

STATE OF NEW YORK

8589

2025-2026 Regular Sessions

IN ASSEMBLY

May 21, 2025

Introduced by M. of A. HOOKS -- (at request of the New York State Homes and Community Renewal) -- read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law, in relation to the amount of funds that may be used per dwelling unit to modernize certain authorities used by the housing trust fund corporation

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

1 Section 1. Subdivision 1 of section 1102 of the private housing
2 finance law, as amended by chapter 235 of the laws of 2021, is amended
3 to read as follows:
4 1. Within the limit of funds available in the housing trust fund
5 account, the corporation is hereby authorized to enter into contracts
6 with eligible applicants for the furnishing by such applicants of hous-
7 ing for persons of low income. Each such contract shall provide that
8 eligible applicants rehabilitate or construct one or more projects or
9 convert one or more nonresidential properties. Such contracts may
10 provide for payments, grants or loans by the corporation for the activ-
11 ities to be carried out by the eligible applicant under the contract.
12 Such contracts shall provide that a private developer make an equity
13 investment of the greater of (i) two and one-half percent of project
14 costs or (ii) five percent of project costs less grants which are to be
15 applied to such costs. The foregoing shall not preclude a private devel-
16 oper from making a greater equity investment. Any payments, grants or
17 loans made by the corporation outstanding at the time of resale shall be
18 subject to repayment in whole or in part upon resale after termination
19 of the regulatory period and as otherwise provided therein. Such repay-
20 ment provisions may survive the end of the regulatory period. Such
21 contracts may provide that eligible applicants shall either (a) perform
22 activities specified under the contract themselves or (b) act as admin-
23 istrators of a program under which projects are rehabilitated or

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

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1 constructed or nonresidential properties are converted by other eligible
2 applicants or (c) perform both such functions. In the case of a municipi-
3 pality acting as an administrator, funds provided to such municipality
4 hereunder shall not be deemed to be municipal funds. The corporation
5 shall refer any request for payments, grants or loans from persons of
6 low income to eligible applicants in the area in which such persons
7 reside. Loans may be in the form of participation in loans including but
8 not limited to participation in loans originated or financed by lending
9 institutions as defined in section forty-two of this chapter, the state
10 of New York mortgage agency, the New York city housing development
11 corporation, the New York state housing finance agency or private or
12 public employee pension funds. Notwithstanding any other provision of
13 law, payments, grants and loans may be deposited by the corporation
14 directly with a lending institution at or before the time of initial
15 loan closing pursuant to an escrow agreement satisfactory to the corpo-
16 ration. Payments, grants and loans shall be on such terms and conditions
17 as the corporation, or the eligible applicant with the approval of the
18 corporation, as the case may be, shall determine. Payments, grants and
19 loans shall be used to pay for the actual and necessary cost of acquisi-
20 tion, construction, rehabilitation or conversion, provided that not more
21 than fifty percent of such payments, grants and loans received for the
22 rehabilitation, construction or conversion of a project may be used for
23 the cost of the project's acquisition and not more than ten percent of
24 such payments, grants and loans may be used for the rehabilitation,
25 construction or conversion of community service facilities and, provided
26 further, that payments, grants or loans shall not be used for (i) the
27 administrative costs of an eligible applicant except as otherwise
28 authorized by law, (ii) the cost of the acquisition, construction,
29 conversion or rehabilitation of residential units which, subsequent to
30 such acquisition, construction, conversion or rehabilitation, are to be
31 occupied by persons other than persons of low income, and (iii) the cost
32 of the acquisition, construction, conversion or rehabilitation of units
33 which, subsequent to such acquisition, construction, conversion or reha-
34 bilitation, are occupied or to be occupied for other than residential
35 purposes, except for community service facilities as described above. No
36 such payments, grants or loans shall exceed a total of [~~one hundred~~
37 ~~twenty-five~~] two hundred fifty thousand dollars per dwelling unit, or
38 such amount of additional funds as the corporation may determine in
39 accordance with this subdivision. Among the criteria the corporation
40 shall consider in determining whether to provide additional funds are:
41 average cost of construction in the area, location of the project and
42 the impact of the additional funding on the affordability of the project
43 for the occupants of such project. The length of any loan provided under
44 this article shall not exceed forty years. No more than fifty percent of
45 the total amount originally appropriated pursuant to this article in any
46 fiscal year shall be allocated to projects located within any single
47 municipality. Of the amount originally appropriated to the corporation
48 in any fiscal year, no more than thirty-three and one-third percent
49 shall be allocated to private developers for projects within a city with
50 a population of one million or more. Of the amount originally appropri-
51 ated to the corporation in any fiscal year, no more than thirty-three
52 and one-third percent shall be allocated to private developers for
53 projects in the area outside cities with a population of one million or
54 more.

55 § 2. This act shall take effect immediately.