STATE OF NEW YORK

9958

IN SENATE

December 6, 2024

Introduced by Sen. MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the private housing finance law and the state finance law, in relation to establishing a housing project revolving loan program and housing project revolving loan fund

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

Section 1. The private housing finance law is amended by adding a new section 59-j to read as follows:

§ 59-j. Housing project revolving loan program. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "Eligible housing project" means a project to build mixed income housing where at least twenty percent of units will be rented to individuals at or below fifty percent of the area median income.

(b) "Program" means the housing project revolving loan program established pursuant to this section.

(c) "Residential housing developer" means a for-profit entity, non-profit entity, or public authority proposing to build an eligible housing project.

2. The agency is hereby authorized and directed to establish a housing project revolving loan program to provide zero-percent interest or low-percent interest loans, in accordance with subdivision four of this section, to residential housing developers to finance eligible housing projects. Notwithstanding the provisions of any law to the contrary, state financial assistance in the form of a loan may be provided for costs of eligible projects for capital costs related to such projects.

3. (a) The agency shall develop a method whereby residential housing developers may apply to the agency to receive loans under the program for eligible housing projects. The agency, after review of the fiscal needs of such eligible housing projects, shall make a determination, subject to any restrictions under this section, as to the residential housing developers to be awarded state financial assistance under this section, and the amount of such financial assistance. In making such determinations, the agency shall consider the potential impact of eligi-

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

LBD16116-02-4

ble housing projects, and the needs of the areas where such eligible housing projects would be located, with a goal of maximizing affordable housing production. The agency shall ensure that such financial assistance awards are made to residential housing developers for eligible housing projects located in all geographic regions of the state from which applications for such financial assistance are made.

(b) The agency shall be authorized to allocate funds for financial assistance to other housing finance agencies in the state, as determined by the agency, to be used for the purposes under subdivision two of this section.

4. Financial assistance awarded under subdivision three of this section shall be provided from the housing project revolving loan fund established under section ninety-nine-ss of the state finance law. Such financial assistance shall be awarded in the form of a loan, with a zero-interest or low-interest rate, to be determined on a case-by-case basis by the agency. Such loans may be in the form of mezzanine debt, full construction financing, or other form deemed appropriate by the agency. In determining such interest rates and loan structures, the agency shall have the goal of covering all costs related to the operation of the program, without seeking to maximize additional profits.

5. A residential housing developer awarded a loan under this section shall return the full amount of such loan and any interest due thereupon to the program upon completion of the eligible housing project for which such loan was awarded. A residential housing developer shall obtain permanent financing for an eligible project from a source other than the program for any remaining debt after initially receiving a loan under this section. Funds received by the agency from residential housing developers under this subdivision shall be returned to the housing project revolving loan fund established under section ninety-nine-ss of the state finance law.

6. (a) Residential housing developers shall be authorized to pair any funds received under the program with any other subsidies or funding for residential housing projects, provided, however, that such residential housing developers shall not be authorized to pair any funds received under the program with any funds received under the federal low income housing tax credit program.

(b) Notwithstanding any other provisions of this section, residential housing developers receiving funds under this section shall not be precluded from charging fair market rent, as most recently published for the relevant county and unit type by the division of housing and community renewal, to individuals using vouchers to pay rent pursuant to section eight of the United States housing act of nineteen hundred thirty-seven, as amended, or any successor provision.

§ 2. The state finance law is amended by adding a new section 99-ss to read as follows:

§ 99-ss. Housing project revolving loan fund. 1. There is hereby established in the joint custody of the state comptroller and the commissioner of taxation and finance a special fund to be known as the "housing project revolving loan fund".

2. The housing project revolving loan fund shall consist of all monies appropriated, credited, or transferred thereto from the general fund or any other source pursuant to law, including the repayment of loans provided under section fifty-nine-j of the private housing finance law.

3. Moneys of the account, when allocated, shall be available to the chair of the New York state housing finance agency to make loans pursuant to section fifty-nine-j of the private housing finance law.

§ 3. This act shall take effect on the ninetieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.