

# STATE OF NEW YORK

---

7233

2019-2020 Regular Sessions

## IN ASSEMBLY

April 15, 2019

---

Introduced by M. of A. O'DONNELL, GLICK -- Multi-Sponsored by -- M. of A. GOTTFRIED -- read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law and the state finance law, in relation to dedicating Mitchell-Lama buyout revenues to affordable housing

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

1 Section 1. Legislative findings and intent. Mitchell-Lama housing was  
2 built in the 1950's as a response to the housing crisis after World War  
3 II. This housing created new vibrant communities that attracted busi-  
4 nesses, schools, day care centers and stimulated economic activity that  
5 has allowed New York city to thrive. Without programs like Mitchell-  
6 Lama, New York City would only be inhabitable for the very rich or the  
7 very poor. Mitchell-Lama housing allows people of all economic means to  
8 live together in decent, affordable housing. This community is being  
9 threatened by the specter of buy-outs. Applying buy-out revenues to  
10 provide more affordable housing will preserve and promote the well being  
11 of our state's communities.

12 § 2. The private housing finance law is amended by adding a new  
13 section 36-b to read as follows:

14 § 36-b. Buyout revenues to be dedicated to affordable housing.  
15 Notwithstanding any inconsistent provision of law, any revenues derived  
16 by the state from a buyout of a state-aided project shall be deposited  
17 to the credit of the Mitchell-Lama buyout affordable housing fund estab-  
18 lished pursuant to section ninety-two-ii of the state finance law and  
19 used for the purposes of providing affordable housing to projects and  
20 persons that meet the eligibility criteria provided for in this article  
21 and no other. Any revenues derived by a municipality from the buyout of  
22 a municipally-aided project shall be deposited to a special municipal  
23 fund consisting solely of such revenues and shall be used solely for  
24 affordable housing purposes.

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

LBD11036-01-9

1 § 3. The state finance law is amended by adding a new section 92-ii to  
2 read as follows:

3 § 92-ii. Mitchell-Lama buyout affordable housing fund. 1. There is  
4 hereby established in the joint custody of the state comptroller and the  
5 commissioner of taxation and finance a fund to be known as the "Mitc-  
6 hell-Lama buyout affordable housing fund".

7 2. The Mitchell-Lama buyout affordable housing fund shall be classi-  
8 fied by the comptroller within the capital project fund type and shall  
9 consist of all moneys collected therefor or credited, appropriated or  
10 transferred thereto from any other fund or source pursuant to law or any  
11 other moneys made available for the purposes of the fund.

12 3. Moneys of the fund may be invested by the state comptroller and  
13 income from such investments shall be credited to such fund.

14 4. Moneys of the fund shall be appropriated by the legislature and  
15 paid out pursuant to the terms of such appropriation and only for  
16 affordable housing purposes as specified in section thirty-six-b of the  
17 private housing finance law.

18 § 4. This act shall take effect on the first of January next succeed-  
19 ing the date on which it shall have become a law.