

Third Extraordinary Session

I N S E N A T E

June 24, 2009

Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the private housing finance law, in relation to loans for state-aided limited-profit housing companies

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 section 22-b to read as follows:
3 S 22-B. LOANS FOR STATE-AIDED LIMITED-PROFIT HOUSING COMPANIES. 1.
4 NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE CONTRARY, THE
5 COMMISSIONER MAY FOR A PERIOD OF ONE YEAR FROM THE EFFECTIVE DATE OF
6 THIS ACT APPROVE A LOAN AND ENCUMBRANCE IN EXCESS OF THE ACTUAL PROJECT
7 COST OF A STATE-AIDED PROJECT COMPRISING MORE THAN FIVE THOUSAND RENTAL
8 UNITS, PROVIDED THAT: (A) THE RENTS PAID BY THE TENANTS MAY NOT BE
9 INCREASED TO PAY FOR ANY CONSEQUENT INCREASE IN INDEBTEDNESS THAT IS NOT
10 ATTRIBUTABLE TO PROJECT COST; (B) THE COMPANY ENTERS INTO AN AGREEMENT
11 TO CONTINUE TO REMAIN SUBJECT TO THE PROVISIONS OF THIS ARTICLE FOR A
12 PERIOD OF NO LESS THAN AN ADDITIONAL THIRTY YEARS FROM ISSUANCE OF THE
13 LOAN AND ENCUMBRANCE; AND (C) THE GREATER OF TWENTY-FIVE PERCENT OF THE
14 AMOUNT OF SUCH LOAN WHICH EXCEEDS SUCH ACTUAL PROJECT COST OR FORTY
15 MILLION DOLLARS OF THE PROCEEDS OF SUCH LOAN MUST BE DEDICATED TO CAPI-
16 TAL IMPROVEMENTS TO EXISTING STRUCTURES AND FACILITIES.
17 2. ANY COMPANY THAT ENTERS INTO A LOAN PURSUANT TO SUBDIVISION ONE OF
18 THIS SECTION SHALL CREATE A PLAN WITHIN ONE YEAR OF THE APPROVAL OF THE
19 LOAN. THE PLAN SHALL INCLUDE DETAILS OF ALL CAPITAL IMPROVEMENTS THAT
20 WILL OCCUR AS A RESULT OF THE LOAN. SUCH COMPANY SHALL OBLIGATE THE
21 FUNDS DEDICATED TO THE CAPITAL IMPROVEMENTS WITHIN THREE YEARS OF THE
22 APPROVAL OF THE LOAN. SUCH COMPANY SHALL SUBMIT A COPY OF THE PLAN WITH-
23 IN ONE YEAR OF THE APPROVAL OF THE LOAN AND WITHIN THREE YEARS OF THE
24 APPROVAL OF THE LOAN, A REPORT THAT DETAILS THE USE OF THE LOAN FUNDS TO

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

LBD14306-02-9

1 THE GOVERNOR, THE COMMISSIONER OF THE DIVISION OF HOUSING AND COMMUNITY
2 RENEWAL, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE
3 ASSEMBLY, THE MINORITY LEADER OF THE SENATE, THE MINORITY LEADER OF THE
4 ASSEMBLY, THE CHAIR OF THE SENATE FINANCE COMMITTEE, THE CHAIR OF THE
5 ASSEMBLY WAYS AND MEANS COMMITTEE, THE CHAIR OF THE SENATE HOUSING,
6 CONSTRUCTION, AND COMMUNITY DEVELOPMENT COMMITTEE, AND THE CHAIR OF THE
7 ASSEMBLY HOUSING COMMITTEE.
8 3. SUCH COMPANY SHALL PARTICIPATE IN BIMONTHLY MEETINGS WITH ELECTED
9 OFFICIALS AND THE MEMBERS OF THE PROJECT'S RESIDENTS' ASSOCIATION OR
10 OTHER TENANT ORGANIZATION THAT REPRESENTS THE MAJORITY OF TENANTS IN THE
11 PROJECT IN ORDER TO HEAR ANY ADVICE OR COMMENTS ON THE IMPLEMENTATION OF
12 THE PLAN. THE MEETINGS SHALL OCCUR ON A REGULAR BASIS UNTIL ALL OF THE
13 MONEY SET-ASIDE FOR CAPITAL IMPROVEMENTS IN SUBDIVISION ONE OF THIS
14 SECTION HAS BEEN SPENT.
15 S 2. This act shall take effect immediately.