

## Rural Area Flexibility Analysis

### 1. Types and estimated numbers of rural areas.

The regulatory revisions apply exclusively to New York City and localities that opt-in into New York General Business Law (“GBL”) 352-eeee under section 5 of that law. No localities have opted in to GBL 352-eeee. Executive Law, Article 19-F Rural Affairs Act, Section 481(7) defines a rural area as a county with a population of less than 200,000. New York currently has 44 rural areas. Accordingly, the New York State Department of Law (“DOL”) believes that the regulatory revisions will have very little impact on rural areas.

### 2. Reporting, recordkeeping, and other compliance requirements.

The regulatory revisions do not require rural public entities to undertake any new obligations in terms of reporting, recordkeeping, or other affirmative acts in order to comply with the rule.

### 3. Compliance costs.

The DOL foresees no initial capital costs and no additional annual costs that will be incurred by rural public entities, regardless of their size, as a result of compliance with the regulatory revisions. Sponsors may also incur professional costs associated with the preparation their offering plans, such as legal fees. But because the DOL’s existing regulations already require sponsors to employ these services to prepare their offering plans, any additional costs are likely to be minimal.

### 4. Minimizing adverse impact.

The regulatory revisions have no adverse economic impact on rural public entities, as they neither require any action on their part nor affect them in any way. The DOL has considered the approaches for minimizing adverse impact set forth in SAPA Section 202-bb(2). Nevertheless, the DOL has concluded that there is no other means by which the DOL can make its regulations consistent with the intent of their authorizing statute, the Housing Stability and Tenant Protection Act of 2019, or Chapter 696 of the Laws of 2022 other than by amending its regulations.

### 5. Rural area participation.

To ensure that regulated rural entities have an opportunity to participate in the rule making process, a copy of the regulatory revisions will be sent to the DOL’s email distribution list, which includes many members of the Bar who represent sponsors and purchasers of condominiums and cooperatives. Copies of the regulatory revisions will also be posted on the DOL’s website.