

STATE OF NEW YORK

2101--A

2025-2026 Regular Sessions

IN ASSEMBLY

January 15, 2025

Introduced by M. of A. KELLES, BURDICK, ROSENTHAL, DAVILA, LEVENBERG, MAMDANI, MITAYNES, RAGA, SHRESTHA, FORREST, TAPIA, GALLAGHER, SIMON, SCHIAVONI, LUPARDO, VALDEZ, SEPTIMO, REYES, TAYLOR, SHIMSKY, BRONSON, LUNSFORD, STIRPE, EPSTEIN, GONZALEZ-ROJAS, LUCAS, CLARK -- read once and referred to the Committee on Corporations, Authorities and Commissions -- reference changed to the Committee on Energy -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the private housing finance law, in relation to establishing the green affordable pre-electrification program and the energy efficiency and electrification interagency coordination group

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

Section 1. The private housing finance law is amended by adding a new article 33 to read as follows:

ARTICLE 33

GREEN AFFORDABLE PRE-ELECTRIFICATION PROGRAM

Section 1300. Short title.

1301. Legislative intent.

1302. Green affordable pre-electrification program.

1303. Energy efficiency and electrification interagency coordination group.

1304. Severability.

§ 1300. Short title. This article shall be known and may be cited as the "green affordable pre-electrification fund" (GAP fund).

§ 1301. Legislative intent. The legislature finds that a significant portion of the state's residential buildings are old and in disrepair. This limits the suitability and eligibility of low- and moderate-income households for residential energy efficiency, electrification, weatherization, installation of insulation, and resiliency programs. There is a critical need to identify and remediate environmental hazards like mold,

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

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lead-based paint, and friable asbestos, water intrusion, indoor air pollution, and other hazards before insulation and air sealing to ensure that any renovations to the home do not create or exacerbate toxic conditions. These programs often do not cover the costs associated with renovations that would make such homes eligible for such programs. Given the limitation of these programs to help make these homes eligible, there is a critical need to fund such improvements if the state is to comprehensively reduce emissions from residential buildings and achieve our climate goals. This need was recognized by the state climate action council in their two thousand twenty-two final scoping plan, which stated: "The state should create a new retrofit and electrification readiness fund for LMI (low-moderate income) households, affordable housing, rent regulated housing, public housing, and residential buildings in disadvantaged communities to cover costs of non-energy building improvements that are necessary to install energy measures and broadband installation costs when funding energy projects."

§ 1302. Green affordable pre-electrification program. 1. Definitions. For the purposes of this article:

(a) "Residential building" shall mean a residential dwelling which is owner or tenant occupied.

(b) "Eligible applicant" shall mean an owner or tenant of a residential building who would be ineligible for, or who has been denied, any local, state or federal incentives, assistance, subsidies, grants or loans for improvements or projects relating to energy savings, greenhouse gas emissions reductions, climate change adaptation and resiliency due to structural deficiencies, health hazards, or code violations which make the building or property ineligible or unsuitable for such improvements or projects. The division may also include as an eligible applicant; a city, town or village; a housing development fund company incorporated pursuant to article eleven of this chapter which has as one of its primary purposes the improvement of housing; a municipal housing authority created pursuant to the public housing law; a public benefit corporation formed to assist particular municipalities with their housing, community development or renewal needs; or a county, provided, however, that the county acts as an administrator of a program under which projects are constructed, rehabilitated or improved by other eligible applicants or acts in any other capacity as permitted by law.

(c) "Financial awards" shall mean incentives, grants or loans, as determined appropriate by the division.

