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:

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

1. Within the limit of funds available in the affordable housing development account, the corporation is hereby authorized to enter into contracts with eligible applicants to provide grants which such applicants shall use to finance affordable home ownership development programs subject to the terms and conditions of this article. Any grants received by a municipality hereunder shall not be deemed to be municipal funds. Grantees shall utilize funds provided pursuant to this article solely as payments, grants and loans to owners to reduce the costs of new construction, rehabilitation or home improvement or the cost of acquisition, but only where such acquisition is part of an affordable home ownership development program or project to construct or rehabilitate homes, or as otherwise authorized by law. Such financial assistance may be in the form of loans, participation in loans including but not limited to participation in loans originated or financed by lending institutions as defined in section forty-two of this chapter, private or public employee pension funds or the state of New York mortgage agency, or grants, on such terms and conditions as the grantee with the approval of the corporation shall determine, provided that no such payments, 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.

LBD06790-01-1

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

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

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

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

3-a. In determining awards pursuant to this article, the corporation shall establish tiered project funding levels based on length and depth of affordability.

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

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