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2009-2010 Regular Sessions

I N S E N A T E

May 1, 2009

Introduced by Sen. ESPADA -- 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 loans for a state-aided project owned by a limited-profit housing company and comprising in excess of 5,000 rental dwelling units

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The private housing finance law is amended by adding a new section 22-b to read as follows:

S 22-B. LOANS IN EXCESS OF PROJECT COST FOR A STATE-AIDED PROJECT OWNED BY A LIMITED-PROFIT HOUSING COMPANY AND COMPRISING IN EXCESS OF FIVE THOUSAND RENTAL DWELLING UNITS. NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE CONTRARY, THE COMMISSIONER MAY APPROVE A LOAN AND ENCUMBRANCE OF A STATE-AIDED PROJECT COMPRISING MORE THAN FIVE THOUSAND RENTAL DWELLING UNITS IN EXCESS OF ACTUAL PROJECT COST WITHIN THE MEANING OF SECTION TWENTY-ONE OF THIS ARTICLE, PROVIDED THAT:

(A) IN CONJUNCTION WITH THE MAKING OF SUCH LOAN, THE CAPITAL RESERVES OF THE PROJECT SHALL BE IN AN AMOUNT AT LEAST EQUAL TO TWENTY-FIVE PERCENT OF THE AMOUNT OF SUCH LOAN WHICH EXCEEDS SUCH ACTUAL PROJECT COST;

(B) THE RENTS PAID BY THE TENANTS MAY NOT BE INCREASED TO PAY FOR ANY CONSEQUENT INCREASE IN INDEBTEDNESS THAT IS NOT ATTRIBUTABLE TO PROJECT COST OR OTHERWISE PERMITTED PURSUANT TO SECTION TWENTY-TWO-A OF THIS ARTICLE; AND

(C) THE COMPANY ENTERS INTO AN AGREEMENT TO CONTINUE TO REMAIN SUBJECT TO THE PROVISIONS OF THIS ARTICLE FOR A PERIOD OF NO LESS THAN AN ADDITIONAL THIRTY YEARS FROM ISSUANCE OF THE LOAN AND ENCUMBRANCE.

S 2. This act shall take effect immediately.

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

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