

# STATE OF NEW YORK

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6943

2023-2024 Regular Sessions

## IN SENATE

May 16, 2023

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Introduced by Sen. KAVANAGH -- (at request of the New York State Homes and Community Renewal) -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend chapter 514 of the laws of 1983 amending the private housing finance law and the real property tax law relating to the powers of the New York state housing finance agency and the New York city housing development corporation to finance certain multi-family housing, in relation to the effectiveness thereof; to amend chapter 396 of the laws of 1984 amending the private housing finance law and the real property tax law relating to the powers of the New York state housing finance agency to finance certain multi-family housing, in relation to the effectiveness thereof; to amend chapter 915 of the laws of 1982 amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to the effectiveness thereof; to amend the public authorities law, in relation to the powers of the state of New York mortgage agency; to amend chapter 555 of the laws of 1989 amending the public authorities law and other laws relating to establishing a New York state infrastructure trust fund, in relation to the effectiveness thereof; to amend chapter 172 of the laws of 2002, amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to the effectiveness thereof; to amend chapter 208 of the laws of 2010 amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to the effectiveness thereof; and to amend chapter 246 of the laws of 2010 amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to the effectiveness thereof

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

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

LBD06780-01-3

1 Section 1. Section 6 of chapter 514 of the laws of 1983, amending the  
2 private housing finance law and the real property tax law relating to  
3 the powers of the New York state housing finance agency and the New York  
4 city housing development corporation to finance certain multi-family  
5 housing, as amended by chapter 232 of the laws of 2021, is amended to  
6 read as follows:

7 § 6. This act shall take effect immediately and shall remain in full  
8 force and effect until July 23, [~~2023~~] 2025 at which time it shall be  
9 repealed.

10 § 2. Section 7 of chapter 396 of the laws of 1984, amending the  
11 private housing finance law and the real property tax law relating to  
12 the powers of the New York state housing finance agency to finance  
13 certain multi-family housing, as amended by chapter 232 of the laws of  
14 2021, is amended to read as follows:

15 § 7. This act shall take effect immediately, except that sections one,  
16 three, four, five and six of this act shall remain in full force and  
17 effect until July 23, [~~2023~~] 2025 at which time such sections shall be  
18 repealed.

19 § 3. Section 16 of chapter 915 of the laws of 1982 amending the public  
20 authorities law relating to the powers of the state of New York mortgage  
21 agency, as amended by chapter 232 of the laws of 2021, is amended to  
22 read as follows:

23 § 16. This act shall take effect immediately except that the amend-  
24 ments to law effected by sections one through ten of this act, as  
25 amended, shall cease to be of force and effect on and after July 23,  
26 [~~2023~~] 2025, on which date the provisions of the public authorities law  
27 amended by such sections shall be as they were in force and effect im-  
28 mediately prior to this act taking effect.

29 § 4. Section 2407 of the public authorities law, as amended by chapter  
30 232 of the laws of 2021 and subdivision 2 as amended by chapter 704 of  
31 the laws of 2022, is amended to read as follows:

32 § 2407. Bond limits. (1) Except for notes issued in nineteen hundred  
33 seventy and nineteen hundred seventy-one, the agency shall not issue  
34 bonds and notes, the interest on which is not included in the gross  
35 income of the holders of the bonds and notes under the United States  
36 Internal Revenue Code of 1986, as amended, or any subsequent correspond-  
37 ing internal revenue law of the United States, in an aggregate principal  
38 amount exceeding ten billion [~~two~~] seven hundred twenty million dollars,  
39 excluding from such limitation (a) an amount equal to any original issue  
40 discount from the principal amount of any bonds or notes issued, (b)  
41 bonds and notes issued to refund outstanding bonds and notes, and (c)  
42 bonds and notes not described in paragraph (b) of this subdivision  
43 issued to refund outstanding bonds and notes in accordance with the  
44 provisions of the Internal Revenue Code of 1986 or the Tax Reform Act of  
45 1986, as amended, where such bonds or notes are not included in the  
46 statewide volume cap on private purpose bonds under section 146 of such  
47 code provided, however, that upon any refunding pursuant to this para-  
48 graph or paragraph (b) of this subdivision, such exclusion shall apply  
49 only to the extent that the amount of the refunding bonds or notes does  
50 not exceed (i) the outstanding amount of the refunded bonds or notes,  
51 plus (ii) to the extent permitted by applicable federal tax law, costs  
52 of issuance of the refunding bonds or notes to be financed from the  
53 proceeds of the refunding bonds or notes. No such bond or note shall be  
54 issued by the agency on or after July twenty-third, two thousand [~~twen-~~  
55 ~~ty-three~~] twenty-five, excluding bonds and notes issued to refund  
56 outstanding bonds and notes. No more than one billion dollars of

1 proceeds of bonds or notes issued by the agency pursuant to this subdivi-  
2 sion shall be used for mortgage purposes by blending with proceeds of  
3 bonds issued pursuant to subdivision two of this section.

