

STATE OF NEW YORK

4908

2025-2026 Regular Sessions

IN SENATE

February 14, 2025

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

AN ACT to amend the mental hygiene law, in relation to the creation of an innovative housing initiative for persons with a developmental disability who wish and are able to safely live independently; to direct the division of housing and community renewal to establish guidelines for the dissemination of disclosure materials for the offer and sale of interests in residential environments formed under the innovative housing initiative; and to amend the general business law, in relation to creating an exemption from certain filing requirements for residential environments that are formed as cooperative interests in realty for persons receiving services under the innovative housing initiative

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

1 Section 1. The mental hygiene law is amended by adding a new section
2 16.38 to read as follows:

3 § 16.38 Innovative housing initiative.

4 (a) The office shall assist a person with a developmental disability
5 to live independently, where appropriate, in a non-certified residential
6 environment, with support services, including but not limited to staff-
7 ing support, shared staffing support, and opportunities for social
8 engagement and recreation, when determined by the office to be an appro-
9 priate non-certified residential environment for such person.

10 (b) Such residential environment may be comprised of a single housing
11 unit or multiple units of housing, in one or more buildings, including
12 but not limited to: (i) leased residential housing units; (ii) housing
13 that qualifies as a cooperative interest in realty under section three
14 hundred fifty-two-e of the general business law; and (iii) condominium
15 units under article nine-B of the real property law. The interest in
16 such residential unit may be leased or owned by a person with a develop-

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

LBD01017-02-5

1 mental disability, or an entity on behalf of such person, including but
2 not limited to a trust established for such person's benefit. Each unit
3 of residential housing may be occupied by no more than the number of
4 unrelated persons permitted by local law, or other applicable law, rule
5 or regulation.

6 (c) The office shall have the authority to determine a person's eligi-
7 bility for the innovative housing initiative as described in this
8 section, including:

9 (1) where a person with a developmental disability may prefer to live
10 and with whom they may prefer to live with, where appropriate;

11 (2) maximizing the types of residential environments in which a person
12 with a developmental disability may live while being eligible for
13 services authorized and funded through a home and community based waiv-
14 er, or other payment mechanism, as appropriate, as determined by the
15 office, to the full extent permitted; and

16 (3) permitting a number of persons with a developmental disability to
17 live in a residential environment, where appropriate and to the extent
18 permitted.

19 (d) This section shall not limit or otherwise affect requirements
20 applying to:

21 (1) an integrated supportive housing program administered by the
22 office in coordination with the division of housing and community
23 renewal (commonly referred to as the Integrative Supportive Housing
24 program or "ISH"); or

25 (2) projects developed as part of an empire state supportive housing
26 initiative (commonly referred to as "ESSHI").

27 (e) The office shall coordinate with the department of health to
28 determine whether an amendment to the state plan authorized by section
29 three hundred sixty-three-a of the social services law or a waiver is
30 required from the federal Centers for Medicare and Medicaid Services
31 ("CMS") to maximize federal financial participation for the initiative
32 described in this section no more than one hundred eighty days from the
33 effective date of this section. If the office determines that an amend-
34 ment to the state plan or a waiver is required or desirable, the depart-
35 ment of health shall submit such amendment or apply to CMS for such
36 waiver.

37 (f) This section shall not be construed to permit the operation with-
38 out an operating certificate of a community residence, community resi-
39 dential facility for the disabled, supervised living facility, support-
40 ive living facility, or any other provider of service requiring an
41 operating certificate under section 16.03 of this article. Nothing in
42 this section shall be interpreted as authorizing an increase in the
43 number of beds approved for a community residence, community residential
44 facility for the disabled, supervised living facility, supportive living
45 facility, or any other provider of service requiring an operating
46 certificate under section 16.03 of this article.

47 (g) Residential environments in which persons with a developmental
48 disability receive services pursuant to the innovative housing initi-
49 ative described by this section shall not discriminate against any resi-
50 dent or potential resident based on race, creed, age other than being at
51 least eighteen years of age, color, national origin, sex, disability,
52 marital status, military status, family status, sexual orientation,
53 gender identity or expression, or any other protected characteristic
54 under the New York state human rights law.

55 § 2. The office for people with developmental disabilities shall
56 conduct public hearings on residential environments that include the

1 innovative housing initiative as described pursuant to section 16.38 of
2 the mental hygiene law.

3 § 3. The division of housing and community renewal shall establish
4 guidelines for the dissemination of disclosure materials for the offer
5 and sale of interests in residential environments formed under the inno-
6 vative housing initiative established by section 16.38 of the mental
7 hygiene law, including (a) housing that qualifies as a cooperative
8 interest in realty under section 352-e of the general business law; (b)
9 condominium units under article 9-B of the real property law; and (c)
10 shares in a housing development fund corporation which are otherwise
11 exempt from the filing requirements of section 352-e of the general
12 business law, to ensure material information is disclosed to any
13 prospective shareholder that: (i) fully describes the risks to a
14 prospective shareholder's investment; and (ii) encourages the prospec-
15 tive shareholder to consult with legal counsel prior to purchasing any
16 shares. The division of housing and community renewal shall make the
17 disclosure guidelines publicly available on its website in compliance
18 with section 102(14) of the state administrative procedure act.

19 § 4. Section 352-g of the general business law, as added by chapter
20 987 of the laws of 1960, is amended to read as follows:

21 § 352-g. Exemptions. (a) The attorney general, upon application, may
22 exempt from the provisions of sections three hundred fifty-two-e, three
23 hundred fifty-two-f and three hundred fifty-two-h of this article any
24 offerings of securities (1) made to persons not exceeding forty in
25 number or (2) which securities have been fully registered with the secu-
26 rities and exchange commission of the United States of America or have
27 received an exemption therefrom for reasons other than said offering is
28 an intrastate offering to residents of the state of New York only.

29 (b) Residential environments that are formed as housing development
30 fund corporations pursuant to article XI of the private housing finance
31 law and section four hundred two of the business corporation law where
32 such residential environment is formed for persons receiving services
33 under the innovative housing initiative established by section 16.38 of
34 the mental hygiene law and where the division of housing and community
35 renewal is the supervising agency as defined by section five hundred
36 seventy-two of the private housing finance law, and where the division
37 of housing and community renewal requires the housing development fund
38 corporation to enter into a monitoring agreement with a qualified not-
39 for-profit with experience in the oversight, support and management of
40 housing development fund corporations shall be exempt from any filing
41 requirements of section three hundred fifty-two-e of this article for
42 the investment in any residential environments and the conversion of any
43 building, group of buildings or development which are converted to a
44 housing development fund corporation.

45 § 5. This act shall take effect one year after it shall have become a
46 law; provided, however, that section two of this act shall take effect
47 immediately. Effective immediately, the addition, amendment, and/or
48 repeal of any rule or regulation necessary for the implementation of
49 this act on its effective date are authorized to be made and completed
50 on or before such effective date.