

# STATE OF NEW YORK

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8427

2019-2020 Regular Sessions

## IN ASSEMBLY

June 17, 2019

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Introduced by M. of A. CYMBROWITZ -- (at request of the New York State  
Homes and Community Renewal) -- read once and referred to the Commit-  
tee on Housing

AN ACT to amend the private housing finance law, in relation to loans by  
the housing trust fund corporation

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

1 Section 1. Subdivision 1 of section 1102 of the private housing  
2 finance law, as amended by chapter 199 of the laws of 2008, is amended  
3 to read as follows:

4 1. Within the limit of funds available in the housing trust fund  
5 account, the corporation is hereby authorized to enter into contracts  
6 with eligible applicants for the furnishing by such applicants of hous-  
7 ing for persons of low income. Each such contract shall provide that  
8 eligible applicants rehabilitate or construct one or more projects or  
9 convert one or more nonresidential properties. Such contracts may  
10 provide for payments, grants or loans by the corporation for the activ-  
11 ities to be carried out by the eligible applicant under the contract.  
12 Such contracts shall provide that a private developer make an equity  
13 investment of the greater of (i) two and one-half percent of project  
14 costs or (ii) five percent of project costs less grants which are to be  
15 applied to such costs. The foregoing shall not preclude a private devel-  
16 oper from making a greater equity investment. Any payments, grants or  
17 loans made by the corporation outstanding at the time of resale shall be  
18 subject to repayment in whole or in part upon resale after termination  
19 of the regulatory period and as otherwise provided therein. Such repay-  
20 ment provisions may survive the end of the regulatory period. Such  
21 contracts may provide that eligible applicants shall either (a) perform  
22 activities specified under the contract themselves or (b) act as admin-  
23 istrators of a program under which projects are rehabilitated or  
24 constructed or nonresidential properties are converted by other eligible

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

LBD09319-01-9

1 applicants or (c) perform both such functions. In the case of a municipi-  
2 pality acting as an administrator, funds provided to such municipality  
3 hereunder shall not be deemed to be municipal funds. The corporation  
4 shall refer any request for payments, grants or loans from persons of  
5 low income to eligible applicants in the area in which such persons  
6 reside. Loans may be in the form of participation in loans including but  
7 not limited to participation in loans originated or financed by lending  
8 institutions as defined in section forty-two of this chapter, the state  
9 of New York mortgage agency, the New York city housing development  
10 corporation, the New York state housing finance agency or private or  
11 public employee pension funds. Notwithstanding any other provision of  
12 law, payments, grants and loans may be deposited by the corporation  
13 directly with a lending institution at or before the time of initial  
14 loan closing pursuant to an escrow agreement satisfactory to the corpo-  
15 ration. Payments, grants and loans shall be on such terms and conditions  
16 as the corporation, or the eligible applicant with the approval of the  
17 corporation, as the case may be, shall determine. Payments, grants and  
18 loans shall be used to pay for the actual and necessary cost of acquisi-  
19 tion, construction, rehabilitation or conversion, provided that not more  
20 than fifty percent of such payments, grants and loans received for the  
21 rehabilitation, construction or conversion of a project may be used for  
22 the cost of the project's acquisition and not more than ten percent of  
23 such payments, grants and loans may be used for the rehabilitation,  
24 construction or conversion of community service facilities and, provided  
25 further, that payments, grants or loans shall not be used for (i) the  
26 administrative costs of an eligible applicant except as otherwise  
27 authorized by law, (ii) the cost of the acquisition, construction,  
28 conversion or rehabilitation of residential units which, subsequent to  
29 such acquisition, construction, conversion or rehabilitation, are to be  
30 occupied by persons other than persons of low income, and (iii) the cost  
31 of the acquisition, construction, conversion or rehabilitation of units  
32 which, subsequent to such acquisition, construction, conversion or reha-  
33 bilitation, are occupied or to be occupied for other than residential  
34 purposes, except for community service facilities as described above. No  
35 such payments, grants or loans shall exceed a total of one hundred twen-  
36 ty-five thousand dollars per dwelling unit. Among the criteria the  
37 corporation shall consider in determining whether to provide additional  
38 funds are: average cost of construction in the area, location of the  
39 project and the impact of the additional funding on the affordability of  
40 the project for the occupants of such project. The length of any loan  
41 provided under this article shall not exceed thirty years, except in  
42 instances where a lengthier loan period is necessary to provide for a  
43 loan term that is co-terminus with the terms of other financing or regu-  
44 latory agencies participating in the project. No more than fifty percent  
45 of the total amount originally appropriated pursuant to this article in  
46 any fiscal year shall be allocated to projects located within any single  
47 municipality. Of the amount originally appropriated to the corporation  
48 in any fiscal year, no more than thirty-three and one-third percent  
49 shall be allocated to private developers for projects within a city with  
50 a population of one million or more. Of the amount originally appropri-  
51 ated to the corporation in any fiscal year, no more than thirty-three  
52 and one-third percent shall be allocated to private developers for  
53 projects in the area outside cities with a population of one million or  
54 more.

§ 2. This act shall take effect immediately.