(d) "Eligible rehabilitation projects" shall mean any work necessary to bring a complete structure or unit of a structure, where appropriate, into compliance with applicable building codes and regulations or other improvements, including but not limited to repairs, upgrades, removal or mitigation of health hazards, such as mold, lead, asbestos, radon or tests, replacement of insulation, air sealing, ventilation systems, septic and plumbing systems, roof repairs or replacements, water intrusion mitigation, foundation repair, wall repair, moisture control, electrical upgrades, correcting potential electrical hazards, and safe repair or removal of fossil fuel systems which are needed to enable participation in local, state, or federal programs, incentives, grants, or loans for implementing home improvements regarding climate change adaptation, mitigation and resiliency or economic efficiency, including, but not limited to, energy efficiency, electrification, weatherization, or the installation of insulation. Projects under this section may also include measures needed to make the dwelling accessible to individuals with disabilities when those measures are combined with other qualifying

1 measures. Projects under this section shall not include the installa-
2 tion, or updating of equipment which uses fossil fuels including, but
3 not limited to, gasoline, natural gas, diesel, home heating oil, or
4 coal.

5 (e) "Division" means the division of housing and community renewal.

6 2. General and administrative provisions. The division shall promul-
7 gate rules and regulations for the administration of this section, in
8 consultation with the New York state energy research and development
9 authority, to provide financial and technical assistance for the
10 completion of eligible rehabilitation projects. Such rules and regu-
11 lations shall include provisions concerning the eligibility of grantees
12 for state financial awards; funding criteria and the funding determi-
13 nation process; supervision and evaluation of the awardees; and such
14 other matters not inconsistent with the purposes and provisions of this
15 section as the division shall deem necessary. The rules and regulations
16 shall require awardees to conduct an inspection and risk assessment to
17 determine if the home contains any hazardous condition due to the pres-
18 ence of lead-based paint, mold, or friable asbestos. The inspection and
19 risk assessment may be paid for with the financial award if the official
20 reports are provided to the division. The division may provide techni-
21 cal services and assistance, or contract to provide technical services
22 and assistance, to awardees to facilitate compliance with the provisions
23 and intent of this section which may include, but shall not be limited
24 to, construction skills training, home inspection, financial packaging,
25 and engineering and architectural services necessary for the preparation
26 of proposals for entering into contracts or for the continued operation
27 of projects.

28 3. Green rehabilitation contracts. (a) Subject to appropriations from
29 the sustainable future program and any other source identified by the
30 division, the division is hereby authorized to enter into contracts with
31 eligible applicants to provide financial awards for the completion of
32 eligible rehabilitation projects, subject to the terms and conditions of
33 this section. Any financial award received by a municipality hereunder
34 shall not be deemed to be municipal funds. Recipients of financial
35 awards shall utilize funds provided pursuant to this section solely to
36 cover or reduce the cost of eligible rehabilitation projects. Such
37 funds as may be appropriated shall be equitably divided across the
38 state's ten regions, including western New York, the finger lakes, the
39 southern tier, central New York, the Mohawk valley, the capital region,
40 mid-Hudson region, New York City, Long Island, and the north country.
41 Awards shall be made with the goal of prioritizing disadvantaged commu-
42 nities, as defined in section 75-0101 of the environmental conservation
43 law and using criteria developed by the climate justice working group
44 pursuant to section 75-0111 of the environmental conservation law, to
45 receive no less than forty percent of the overall amount awarded.

46 (b) The division shall streamline the application process by incorpo-
47 rating the green affordable pre-electrification program into the eligi-
48 bility section of existing program applications offered by the division.

49 (c) Applicants may apply to the green affordable pre-electrification
50 program concurrently with other existing programs upon the applicant's
51 provision of information detailing eligible rehabilitation projects that
52 would cause the applicant to be denied funding under other existing
53 programs. Notwithstanding any section of law to the contrary, such
54 concurrent application or the provision of a financial award by the
55 division shall not be cause to deny the application for funding under
56 other existing programs.

