

STATE OF NEW YORK

7063--A

IN SENATE

(Prefiled)

January 3, 2018

Introduced by Sens. BAILEY, AVELLA, BENJAMIN, COMRIE, HAMILTON, HOYLMAN, KENNEDY, MONTGOMERY, PERALTA, PERSAUD, SAVINO, STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the private housing finance law, in relation to affordable housing corporation grants

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

1 Section 1. Subdivision 1 of section 1112 of the private housing
2 finance law, as amended by chapter 64 of the laws of 2012, is amended to
3 read as follows:

4 1. Within the limit of funds available in the affordable housing
5 development account, the corporation is hereby authorized to enter into
6 contracts with eligible applicants to provide grants which such appli-
7 cants shall use to finance affordable home ownership development
8 programs subject to the terms and conditions of this article. Any grants
9 received by a municipality hereunder shall not be deemed to be municipal
10 funds. Grantees shall utilize funds provided pursuant to this article
11 solely as payments, grants and loans to owners to reduce the costs of
12 new construction, rehabilitation or home improvement or the cost of
13 acquisition, but only where such acquisition is part of an affordable
14 home ownership development program or project to construct or rehabili-
15 tate homes, or as otherwise authorized by law. Such financial assistance
16 may be in the form of loans, participation in loans including but not
17 limited to participation in loans originated or financed by lending
18 institutions as defined in section forty-two of this chapter, private or
19 public employee pension funds or the state of New York mortgage agency,
20 or grants, on such terms and conditions as the grantee with the approval
21 of the corporation shall determine, provided that no such payments,
22 grants and loans shall exceed the lesser of (i) sixty percent of the
23 project cost for projects involving acquisition or one hundred percent

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

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1 of rehabilitation programs without an acquisition component or (ii) the
2 following per dwelling unit limitations (A) thirty-five thousand dollars
3 for projects except as provided in item (B) of this clause or (B)
4 ~~[forty]~~ up to seventy-five thousand dollars for a high cost project or a
5 project which will receive a loan from the federal farmers home adminis-
6 tration. Up to ten percent of the program or project cost may be used
7 for grantee operating expenses including expenses related to the organ-
8 ization operating support and administration of the contract. Among the
9 criteria the corporation shall consider in determining whether a project
10 is a high cost project are: average cost of construction in the area,
11 location of the project, and the impact of the additional funding on the
12 affordability of the project for the occupants of such project. No more
13 than fifty percent of the total amount appropriated pursuant to this
14 article in any fiscal year shall be allocated to homes located within
15 any single municipality.

16 § 2. Subdivision 2 of section 1112 of the private housing finance law
17 is amended by adding a new paragraph (j) to read as follows:

18 (j) In the case of projects that receive an award of over forty thou-
19 sand dollars, the grantee shall establish resale restrictions requiring
20 the sale of the unit or units receiving such funding through a grant
21 from the corporation be purchased only by qualified low-income homebuy-
22 ers extending for a period of at least sixty years, but no more than
23 ninety-nine years, and the grantee shall ensure this resale restriction
24 by use of deed restrictions, community land trusts, or limited-equity
25 cooperative ownership structure.

26 § 3. Section 1112 of the private housing finance law is amended by
27 adding a new subdivision 3-a to read as follows:

28 3-a. In determining awards pursuant to this article, the corporation
29 shall establish tiered project funding levels based on length and depth
30 of affordability with preference for approval and allocation amounts
31 being given to longer terms and greater depth of affordability.

32 § 4. Projects in pre-development that have already received commit-
33 ments from the corporation prior to the effective date of this act shall
34 be granted the opportunity to request additional capital under the law
35 after the effective date of this act.

36 § 5. This act shall take effect on the two hundred fortieth day after
37 it shall have become a law. Effective immediately, the commissioner of
38 homes and community renewal is authorized and directed to take such
39 actions which are necessary for the implementation of this act, includ-
40 ing the addition, amendment and/or repeal of any rule or regulation, on
41 or before such effective date.