

STATE OF NEW YORK

1839

2025-2026 Regular Sessions

IN ASSEMBLY

January 14, 2025

Introduced by M. of A. ROSENTHAL -- read once and referred to the
Committee on Housing

AN ACT to amend the private housing finance law, in relation to limited-profit housing companies in a city with a population of one million or more

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

1 Section 1. Section 28 of the private housing finance law is amended by
2 adding a new subdivision 4 to read as follows:

3 4. (a) Notwithstanding any inconsistent provision of this article or
4 of any other provision of general, special or local law, a company
5 (other than a mutual company) that operates a municipally-aided project
6 in a city with a population of one million or more and that is otherwise
7 authorized to pay dividends upon its shares or interest upon its income
8 debentures may, with the approval of the supervising agency, pay such
9 dividends or interest in excess of six percent per annum.

10 (b) On and after the date of the approval of such excess dividend or
11 interest by the supervising agency pursuant to paragraph (a) of this
12 subdivision, the provisions of section thirty-one of this article relat-
13 ing to the variation of rental rates of dwelling units in such municipi-
14 pally-aided project shall not apply and rental rates of dwelling units
15 may be increased annually by such company, without public hearing or
16 further approval by the supervising agency, in the amount authorized by
17 the rent guidelines board established pursuant to the rent stabilization
18 law of nineteen hundred sixty-nine for rent stabilized dwelling units.

19 (c) This subdivision shall not apply to a company with a mortgage loan
20 insured or held by the federal government.

21 § 2. The private housing finance law is amended by adding a new
22 section 35-b to read as follows:

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

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1 § 35-b. Dissolution of certain rental housing companies. 1. For the
2 purposes of this section, the following terms shall have the meanings
3 set forth below:

4 (a) "Affected development" shall mean housing accommodations (i)
5 located in a city with a population of one million or more, (ii) in
6 buildings completed or buildings substantially rehabilitated as family
7 units on or after January first, nineteen hundred seventy-four, and
8 (iii) operated prior to the dissolution date as a rental development
9 pursuant to this article.

10 (b) "Affected dwelling unit" shall mean housing in an affected devel-
11 opment.

12 (c) "Affected housing company" shall mean a limited-profit housing
13 company with an affected development.

14 (d) "Dissolution date" shall mean, with respect to any affected devel-
15 opment, the date of the dissolution or reconstitution of the affected
16 housing company with such affected development pursuant to section thir-
17 ty-five of this article.

18 (e) "Voucher recipient" shall mean a tenant in an affected dwelling
19 unit who receives enhanced voucher assistance pursuant to the voucher
20 act for such period as such tenant receives such assistance.

21 (f) "Voucher unit" shall mean an affected dwelling unit that is at any
22 time occupied by a voucher recipient, for such period as such affected
23 dwelling unit is occupied by a voucher recipient.

24 (g) "Market unit" shall mean an affected dwelling unit that is no
25 longer subject to the rent stabilization law of nineteen hundred sixty-
26 nine and the emergency tenant protection act of nineteen seventy-four
27 because it has been decontrolled pursuant to the terms of applicable law
28 or pursuant to subdivision three of this section.

29 (h) "Vacated unit" shall mean an affected dwelling unit, other than a
30 voucher unit or a market unit, that is no longer occupied by the tenant
31 who occupied such unit on the dissolution date or by the lawful succes-
32 sors in interest of such tenant.

33 (i) "Fully taxable units" shall mean, with respect to any tax year,
34 all affected units that were voucher units, market units or vacated
35 units on the taxable status date of such tax year.

36 (j) "Partially taxable units" shall mean, with respect to any tax
37 year, all affected units which were not fully taxable units on the taxa-
38 ble status date of such tax year.

39 (k) "Voucher act" shall mean section 8(t) of the United States housing
40 act of nineteen thirty-seven, as amended, or any successor statute, and
41 any regulations promulgated thereunder.

