STATE OF NEW YORK

8828--A

IN SENATE

March 19, 2024

Introduced by Sen. GRIFFO -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the private housing finance law, in relation to requiring certain out-of-state affordable housing owners to maintain an escrow account for affordable housing rental units located in New York state

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 615 to read as follows:

§ 615. Out-of-state affordable housing owner escrow account. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "HUD" shall mean the federal department of housing and urban development.

(b) "Out-of-state affordable housing owner" shall mean an affordable housing development company that:

(i) is located outside of New York state;

(ii) owns twenty or more affordable housing rental units located in New York state; and

(iii) receives federal funding pursuant to a HUD-administered program or initiative.

2. (a) Every out-of-state affordable housing owner shall maintain an escrow account, held by a bank or licensed lender, as such terms are defined by section two of the banking law, for the purpose of financing utility costs, tax obligations, fire services, and regular maintenance costs for affordable housing rental units located in New York state.

(b) Such escrow account shall contain:

(i) fifty percent of such owner's property tax obligations for affordable housing rental units located in New York state for the prior tax year;

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

LBD14921-04-4

(ii) fifty percent of utility costs and regular maintenance costs for affordable housing rental units located in New York state for the previous twelve months; and

(iii) an amount sufficient to cover any potential fire services, as determined by the commissioner.

§ 2. This act shall take effect on the sixtieth day after it shall have become a law.