STATE OF NEW YORK

9380--A

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 -- 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 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:

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

ARTICLE XXXIII

AFFORDABLE HOUSING RELIEF FUND PROGRAM

Section 1300. Statement of legislative findings.
1301. Definitions.
1302. Affordable housing relief fund program.
1303. Program criteria.
1304. Funding criteria.
1305. Affordability protection.
1306. Funding.
1307. Annual report.

§ 1300. Statement of legislative findings. The legislature finds and declares that there exists a serious shortage of safe and habitable affordable housing in New York state for persons and families of low income. A portion of the affordable, multifamily housing stock is in operational and financial distress, threatening to exacerbate this shortage. Rent collection losses, rising interest rates and insurance costs, and other factors have caused significant increases in operating expenses, which may jeopardize the availability to tenants of affordable housing units or even the viability of some buildings. Existing preservation program funding is limited, and distressed affordable housing properties may not be eligible for such funding. The legislature therefore finds that a program should be established to provide needed capi-

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

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tal funds and debt restructuring to ensure these distressed affordable housing properties remain available to tenants.

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

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

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

3. "Eligible projects" shall mean existing at-risk, one hundred percent affordable or supportive multifamily rental properties subject to a regulatory agreement with one or more municipal, state, or federal housing agencies.

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

5. "Eligible applicant" shall include not-for-profit or charitable organizations, or a wholly owned subsidiary of such organizations, or private for-profit property owners that have a regulatory agreement with one or more municipal, state, or federal housing agencies applicable to one hundred percent of the housing units on the property. The sponsor, management company and principal participants in the project shall be in good standing, not in default under any existing mortgage financing and shall meet all credit review criteria imposed by the corporation.

§ 1302. Affordable housing relief fund program. Within amounts appropriated or otherwise available therefor, the housing trust fund corporation shall develop and administer an affordable housing relief fund program which shall provide aid in the form of payments and grants for reasonable and necessary expenses to eligible applicants for the preservation or improvement of affordable housing properties.

§ 1303. Program criteria. The corporation shall develop procedures, criteria and requirements related to the competitive application for and award of aid pursuant to this section which shall include: eligibility, market demand, feasibility and funding criteria; the funding determination process; supervision and evaluation of contracting applicants; reporting, budgeting and record-keeping requirements; provisions for modification and termination of contracts; and such other matters not inconsistent with the purposes and provisions of this article as the corporation shall deem necessary or appropriate. The corporation may prioritize properties in the greatest distress.

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

§ 1305. Affordability protection. Recipients of assistance shall be subject to affordability restrictions, tenant protections, and all

existing provisions of any regulatory agreement with one or more municipality, state, or federal housing agency that serves as a basis for eligibility for assistance under this program.

§ 1306. Funding. Subject to appropriations for this program, the corporation in its sole discretion shall authorize all funding decisions and make all award determinations.

§ 1307. Annual report. The corporation shall, on or before January thirty-first in each year submit a report to the legislature on the implementation of this article. Such report shall include, but not be limited to, the number of applications received by the end of the preceding calendar year, the total dollar amount of such applications, and the disposition of such applications; and for each award made to a grantee under this article, a description of such award, the contract amount and cumulative total, the specific activities performed by such grantee, the amounts of monies received by the grantee from sources other than payments made pursuant to this article, and such other information as the corporation deems pertinent.

§ 2. This act shall take effect immediately.