

# STATE OF NEW YORK

10714

## IN ASSEMBLY

September 18, 2024

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Epstein) --  
read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law, in relation to the  
payment of arrears for certain taxes and placing limitations on hous-  
ing development fund company regulatory agreements

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

1 Section 1. Paragraph (b) of subdivision 1 and subparagraphs 1 and 9 of  
2 paragraph (b) of subdivision 2 of section 577-b of the private housing  
3 finance law, paragraph (b) of subdivision 1 as amended by chapter 225 of  
4 the laws of 2004 and subparagraphs 1 and 9 of paragraph (b) of subdivi-  
5 sion 2 as added by chapter 315 of the laws of 2002, are amended and  
6 paragraph (b) of subdivision 2 is amended by adding a new subparagraph  
7 4-a to read as follows:

8 (b) [~~on January first, two thousand two, had~~] has outstanding munici-  
9 pal real estate taxes relating to any prior period [~~prior to January~~  
10 ~~first, two thousand one~~].

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

12 (4-a) that suspended arrears shall be subordinated to any loan  
13 obtained by the housing development fund corporation for allowable  
14 purposes;

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

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

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

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

24 b. Place any limitations that would restrict the ability of a housing  
25 development fund company to obtain a mortgage or comply with the  
26 provisions of this chapter, including but not limited to, imposing sales

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

LBD00048-02-3

1 caps on the sale of dwelling units within a housing development fund  
2 company project;

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

6 d. Where a shareholder of a housing development fund company inherits  
7 residential property within one hundred miles of the municipality where  
8 the housing development fund company project, require such shareholder  
9 to either vacate their dwelling unit in the housing development fund  
10 company project or sell such inherited property;

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

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

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

22 § 3. This act shall take effect immediately.