

STATE OF NEW YORK

3372

2021-2022 Regular Sessions

IN SENATE

January 29, 2021

Introduced by Sens. BAILEY, ADDABBO, BENJAMIN, BOYLE, COMRIE, HOYLMAN, JACKSON, KENNEDY, KRUEGER, MYRIE, PARKER, PERSAUD, SALAZAR, SANDERS, SAVINO, SEPULVEDA, SERRANO, SKOUFIS, STAVISKY -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

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

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

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

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

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

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

29 3-a. In determining awards pursuant to this article, the corporation
30 shall establish tiered project funding levels based on length and depth
31 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 to take such actions which are
39 necessary for the implementation of this act, including the addition,
40 amendment and/or repeal of any rule or regulation, on or before such
41 effective date.