42 2. Notwithstanding any provision to the contrary contained in this
43 article, and notwithstanding the provisions of any general, special or
44 local law, after the dissolution date, affected dwelling units shall be
45 fully subject to the provisions of the rent stabilization law of nine-
46 teen hundred sixty-nine and the emergency tenant protection act of nine-
47 teen seventy-four.

48 (a) The initial legal regulated rent for any affected dwelling unit
49 following the dissolution date shall be the last rent authorized for the
50 affected dwelling unit before the dissolution date, which shall not be
51 subject to adjustment pursuant to subdivision a of section 26-513 of the
52 administrative code of the city of New York or subdivision a of section
53 nine of section four of the emergency tenant protection act of nineteen
54 seventy-four.

55 (b) Notwithstanding any provision of this section to the contrary, the
56 legal regulated rent for a voucher unit shall be equal to the maximum

1 rent authorized and approved in connection with the federal assistance
2 provided to the voucher recipient occupying such voucher unit. If an
3 affected dwelling unit which was a voucher unit ceases to be a voucher
4 unit at any time or for any reason, except for those reasons specified
5 in subdivision three of this section, the initial legal regulated rent
6 for such affected dwelling unit following such change in status shall be
7 equal to the sum of (i) the last rent authorized before the dissolution
8 date, plus (ii) any adjustments to such rent authorized by law between
9 the dissolution date and the date upon which such unit ceased to be a
10 voucher unit.

11 3. Notwithstanding any provision of this section to the contrary,
12 where an affected development contains dwelling units which are eligible
13 for and receive enhanced voucher assistance pursuant to the voucher act,
14 any such dwelling unit in such affected development shall be deemed to
15 be a market unit and not subject to the rent stabilization law of nine-
16 teen hundred sixty-nine and the emergency tenant protection act of nine-
17 teen seventy-four for the duration of such tenancy if: (a) the tenant
18 residing in such dwelling unit as of the dissolution date fails to
19 submit all of the required documentation for the initial application for
20 enhanced voucher assistance pursuant to the voucher act, (b) a voucher
21 recipient residing in such dwelling unit fails to submit the required
22 documentation for recertification for enhanced voucher assistance pursu-
23 ant to the voucher act, or (c) a voucher recipient residing in such
24 dwelling unit violates, through action or inaction, the requirements of
25 the voucher act. Upon the first vacancy of an affected dwelling unit
26 which becomes a market rate unit pursuant to this subdivision, such
27 affected dwelling unit shall be fully subject to the provisions of the
28 rent stabilization law of nineteen hundred sixty-nine and the emergency
29 tenant protection act of nineteen seventy-four, and the initial legal
30 regulated rent for such affected dwelling unit following such change in
31 status shall be equal to the sum of (i) the last rent authorized before
32 the dissolution date, plus (ii) any adjustments to such rent authorized
33 by law between the dissolution date and the date upon which such unit
34 ceases to be a market unit.

35 4. Notwithstanding any provision to the contrary contained in this
36 article, and notwithstanding the provisions of any general, special or
37 local law, after the dissolution date, any partial exemption from real
38 property taxation granted to the real property in an affected develop-
39 ment pursuant to section thirty-three of this article shall continue
40 with respect to any partially taxable units, but any fully taxable units
41 shall be subject to full real property taxation.

42 5. This section shall not apply to an affected development if: (a) the
43 owner and a duly recognized tenants association execute a written
44 settlement agreement on or before the dissolution date, and (b) such
45 written settlement agreement specifies the respective rights and obli-
46 gations of the tenants and owner subsequent to the dissolution date.

47 § 3. If any clause, sentence, paragraph, section or part of this act
48 shall be adjudged by any court of competent jurisdiction to be invalid,
49 such judgment shall not affect, impair, or invalidate the remainder
50 thereof, but shall be confined in its operation to the clause, sentence,
51 paragraph, section or part thereof directly involved in the controversy
52 in which judgment shall have been rendered.

53 § 4. This act shall take effect immediately; provided, however, that
54 section two of this act shall apply to any affected development with a
55 dissolution date on or after the effective date of this act.