

# STATE OF NEW YORK

9380

## IN SENATE

May 14, 2024

Introduced by Sen. KAVANAGH -- 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 creating an affordable housing relief fund program to preserve affordable multifamily residential properties located in New York state

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

1 Section 1. The private housing finance law is amended by adding a new  
2 article 33 to read as follows:

### ARTICLE XXXIII

#### AFFORDABLE HOUSING RELIEF FUND PROGRAM

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4  
5 Section 1300. Statement of legislative findings.

6 1301. Definitions.

7 1302. Affordable housing relief fund program.

8 1303. Program criteria.

9 1304. Funding criteria.

10 1305. Affordability protection.

11 1306. Funding and annual report.

12 § 1300. Statement of legislative findings. The legislature finds and  
13 declares that there exists a serious shortage of safe and habitable  
14 affordable housing in New York state for persons and families of low  
15 income. A significant portion of the affordable, multifamily housing  
16 stock is in operational and financial distress, threatening to exacer-  
17 bate this crisis. Rent collection losses, labor shortages, construction  
18 delays, cost overruns, interest rates and rising insurance costs have  
19 caused a significant increase in operating expenses, which are jeopard-  
20 izing the availability to tenants of affordable housing units and even  
21 the viability of some buildings. Existing preservation program funding  
22 is limited, and this identified need is not eligible for such funding.  
23 The legislature therefore finds that a program should be established to  
24 provide needed capital funds and debt restructuring to ensure these  
25 at-risk affordable housing properties remain available to tenants.

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

LBD15597-01-4

1 § 1301. Definitions. For the purposes of this article, the following  
2 terms shall have the following meanings:

3 1. "Corporation" shall mean the housing trust fund corporation estab-  
4 lished in section forty-five-a of this chapter.

5 2. "Affordable housing relief fund program" shall mean forgivable  
6 loans available to support the recapitalization and stabilization of  
7 qualified properties and to assist developments statewide that are  
8 outside of the allowable refinancing term.

9 3. "Eligible projects" shall mean existing at-risk, one hundred  
10 percent affordable or supportive multifamily rental properties subject  
11 to a regulatory agreement with one or more city, state, or federal hous-  
12 ing agencies.

13 4. "Eligible uses" shall include but not be limited to the preserva-  
14 tion and improvement of eligible projects, as established by this  
15 section, to address deferred maintenance, capital needs, emergency  
16 repairs, or any condition which poses a threat to the life, health,  
17 safety, or habitation of residents, to include debt restructuring to  
18 stabilize and preserve the housing supply and reduce the risk of  
19 default.

20 5. "Eligible applicant" shall include not-for-profit corporations or  
21 charitable organizations, or a wholly owned subsidiary of such corpo-  
22 rations or organizations, or private for-profit developers that have a  
23 regulatory agreement with one or more city, state, or federal housing  
24 agencies. The sponsor, management company and principal participants in  
25 the project shall be in good standing, not in default under any existing  
26 mortgage financing and shall meet all credit review criteria imposed by  
27 the corporation.

28 § 1302. Affordable housing relief fund program. Within amounts appro-  
29 priated or otherwise available therefor, the housing trust fund corpo-  
30 ration shall develop and administer an affordable housing relief fund  
31 program which shall provide aid in the form of payments and grants for  
32 reasonable and necessary expenses to an eligible applicant for the pres-  
33 ervation or improvement of affordable housing throughout the state.

34 § 1303. Program criteria. The corporation shall develop procedures,  
35 criteria and requirements related to the competitive application and  
36 award of projects pursuant to this section which shall include: eligi-  
37 bility, market demand, feasibility and funding criteria; the funding  
38 determination process; supervision and evaluation of contracting appli-  
39 cants; reporting, budgeting and record-keeping requirements; provisions  
40 for modification and termination of contracts; and such other matters  
41 not inconsistent with the purposes and provisions of this article as the  
42 corporation shall deem necessary or appropriate. The corporation may  
43 prioritize buildings in the greatest distress.

44 § 1304. Funding criteria. Up to eighty-five thousand dollars per  
45 income-restricted housing unit may be awarded for residential affordable  
46 housing preservation or rehabilitation. Assistance shall be in the form  
47 of a zero percent interest rate loan, with no monthly payments, that  
48 shall be forgiven after ten years. All or a portion of program funds may  
49 be required to be repaid if the project is sold within ten years or  
50 fails to comply with the regulatory agreement. The amount subject to  
51 possible repayment shall decrease by 1/120 per month each month the  
52 property remains in compliance with affordability terms.

53 § 1305. Affordability protection. Eligible applicants, as defined in  
54 section thirteen hundred one of this article, shall be subject to  
55 affordability, tenant protections, and all other existing provisions as

1 agreed in the qualifying threshold regulatory agreement with one or more  
2 city, state, or federal housing agencies.

3 § 1306. Funding and annual report. The corporation in its sole  
4 discretion shall authorize all funding decisions and make all award  
5 announcements. The corporation shall, on or before December thirty-  
6 first in each year submit a report to the legislature on the implementa-  
7 tion of this article. Such report shall include, but not be limited to,  
8 for each award made to a grantee under this article: a description of  
9 such award; contract amount and cumulative total; the specific activ-  
10 ities performed by such grantee; the amounts of monies received by the  
11 grantee from sources other than payments made pursuant to this article;  
12 and such other information as the corporation deems pertinent.

13 § 2. This act shall take effect immediately.