

# STATE OF NEW YORK

10446

## IN SENATE

May 15, 2026

Introduced by Sen. KAVANAGH -- (at request of the New York State Homes and Community Renewal) -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend chapter 514 of the laws of 1983 amending the private housing finance law and the real property tax law relating to the powers of the New York state housing finance agency and the New York city housing development corporation to finance certain multi-family housing, in relation to the effectiveness thereof; to amend chapter 396 of the laws of 1984 amending the private housing finance law and the real property tax law relating to the powers of the New York state housing finance agency to finance certain multi-family housing, in relation to the effectiveness thereof; to amend chapter 915 of the laws of 1982 amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to the effectiveness thereof; to amend the public authorities law, in relation to the powers of the state of New York mortgage agency; to amend chapter 555 of the laws of 1989 amending the public authorities law and other laws relating to establishing a New York state infrastructure trust fund, in relation to the effectiveness thereof; to amend chapter 172 of the laws of 2002, amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to the effectiveness thereof; to amend chapter 208 of the laws of 2010 amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to the effectiveness thereof; and to amend chapter 246 of the laws of 2010 amending the public authorities law relating to the powers of the state of New York mortgage agency, in relation to the effectiveness thereof

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

1 Section 1. Section 6 of chapter 514 of the laws of 1983, amending the  
2 private housing finance law and the real property tax law relating to  
3 the powers of the New York state housing finance agency and the New York

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

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1 city housing development corporation to finance certain multi-family  
2 housing, as amended by chapter 170 of the laws of 2025, is amended to  
3 read as follows:

4 § 6. This act shall take effect immediately [~~and shall remain in full~~  
5 ~~force and effect until July 23, 2027 at which time it shall be~~  
6 ~~repealed~~].

7 § 2. Section 7 of chapter 396 of the laws of 1984, amending the  
8 private housing finance law and the real property tax law relating to  
9 the powers of the New York state housing finance agency to finance  
10 certain multi-family housing, as amended by chapter 170 of the laws of  
11 2025, is amended to read as follows:

12 § 7. This act shall take effect immediately [~~, except that sections~~  
13 ~~one, three, four, five and six of this act shall remain in full force~~  
14 ~~and effect until July 23, 2027 at which time such sections shall be~~  
15 ~~repealed~~].

16 § 3. Section 16 of chapter 915 of the laws of 1982 amending the public  
17 authorities law relating to the powers of the state of New York mortgage  
18 agency, as amended by chapter 170 of the laws of 2025, is amended to  
19 read as follows:

20 § 16. This act shall take effect immediately [~~except that the amend-~~  
21 ~~ments to law effected by sections one through ten of this act, as~~  
22 ~~amended, shall cease to be of force and effect on and after July 23,~~  
23 ~~2027, on which date the provisions of the public authorities law amended~~  
24 ~~by such sections shall be as they were in force and effect immediately~~  
25 ~~prior to this act taking effect~~].

26 § 4. Section 2407 of the public authorities law, as amended by chapter  
27 170 of the laws of 2025, is amended to read as follows:

28 § 2407. Bond limits. (1) Except for notes issued in nineteen hundred  
29 seventy and nineteen hundred seventy-one, the agency shall not issue  
30 bonds and notes, the interest on which is not included in the gross  
31 income of the holders of the bonds and notes under the United States  
32 Internal Revenue Code of 1986, as amended, or any subsequent correspond-  
33 ing internal revenue law of the United States, in an aggregate principal  
34 amount exceeding ten billion nine hundred twenty million dollars,  
35 excluding from such limitation (a) an amount equal to any original issue  
36 discount from the principal amount of any bonds or notes issued, (b)  
37 bonds and notes issued to refund outstanding bonds and notes, and (c)  
38 bonds and notes not described in paragraph (b) of this subdivision  
39 issued to refund outstanding bonds and notes in accordance with the  
40 provisions of the Internal Revenue Code of 1986 or the Tax Reform Act of  
41 1986, as amended, where such bonds or notes are not included in the  
42 statewide volume cap on private purpose bonds under section 146 of such  
43 code provided, however, that upon any refunding pursuant to this para-  
44 graph or paragraph (b) of this subdivision, such exclusion shall apply  
45 only to the extent that the amount of the refunding bonds or notes does  
46 not exceed (i) the outstanding amount of the refunded bonds or notes,  
47 plus (ii) to the extent permitted by applicable federal tax law, costs  
48 of issuance of the refunding bonds or notes to be financed from the  
49 proceeds of the refunding bonds or notes. [~~No such bond or note shall~~  
50 ~~be issued by the agency on or after July twenty-third, two thousand~~  
51 ~~twenty-seven, excluding bonds and notes issued to refund outstanding~~  
52 ~~bonds and notes.~~] No more than two billion four hundred million dollars  
53 of proceeds of bonds or notes issued by the agency pursuant to this  
54 subdivision shall be used for mortgage purposes by blending with  
55 proceeds of bonds issued pursuant to subdivision two of this section.

