

8018

I N S E N A T E

June 6, 2016

Introduced by Sen. FELDER -- 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 rentals in projects provided under limited-profit housing companies and to repeal subdivision 5 of section 31 of such law, relating to continued occupancy by certain tenants in such projects

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

1 Section 1. Subdivision 3 of section 31 of the private housing finance
2 law, as amended by chapter 778 of the laws of 1971, is amended to read
3 as follows:

4 3. (A) In the event that the income of a person or family in occupancy
5 should increase and exceed the maximum prescribed by law for admission
6 or for continued occupancy, based on the latest existing rent, by more
7 than twenty-five per centum, such person or family shall be subject to
8 removal from the dwelling, non-housekeeping, aged care accommodations or
9 non-housekeeping accommodations for handicapped persons provided, however,
10 er, that such person or family may be permitted to remain in occupancy
11 until such income exceeds the maximum prescribed by law by more than
12 fifty per centum, if the company, with the approval of the commissioner
13 or the supervising agency, shall determine that removal would cause
14 hardship to such person or family. Any person or family in occupancy
15 whose income exceeds the maximum prescribed by law shall pay a rental
16 surcharge in accordance with a schedule of surcharges to be promulgated
17 by the company with the approval of the commissioner or the supervising
18 agency, as the case may be, provided, however, such rental surcharge
19 shall in no event exceed fifty per centum of the existing rent.

20 (B) NOTWITHSTANDING PARAGRAPH (A) OF THIS SUBDIVISION, ANY SUCH PERSON
21 OR FAMILY IN OCCUPANCY WHOSE INCOME EXCEEDS SUCH MAXIMUM IN A MUNICIPAL-
22 LY-AIDED PROJECT IN A CITY WITH A POPULATION OF ONE MILLION OR MORE
23 SHALL, WITH THE APPROVAL OF THE SUPERVISING AGENCY, PAY A RENTAL
24 SURCHARGE IN ACCORDANCE WITH A SCHEDULE OF SURCHARGES TO BE PROMULGATED
25 BY THE SUPERVISING AGENCY, PROVIDED, HOWEVER, THAT SUCH RENTAL SURCHARGE
26 SHALL IN NO EVENT EXCEED TWO HUNDRED PER CENTUM OF THE EXISTING RENT.

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

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1 S 2. Subdivision 5 of section 31 of the private housing finance law is
2 REPEALED.

3 S 3. Paragraphs (a) and (a-1) of subdivision 1 of section 125 of the
4 private housing finance law, paragraph (a) as amended by chapter 566 of
5 the laws of 1993 and paragraph (a-1) as added by chapter 140 of the laws
6 of 1987, are amended to read as follows:

7 (a) The local legislative body of any municipality in which a project
8 of such company is or is to be located may by contract agree with any
9 redevelopment company to exempt from local and municipal taxes, other
10 than assessments for local improvements, all or part of the value of the
11 property included in such project which represents an increase over the
12 assessed valuation of the real property, both land and improvements,
13 acquired for the project at the time of its acquisition by the redevel-
14 opment company which originally undertook the project and for such defi-
15 nite period of years as such contract may provide, except that where the
16 real property in a project was acquired for purposes of rehabilitation,
17 the local legislative body either may utilize the foregoing formula or
18 may agree to exempt from such taxes all or part of the value of the
19 property included in such project on condition that the amount of such
20 taxes to be paid shall not be less than ten per centum of the annual
21 shelter rent or carrying charges of such rehabilitation project. The tax
22 exemption shall not operate for a period of more than twenty-five years,
23 commencing in each instance from the date on which the benefits of such
24 exemption first become available and effective; provided, however, that
25 with respect to a project either acquired by a mutual redevelopment
26 company pursuant to section one hundred twenty-six OF THIS ARTICLE or
27 owned and continuing to be owned by a mutual redevelopment company which
28 would require substantial increases in carrying charges after the period
29 of tax exemption is ended unless relief is provided, the local legisla-
30 tive body may contract with such mutual redevelopment company to extend
31 such tax exemption for not more than twenty-five additional years at a
32 rate of tax exemption not to exceed an average of fifty per centum
33 during such additional period, provided that the tax exemption during
34 the first two years of such additional period shall continue at the rate
35 of the tax exemption of such project immediately preceding the termi-
36 nation of the initial twenty-five year period and that the tax exemption
37 thereafter shall be decreased in equal biennial decrements, the first of
38 which shall occur immediately following such two year period, and
39 provided that such contract shall contain provisions as to income limi-
40 tations relating to admission and continued occupancy of the project and
41 provisions as to rental surcharges to the same effect as are contained
42 in subdivisions two, three[,] AND four [and five] of section thirty-one
43 OF THIS CHAPTER, except that in the case of projects owned and continu-
44 ing to be owned by mutual redevelopment companies, persons or families
45 whose probable aggregate annual income does not exceed the median income
46 for families of the same size in the same metropolitan area shall also
47 be eligible for admission to the project on the understanding that any
48 person or family becoming eligible by reason hereof whose probable
49 aggregate annual income at the time of admission or during the period of
50 occupancy exceeds, the greater of (i) the median income for such persons
51 or families for the metropolitan statistical area in which the project
52 is located, or if a project is located outside a metropolitan statis-
53 tical area, the median income for such persons or families for the coun-
54 ty in which the project is located, as most recently determined by the
55 United States department of housing and urban development, in which case
56 any person or family becoming eligible for admission pursuant to this

1 subparagraph shall pay, from the time of admission, a rental surcharge
2 as provided for in subdivision three of section thirty-one of this chap-
3 ter, computed on the basis of the income limitations applicable to such
4 persons or families in the absence of this subparagraph, or (ii) six
5 times the rental shall be liable for payment of rental surcharges here-
6 under computed on the basis of such ratio, except that in the case of
7 families with three or more dependents such ratio shall be seven to one;
8 and provided further that with respect to a project which is or is to be
9 permanently financed by a federally-aided mortgage, the tax exemption
10 shall operate for so long as such mortgage is outstanding, but in no
11 event for a period of more than forty years, commencing in each instance
12 from the date on which the benefits of such exemption first become
13 available and effective; and provided further that with respect to a
14 project which is or is to be permanently financed by a loan from the New
15 York city housing development corporation, the tax exemption shall oper-
16 ate for so long as such loan is outstanding.

17 (a-1) Where the redevelopment contract between a mutual redevelopment
18 company and the local legislative body under which the initial tax
19 exemption was granted contains provisions different from those in subdivi-
20 sions two, three[,] AND four [and five] of section thirty-one of this
21 chapter, then a contract to extend the tax exemption for an additional
22 period under paragraph (a) of this subdivision may provide that those
23 provisions of the redevelopment contract shall continue to apply (with
24 such modifications as the supervising agency of such mutual redevelop-
25 ment company shall approve) during the additional period as if such
26 additional period were the initial period of tax exemption for such
27 mutual redevelopment company, notwithstanding the provisions of para-
28 graph (a) of this subdivision to the contrary.

29 S 4. This act shall take effect immediately; provided however that:
30 (i) the amendments to subdivision 3 of section 31 of the private housing
31 finance law, made by section one of this act, shall take effect July 1,
32 2017; and (ii) any rule or regulation necessary for the timely implemen-
33 tation of any provision of this act may be promulgated, any procedures,
34 forms, or instructions necessary for such implementation may be adopted
35 and issued, and any other acts by any governmental agency necessary for
36 such implementation may be taken, on or before the effective date of any
37 provision of this act.