4 (2) In connection with the issuance of bonds for the purpose of  
5 furthering programs described in this title, the agency is authorized to  
6 covenant and consent that the interest on any of its bonds, notes or  
7 other obligations shall be includable, under the United States Internal  
8 Revenue Code of 1986, as amended or any subsequent corresponding inter-  
9 nal revenue law of the United States, in the gross income of the holders  
10 of the bonds to the same extent and in the same manner that the interest  
11 on bills, bonds, notes or other obligations of the United States is  
12 includable in the gross income of the holders thereof under said Inter-  
13 nal Revenue Code or any such subsequent law. Pursuant to this subdivi-  
14 sion, the agency shall not issue bonds, notes or other obligations in an  
15 aggregate principal amount exceeding one billion five hundred million  
16 dollars, excluding from such limitation bonds, notes or other obli-  
17 gations issued to refund outstanding bonds, notes or other obligations.  
18 No such bond, note or other obligation shall be issued by the agency on  
19 or after July twenty-third, two thousand [~~twenty-three~~] **twenty-five**,  
20 excluding bonds, notes or other obligations issued to refund outstanding  
21 bonds, notes or other obligations and no mortgages shall be purchased  
22 with the proceeds of such bonds, notes or other obligations after such  
23 date. The board of directors of the agency shall establish program  
24 guidelines for purposes of bonds, notes or other obligations issued  
25 pursuant to this subdivision. The board of directors shall establish  
26 from time to time maximum income limits of persons eligible to receive  
27 mortgages financed by bonds, notes or other obligations issued pursuant  
28 to this subdivision, which income limits with respect to one-third of  
29 the total principal amount of mortgages authorized to be so financed  
30 shall not exceed one hundred twenty-five percent of the latest maximum  
31 income limits permitted under the Internal Revenue Code of 1986, as  
32 amended, for mortgagors financed by mortgage revenue bonds, with respect  
33 to one-third of such principal amount authorized to be so financed,  
34 shall not exceed one hundred thirty-five percent of such income limits,  
35 and with respect to one-third of such principal amount authorized to be  
36 so financed, shall not exceed one hundred fifty percent of such limits,  
37 provided that notwithstanding the foregoing, the maximum income limits  
38 of persons eligible to receive mortgages financed by the agency under  
39 its neighborhood revitalization program (and any successor program)  
40 shall not exceed one hundred fifty percent of the latest maximum income  
41 limits permitted under the Internal Revenue Code of 1986, as amended,  
42 for mortgagors financed by mortgage revenue bonds.

43 (3) The fixing of the statutory maximums in this section shall not be  
44 construed as constituting a contract between the agency and the holders  
45 of its bonds or notes that additional bonds and notes may not be issued  
46 subsequently by the agency in the event that such statutory maximums  
47 shall subsequently be increased by law.

48 § 5. Section 19 of chapter 555 of the laws of 1989 amending the public  
49 authorities law and other laws relating to establishing a New York state  
50 infrastructure trust fund, as amended by chapter 232 of the laws of  
51 2021, is amended to read as follows:

52 § 19. This act shall take effect immediately and shall be deemed to  
53 have been in full force and effect on and after June 15, 1989 provided  
54 that the amendments to law effected by sections six and nine through  
55 seventeen of this act, as amended, shall cease to be of force and effect  
56 on and after July 23, [~~2023~~] **2025**, on which date the provisions of the

1 public authorities law amended by such sections shall be as they were in  
2 force and effect immediately prior to this act taking effect, and  
3 provided however that the amendments to law effected by sections six and  
4 nine through seventeen of this act, as amended, shall continue to apply  
5 to all commitments issued or policies or development corporation credit  
6 support in force on or before July 23, [~~2023~~ 2025], and provided further  
7 that the amendments to section 2429-b of the public authorities law made  
8 by section 13 of chapter 3 of the laws of 2004 which amended this  
9 section shall not cease to be of force and effect prior to the time that  
10 full payment of all development corporation credit support obligations  
11 has been made or provided for.

12 § 6. Section 2 of chapter 172 of the laws of 2002 amending the public  
13 authorities law relating to the powers of the state of New York mortgage  
14 agency, as amended by chapter 232 of the laws of 2021, is amended to  
15 read as follows:

16 § 2. This act shall take effect immediately and shall remain in full  
17 force and effect until July 23, [~~2023~~ 2025], whereupon such date the  
18 provisions of this act shall expire and be deemed repealed.

19 § 7. Section 4 of chapter 208 of the laws of 2010 amending the public  
20 authorities law relating to the powers of the state of New York mortgage  
21 agency, as amended by chapter 232 of the laws of 2021, is amended to  
22 read as follows:

23 § 4. This act shall take effect immediately, provided that the amend-  
24 ments to subdivision 5 of section 2402 of the public authorities law  
25 made by section one of this act shall be subject to the expiration and  
26 reversion of such subdivision pursuant to section 16 of chapter 915 of  
27 the laws of 1982, as amended, when upon such date the provisions of  
28 section two of this act shall take effect; further provided that this  
29 act shall expire and be deemed repealed July 23, [~~2023~~ 2025].

30 § 8. Section 5 of chapter 246 of the laws of 2010 amending the public  
31 authorities law relating to the powers of the state of New York mortgage  
32 agency, as amended by chapter 232 of the laws of 2021, is amended to  
33 read as follows:

34 § 5. This act shall take effect immediately and shall expire and be  
35 deemed repealed on and after July 23, [~~2023~~ 2025]; provided, however,  
36 that the amendments to paragraph (c) of subdivision 8 of section 2428 of  
37 the public authorities law made by section two of this act shall not  
38 affect the expiration of such subdivision and shall be deemed to expire  
39 therewith.

40 § 9. This act shall take effect immediately.