1 (2) In connection with the issuance of bonds for the purpose of  
2 furthering programs described in this title, the agency is authorized to  
3 covenant and consent that the interest on any of its bonds, notes or  
4 other obligations shall be includable, under the United States Internal  
5 Revenue Code of 1986, as amended or any subsequent corresponding inter-  
6 nal revenue law of the United States, in the gross income of the holders  
7 of the bonds to the same extent and in the same manner that the interest  
8 on bills, bonds, notes or other obligations of the United States is  
9 includable in the gross income of the holders thereof under said Inter-  
10 nal Revenue Code or any such subsequent law. Pursuant to this subdivi-  
11 sion, the agency shall not issue bonds, notes or other obligations in an  
12 aggregate principal amount exceeding one billion nine hundred fifty  
13 million dollars, excluding from such limitation bonds, notes or other  
14 obligations issued to refund outstanding bonds, notes or other obli-  
15 gations. [~~No such bond, note or other obligation shall be issued by the  
16 agency on or after July twenty third, two thousand twenty seven, exclud-  
17 ing bonds, notes or other obligations issued to refund outstanding  
18 bonds, notes or other obligations and no mortgages shall be purchased  
19 with the proceeds of such bonds, notes or other obligations after such  
20 date.~~] The board of directors of the agency shall establish program  
21 guidelines for purposes of bonds, notes or other obligations issued  
22 pursuant to this subdivision. The board of directors shall establish  
23 from time to time maximum income limits of persons eligible to receive  
24 mortgages financed by bonds, notes or other obligations issued pursuant  
25 to this subdivision, which income limits with respect to one-third of  
26 the total principal amount of mortgages authorized to be so financed  
27 shall not exceed one hundred twenty-five percent of the latest maximum  
28 income limits permitted under the Internal Revenue Code of 1986, as  
29 amended, for mortgagors financed by mortgage revenue bonds, with respect  
30 to one-third of such principal amount authorized to be so financed,  
31 shall not exceed one hundred thirty-five percent of such income limits,  
32 and with respect to one-third of such principal amount authorized to be  
33 so financed, shall not exceed one hundred fifty percent of such limits,  
34 provided that notwithstanding the foregoing, the maximum income limits  
35 of persons eligible to receive mortgages financed by the agency under  
36 its neighborhood revitalization program (and any successor program)  
37 shall not exceed one hundred fifty percent of the latest maximum income  
38 limits permitted under the Internal Revenue Code of 1986, as amended,  
39 for mortgagors financed by mortgage revenue bonds.

40 (3) The fixing of the statutory maximums in this section shall not be  
41 construed as constituting a contract between the agency and the holders  
42 of its bonds or notes that additional bonds and notes may not be issued  
43 subsequently by the agency in the event that such statutory maximums  
44 shall subsequently be increased by law.

45 § 5. Section 19 of chapter 555 of the laws of 1989 amending the public  
46 authorities law and other laws relating to establishing a New York state  
47 infrastructure trust fund, as amended by chapter 170 of the laws of  
48 2025, is amended to read as follows:

49 § 19. This act shall take effect immediately and shall be deemed to  
50 have been in full force and effect on and after June 15, 1989 [~~provided  
51 that the amendments to law effected by sections six and nine through  
52 seventeen of this act, as amended, shall cease to be of force and effect  
53 on and after July 23, 2027, on which date the provisions of the public  
54 authorities law amended by such sections shall be as they were in force  
55 and effect immediately prior to this act taking effect, and provided  
56 however that the amendments to law effected by sections six and nine~~

~~through seventeen of this act, as amended, shall continue to apply to all commitments issued or policies or development corporation credit support in force on or before July 23, 2027, and provided further that the amendments to section 2429-b of the public authorities law made by section 13 of chapter 3 of the laws of 2004 which amended this section shall not cease to be of force and effect prior to the time that full payment of all development corporation credit support obligations has been made or provided for].~~

§ 6. Section 2 of chapter 172 of the laws of 2002 amending the public authorities law relating to the powers of the state of New York mortgage agency, as amended by chapter 170 of the laws of 2025, is amended to read as follows:

§ 2. This act shall take effect immediately [~~and shall remain in full force and effect until July 23, 2027, whereupon such date the provisions of this act shall expire and be deemed repealed~~].

§ 7. Section 4 of chapter 208 of the laws of 2010 amending the public authorities law relating to the powers of the state of New York mortgage agency, as amended by chapter 170 of the laws of 2025, is amended to read as follows:

§ 4. This act shall take effect immediately [~~provided that the amendments to subdivision 5 of section 2402 of the public authorities law made by section one of this act shall be subject to the expiration and reversion of such subdivision pursuant to section 16 of chapter 915 of the laws of 1982, as amended, when upon such date the provisions of section two of this act shall take effect, further provided that this act shall expire and be deemed repealed July 23, 2027~~].

§ 8. Section 5 of chapter 246 of the laws of 2010 amending the public authorities law relating to the powers of the state of New York mortgage agency, as amended by chapter 170 of the laws of 2025, is amended to read as follows:

§ 5. This act shall take effect immediately [~~and shall expire and be deemed repealed on and after July 23, 2027, provided, however, that the amendments to paragraph (c) of subdivision 8 of section 2428 of the public authorities law made by section two of this act shall not affect the expiration of such subdivision and shall be deemed to expire therewith~~].

§ 9. This act shall take effect immediately.