(d) Financial awards provided pursuant to this section shall cover one hundred percent of associated costs for owners or tenants with incomes up to eighty percent of the state median income or area median income, whichever is greater, and seventy-five percent of associated costs for owners or tenants with incomes between eighty-one and one hundred fifty percent of the state median income or area median income, whichever is greater. Notwithstanding the foregoing, the authority may cap total financial awards for each project pursuant to the following schedule:

(i) For a residential building with up to four dwelling units: (A) a maximum award of forty thousand dollars multiplied by the number of units in the building where owners or tenants have incomes up to eighty percent of the state or the area median income, whichever is greater; and (B) a maximum award of thirty-five thousand dollars multiplied by the number of units in the building where owners or tenants have incomes between eighty-one and one hundred fifty percent of the state or the area median income, whichever is greater;

(ii) For a residential building with more than four but less than fifty dwelling units: (A) a maximum award of twenty-five thousand dollars multiplied by the number of units in the building where owners or tenants have incomes up to eighty percent of the state or the area median income, whichever is greater; and (B) a maximum award of twenty thousand dollars multiplied by the number of units in the building where owners or tenants have incomes between eighty-one and one hundred fifty percent of the state or the area median income, whichever is greater; and

(iii) For a residential building with more than fifty dwelling units a maximum award of fifteen thousand dollars multiplied by the number of units in the building where owners or tenants have incomes up to one hundred fifty percent of the state or the area median income, whichever is greater.

(e) The division may cap total financial awards for each project or each individual improvement within a project to ensure that each necessary improvement is made, as long as the cap does not create a singular obstacle to the completion of an eligible rehabilitation project.

(f) The division shall provide an answer to the applicant within sixty days after it receives an application, stating whether or not the applicant is eligible for funding, if more information is needed to determine eligibility, and whether such funding has been awarded. The division shall also state the cap amounts for each project or each improvement within each project in its response.

(g) The eligible applicant shall be responsible to secure all necessary descriptions of expenses for eligible projects and associated costs.

(h) Eligible rehabilitation projects, if not completed by a not-for-profit corporation, may be completed by a division-approved private contractor headquartered in New York state or within ten miles of the border of New York state with another state. The division shall establish cost control measures such as per-measure payment formulas to ensure prices charged by contractors are reasonable.

(i) The division shall prioritize the contracting of financial awards to projects located within an area which is a disadvantaged community as defined in section 75-0101 of the environmental conservation law, blighted, deteriorated or deteriorating, or has a blighting influence on the surrounding area, or is in danger of becoming a slum or a blighted area because of the existence of substandard, unsanitary, deteriorating or deteriorated conditions, aged housing stock, or vacant non-residen-

1 tial property, or other factors indicating an inability or unwillingness
2 of the private sector unaided to cause the rehabilitation of homes for
3 which financial awards under this section are provided.

4 (j) The division shall compile a list of eligible contractors organ-
5 ized by region to facilitate projects under this program.

6 (k) The division shall provide applicants with a list of conditions
7 that shall be met prior to entering into a contract pursuant to this
8 section. Within fifteen working days of receipt by the division of all
9 documents in satisfaction of the list, the division shall notify the
10 applicant of the sufficiency or insufficiency of the documentation.
11 After satisfaction by the applicant of all conditions required by the
12 division, and a determination of eligibility for the award, the division
13 shall enter into the contract within forty-five working days of satis-
14 faction of such conditions provided, however, that sufficient funding is
15 available.

16 (l) In the case of projects that receive financial awards of over
17 forty thousand dollars, the division may establish restrictions on the
18 sale of the residence or its subunits to qualified low-income homebuyers
19 for a period of at least sixty years, but no more than ninety-nine
20 years, and the division may ensure this restriction by use of deed
21 restrictions, community land trusts, or limited-equity cooperative
22 ownership structures.

23 (m) For all projects that receive financial awards, the following
24 restrictions shall apply and be in force for a period of not less than
25 five years: (i) the owner of a building assisted with GAP funds shall
26 not raise the rent of any units more than three percent annually in the
27 building or, where applicable, the maximum rate of rent adjustment
28 provided for in section four of the emergency tenant protection act of
29 nineteen hundred seventy-four or section four of the emergency housing
30 rent control law, whichever is lower; and (ii) an owner of a building
31 assisted with GAP funds may not evict, harass, or involuntarily remove
32 any tenant in a building whose owner has entered into an agreement with
33 the state pursuant to this article, except for causes provided in
34 section two hundred sixteen of the real property law.

