of
46 the total amount originally appropriated pursuant to this article in any
47 fiscal year shall be allocated to projects located within any single
48 municipality. Of the amount originally appropriated to the corporation
49 in any fiscal year, no more than thirty-three and one-third percent
50 shall be allocated to private developers for projects within a city with
51 a population of one million or more. Of the amount originally appropri-
52 ated to the corporation in any fiscal year, no more than thirty-three
53 and one-third percent shall be allocated to private developers for
54 projects in the area outside cities with a population of one million or
55 more.

56 § 2. This act shall take effect immediately.