

# STATE OF NEW YORK

2015--A

2021-2022 Regular Sessions

## IN SENATE

January 16, 2021

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- recommitted to the Committee on Housing, Construction and Community Development in accordance with Senate Rule 6, sec. 8 -- 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 the payment of arrears for certain taxes and placing limitations on housing development fund company regulatory agreements

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

Section 1. Paragraph (b) of subdivision 1 and subparagraphs 1 and 9 of paragraph (b) of subdivision 2 of section 577-b of the private housing finance law, paragraph (b) of subdivision 1 as amended by chapter 225 of the laws of 2004 and subparagraphs 1 and 9 of paragraph (b) of subdivision 2 as added by chapter 315 of the laws of 2002, are amended and paragraph (b) of subdivision 2 is amended by adding a new subparagraph 4-a to read as follows:

(b) [~~on January first, two thousand two, had~~] has outstanding municipal real estate taxes relating to any prior period [~~prior to January first, two thousand one~~].

(1) a term of [~~thirty~~] forty years;

(4-a) that suspended arrears shall be subordinated to any loan obtained by the housing development fund corporation for allowable purposes;

(9) that the company shall be required to increase maintenance charges by a minimum of two percent per year or impose assessments to insure that the company can provide for its obligations.

§ 2. Section 576 of the private housing finance law is amended by adding a new subdivision 4 to read as follows:

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

LBD01942-02-2

1 4. Notwithstanding any provision of law, rule or regulation to the  
2 contrary, a regulatory agreement pursuant to this section shall not:

3 a. Include a requirement for a monitor approved by the commissioner or  
4 supervising agency, as the case may be;

5 b. Place any limitations that would restrict the ability of a housing  
6 development fund company to obtain a mortgage or comply with the  
7 provisions of this chapter, including but not limited to, imposing sales  
8 caps on the sale of dwelling units within a housing development fund  
9 company project;

10 c. Require a housing development fund company to hire a management  
11 company from a list of companies approved by the commissioner or super-  
12 vising agency, as the case may be;

13 d. Where a shareholder of a housing development fund company inherits  
14 residential property within one hundred miles of the municipality where  
15 the housing development fund company project, require such shareholder  
16 to either vacate their dwelling unit in the housing development fund  
17 company project or sell such inherited property;

18 e. Limit the assets of a shareholder of a housing development fund  
19 company to one hundred seventy-five percent or less of the area median  
20 income for a family of four for the county in which a project is located  
21 as calculated by the United States department of housing and urban  
22 development;

23 f. Require a shareholder to demonstrate he or she resides in the hous-  
24 ing development fund company project dwelling unit more than one hundred  
25 eighty-three days a year; or

26 g. Require the sale of a dwelling unit in a housing development fund  
27 company project to be administered through a housing portal of the  
28 commissioner or supervising agency, as the case may be.

29 § 3. This act shall take effect immediately.