STATE OF NEW YORK

6781

2025-2026 Regular Sessions

IN SENATE

March 24, 2025

Introduced by Sen. JACKSON -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the private housing finance law, in relation to the payment of arrears for certain taxes and placing limitations on housing development fund company regulatory agreements

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

Section 1. Paragraph (b) of subdivision 1 and subparagraphs 1 and 9 of paragraph (b) of subdivision 2 of section 577-b of the private housing finance law, paragraph (b) of subdivision 1 as amended by chapter 225 of the laws of 2004 and subparagraphs 1 and 9 of paragraph (b) of subdivision 2 as added by chapter 315 of the laws of 2002, are amended and paragraph (b) of subdivision 2 is amended by adding a new subparagraph 4-a to read as follows:

(b) [~~on January first, two thousand two, had~~] **has** outstanding municipal real estate taxes relating to any **prior** period [~~prior to January first, two thousand one~~].

(1) a term of [~~thirty~~] **forty** years;

(4-a) that suspended arrears shall be subordinated to any loan obtained by the housing development fund corporation for allowable purposes;

(9) that the company shall be required to increase maintenance charges **by a minimum of two percent per year** or impose assessments to insure that the company can provide for its obligations.

§ 2. Section 576 of the private housing finance law is amended by adding a new subdivision 4 to read as follows:

4. Notwithstanding any provision of law, rule or regulation to the contrary, a regulatory agreement pursuant to this section shall not:

a. Include a requirement for a monitor approved by the commissioner or supervising agency, as the case may be;

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

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b. Place any limitations that would restrict the ability of a housing development fund company to obtain a mortgage or comply with the provisions of this chapter, including but not limited to, imposing sales caps on the sale of dwelling units within a housing development fund company project;

c. Require a housing development fund company to hire a management company from a list of companies approved by the commissioner or supervising agency, as the case may be;

d. Where a shareholder of a housing development fund company inherits residential property within one hundred miles of the municipality where the housing development fund company project, require such shareholder to either vacate their dwelling unit in the housing development fund company project or sell such inherited property;

e. Limit the assets of a shareholder of a housing development fund company to one hundred seventy-five percent or less of the area median income for a family of four for the county in which a project is located as calculated by the United States department of housing and urban development;

f. Require a shareholder to demonstrate they reside in the housing development fund company project dwelling unit more than one hundred eighty-three days a year; or

g. Require the sale of a dwelling unit in a housing development fund company project to be administered through a housing portal of the commissioner or supervising agency, as the case may be.

§ 3. This act shall take effect immediately.