35 (n) The owner and the division shall be jointly responsible for
36 informing tenants in a building about any upcoming project for which GAP
37 funds have been awarded and which may impact them and of informing
38 tenants about the building owner agreement with the state made pursuant
39 to the award of GAP funds for the project. The division shall provide
40 owners with templates for a tenant synopsis and notification to be
41 placed in common areas of the building. The notification shall summarize
42 work that shall occur in the building, any specific work to be performed
43 in the tenant's unit, the timing of the work and the owner agreement
44 with the state. The tenant synopsis shall explain that rent increases
45 are restricted for five years following the granting of the award of GAP
46 funds, and that such restrictions apply regardless of whether the prop-
47 erty changes ownership. The tenant synopsis shall list the conditions
48 under which the owner may increase the rent and other rights tenants
49 have, including the ability to file a claim in court against improper
50 rent increases and the right to view a copy of the owner agreement for
51 the building where the tenant resides. The owner shall be required to
52 attest, in writing that they have provided a tenant synopsis to each
53 tenant and posted appropriate notices in common areas of the building,
54 and shall provide a list of tenant addresses to the division so that the
55 division may send a copy of the tenant synopsis to all residents of the
56 building.

1 (o) In determining financial awards pursuant to this section, the
2 division shall give preference to applications based upon the extent to
3 which the proposed rehabilitation project may:

4 (i) serve the lowest income households in disadvantaged communities or
5 communities in which buildings are deteriorated or deteriorating, or
6 have an injurious influence on the surrounding area, or are in danger of
7 becoming a deteriorating area because of the existence of substandard,
8 unsanitary, aged housing stock or vacant non-residential properties or
9 other factors indicating an inability or unwillingness of the private
10 sector, unaided, to cause the rehabilitation of homes, and which are
11 designed to continue to be affordable to such households for a substan-
12 tial period of time;

13 (ii) leverage private and other public investment so as to reduce the
14 amount of assistance appropriated pursuant to this section which is
15 necessary to complete such projects;

16 (iii) contribute to the rehabilitation of the neighborhood or communi-
17 ty in which the program is located;

18 (iv) not directly displace current low- and moderate-income residents
19 of such neighborhood or community;

20 (v) be undertaken and completed in a timely fashion; and

21 (vi) utilize innovative, cost-effective design techniques and building
22 materials which enable the deconstruction of structures and reuse or
23 recycling of such deconstructed materials, and which reduce
24 construction, rehabilitation, or operating costs.

25 (p) No more than five percent of funds under this program shall be
26 allocated to any single building per year.

27 (q) The division shall provide for the review, at periodic intervals
28 not less than annually, of the performance of contracted applicants and
29 related rehabilitation projects receiving financial awards pursuant to
30 this section. Such review shall, among other things, be for the purposes
31 of ascertaining conformity to contractual provisions, the financial
32 integrity and efficiency of awardees and the evaluation of their activ-
33 ities. Contracts entered into pursuant to this section may be termi-
34 nated, funds may be withheld and unspent funds recaptured by the author-
35 ity upon a finding of substantial nonperformance or breach by the
36 awardee of its obligations under its contract.

