S T A T E O F N E W Y O R K

10150

I N A S S E M B L Y

May 12, 2016

Introduced by M. of A. WRIGHT -- read once and referred to the Committee on Housing

AN ACT to amend the public housing law, in relation to requiring that, as a condition of being a sub-allocatee for awarding low income housing tax credits, municipalities having a population of one million or more persons must prioritize the timely exit of low income housing tax credit investors from housing projects financed with low income housing tax credit

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

Section 1. The public housing law is amended by adding a new section 26 to read as follows:

S 26. DESIGNATION AS A SUB-ALLOCATEE. 1. HOMES AND COMMUNITY RENEWAL (HCR) IS THE DESIGNATED STATE ALLOCATION AGENCY FOR FEDERAL LOW INCOME HOUSING TAX CREDITS PURSUANT TO SECTION 42 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED AND FOR THE STATE LOW INCOME HOUSING TAX CREDITS PROVIDED FOR IN THIS ARTICLE.

2. IN CITIES HAVING A POPULATION OF ONE MILLION OR MORE PERSONS, HCR SHALL HAVE THE AUTHORITY TO DESIGNATE LOCAL MUNICIPAL AGENCIES AS SUB-ALLOCATEES TO ALLOCATE STATE LOW INCOME HOUSING TAX CREDITS PROVIDED FOR IN THIS ARTICLE, SUBJECT TO THE PROVISIONS OF SUBDIVISION THREE OF THIS SECTION.

3. AS A CONDITION OF BEING DESIGNATED A SUB-ALLOCATEE FOR AWARDING LOW INCOME HOUSING TAX CREDITS BY HCR PURSUANT TO SUBDIVISION TWO OF THIS SECTION, A LOCAL MUNICIPAL AGENCY SHALL PRIORITIZE THE TIMELY EXIT OF LOW INCOME HOUSING TAX CREDIT INVESTORS FROM HOUSING PROJECTS FINANCED WITH A LOW INCOME HOUSING TAX CREDIT IN ORDER TO PRESERVE THE ASSETS OF AFFORDABLE HOUSING PROJECTS AND THEIR DEVELOPERS. ALL SUCH AGENCIES SHALL:

(A) AT THE END OF THE INITIAL TEN YEARS COMPLIANCE PERIOD, CONSENT TO THE TRANSFER OF THE INVESTOR'S INTEREST IN THE PROJECT WITHIN NINETY DAYS OF RECEIPT OF A REQUEST FROM THE RECIPIENT OF THE TAX CREDIT ALLOCATION, UPON THE INVESTOR CAPITAL ACCOUNT BEING REDUCED TO ZERO; AND

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

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(B) PROVIDE TAX ABATEMENT, RENT RESTRUCTURING AND OTHER FORMS OF FINANCIAL ASSISTANCE FOR THE PROJECT TO ENSURE THAT IT REMAINS AFFORDABLE AND OF QUALITY, WITHOUT BURDENING THE PROJECT OR THE OWNER IN ANY MANNER, INCLUDING THROUGH ANY REQUIREMENT TO EXTEND THE REGULATORY PERIOD OR TO HAVE PARTICIPATION BY ANY OTHER TYPE OF ENTITY.

S 2. This act shall take effect immediately.