37 4. Reporting. No later than September first following the first fiscal
38 year commencing after the effective date of this section, and each
39 September first thereafter, the division shall prepare a report on the
40 green affordable pre-electrification program pursuant to this section
41 and submit such report to the governor, the temporary president of the
42 senate, and the speaker of the assembly. Such report shall include, but
43 not be limited to: (a) the total number of applicants to relevant
44 programs for which eligible applicants under this section would apply,
45 as defined under paragraph (b) of subdivision one of this section; (b)
46 the number of applications pending for that fiscal year; (c) the total
47 number and value of financial awards disbursed and the nonprofits and
48 private contractors which received such award, including the number of
49 awarded projects completed; (d) the number of recipients of funds under
50 this program who entered into and completed other relevant programs; (e)
51 complaints by tenants and homeowners relating to projects completed
52 under this program, along with a summary of the issues identified from
53 all the complaints received; and (f) the identification of barriers to
54 the utilization of financial awards and proposed solutions for the
55 removal of those barriers to effectuate disbursement of financial awards.

1 5. Standards. The division shall establish a quality control, correc-
2 tive action, and inspection process to ensure that work quality is
3 acceptable and durable.

4 6. Funding. Funding for the green affordable pre-electrification
5 program shall consist of funding appropriated from the sustainable
6 future program for such a purpose as well as any other funding source or
7 sources which the commissioner may determine are suitable to support
8 such a program.

9 § 1303. Energy efficiency and electrification interagency coordi-
10 nation group. 1. The division shall establish an "energy efficiency and
11 electrification interagency coordination group" consisting of the
12 commissioner of homes and community renewal, the president of the New
13 York state energy research and development authority, the commissioner
14 of the public service commission, the commissioner of health, the
15 commissioner of the office of temporary and disability assistance, the
16 executive director or other representative of each regional clean energy
17 hub, and any additional agencies, authorities, or commissions as may be
18 designated by the commissioner of homes and community renewal or the
19 president of the New York state energy research and development authori-
20 ty. The group shall coordinate the Empower+ program, the green affor-
21 dable pre-electrification program, the weatherization assistance program,
22 and other relevant single-family and multi-family energy-efficiency and
23 electrification programs. The commissioner shall appoint or designate a
24 special coordinator for the group, who shall be the chair of the group.
25 Staff assistance for the group shall be provided by the member agencies.

26 2. The group shall:

27 (a) create and implement a process to facilitate the interagency coor-
28 dination of renovations required prior to energy efficiency and electri-
29 fication measures and the energy efficiency and electrification meas-
30 ures;

31 (b) provide for data sharing between agencies and their contractors
32 and/or partners to achieve seamless and streamlined access to all rele-
33 vant programs, including, but not be limited to: program applications,
34 information for participants relevant to program administration, and
35 contact information for contractors;

36 (c) provide for program outcome data transparency and reporting for
37 the public and external stakeholders to include but not be limited to
38 program manuals, template agreements, the number of units served, types
39 of improvements made on homes by region, average cost of improvements by
40 region, number of applicants served compared to total number of appli-
41 cants, applicants denied from programs and reasons for denial, and the
42 number of referrals between programs; and

43 (d) create, maintain and periodically update a single application for
44 the Empower+ program and the green affordable pre-electrification
45 program, as well as any related programs from other departments, state
46 agencies, commissions, organizations, or authorities.

47 3. The group shall satisfy the requirements of this section within one
48 hundred eighty days of the effective date of this section and shall meet
49 at least annually thereafter. Within ninety days of satisfying the
50 requirements of this section, and at least annually thereafter, the
51 group shall submit to the governor and the legislature a status report
52 detailing the work of the energy efficiency and electrification intera-
53 gency coordinating group and relevant programmatic updates. The division
54 shall post the status report on the division's website.

55 § 1304. Severability. If any clause, sentence, paragraph, subdivision
56 or section of this article shall be adjudged by any court of competent

1 jurisdiction to be invalid, such judgment shall not affect, impair, or
2 invalidate the remainder thereof, but shall be confined in its operation
3 to the clause, sentence, paragraph, subdivision or section thereof
4 directly involved in the controversy in which such judgment shall have
5 been rendered. It is hereby declared to be the intent of the legislature
6 that this article would have been enacted even if such invalid
7 provisions had not been included herein.

8 § 2. This act shall take effect immediately.