

STATE OF NEW YORK

3315--A

2025-2026 Regular Sessions

IN SENATE

January 24, 2025

Introduced by Sens. GONZALEZ, BRISPORT, BROUK, CLEARE, COMRIE, COONEY, JACKSON, KRUEGER, SALAZAR, SANDERS, SERRANO, WEBB -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- reported favorably from said committee and committed to the Committee on Finance -- 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

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

1 Section 1. The private housing finance law is amended by adding a new
2 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. Severability.

3 § 1300. Short title. This article shall be known and may be cited as
4 the "green affordable pre-electrification fund" (GAP fund).

5 § 1301. Legislative intent. The legislature finds that a significant
6 portion of the state's residential buildings are old and in disrepair.
7 This limits the suitability and eligibility of low- and moderate-income
8 households for residential energy efficiency, electrification, weatheri-
9 zation, installation of insulation, and resiliency programs. There is a
10 critical need to identify and remediate environmental hazards like mold,
11 lead-based paint, and friable asbestos, water intrusion, indoor air
12 pollution, and other hazards before insulation and air sealing to ensure
13 that any renovations to the home do not create or exacerbate toxic
14 conditions. These programs often do not cover the costs associated with
15

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

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1 renovations that would make such homes eligible for such programs.
2 Given the limitation of these programs to help make these homes eligi-
3 ble, there is a critical need to fund such improvements if the state is
4 to comprehensively reduce emissions from residential buildings and
5 achieve our climate goals. This need was recognized by the state climate
6 action council in their two thousand twenty-two final scoping plan,
7 which stated: "The state should create a new retrofit and electrifica-
8 tion readiness fund for LMI (low-moderate income) households, affordable
9 housing, rent regulated housing, public housing, and residential build-
10 ings in disadvantaged communities to cover costs of non-energy building
11 improvements that are necessary to install energy measures and broadband
12 installation costs when funding energy projects."

13 § 1302. Green affordable pre-electrification program. 1. Definitions.
14 For the purposes of this article:

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

17 (b) "Eligible applicant" shall mean an owner or tenant of a residen-
18 tial building who would be ineligible for, or who has been denied, any
19 local, state or federal incentives, assistance, subsidies, grants or
20 loans for improvements or projects relating to energy savings, green-
21 house gas emissions reductions, climate change adaptation and resiliency
22 due to structural deficiencies, health hazards, or code violations which
23 make the building or property ineligible or unsuitable for such improve-
24 ments or projects. The division may also include as an eligible appli-
25 cant; a city, town or village; a housing development fund company incor-
26 porated pursuant to article eleven of this chapter which has as one of
27 its primary purposes the improvement of housing; a limited-profit hous-
28 ing company incorporated pursuant to article two of this chapter; a
29 limited dividend housing company incorporated pursuant to article four
30 of this chapter; a redevelopment company incorporated pursuant to arti-
31 cle five of this chapter; a municipal housing authority created pursuant
32 to the public housing law; a public benefit corporation formed to assist
33 particular municipalities with their housing, community development or
34 renewal needs; or a county, provided, however, that the county acts as
35 an administrator of a program under which projects are constructed,
36 rehabilitated or improved by other eligible applicants or acts in any
37 other capacity as permitted by law.

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

40 (d) "Eligible rehabilitation projects" shall mean any work necessary
41 to bring a complete structure or unit of a structure, where appropriate,
42 into compliance with applicable building codes and regulations or other
43 improvements, including but not limited to repairs, upgrades, removal or
44 mitigation of health hazards, such as mold, lead, asbestos, radon or
45 tests, replacement of insulation, air sealing, ventilation systems,
46 septic and plumbing systems, roof repairs or replacements, water intru-
47 sion mitigation, foundation repair, wall repair, moisture control, elec-
48 trical upgrades, correcting potential electrical hazards, and safe
49 repair or removal of fossil fuel systems which are needed to enable
50 participation in local, state, or federal programs, incentives, grants,
51 or loans for implementing home improvements regarding climate change
52 adaptation, mitigation and resiliency or economic efficiency, including,
53 but not limited to, energy efficiency, electrification, weatherization,
54 or the installation of insulation. Projects under this section may also
55 include measures needed to make the dwelling accessible to individuals
56 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. (a) The division shall
7 promulgate rules and regulations for the administration of this section,
8 in 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.

16 (b) The rules and regulations shall require awardees to conduct an
17 inspection and risk assessment to determine if the home contains any
18 hazardous condition due to the presence of lead-based paint, mold, or
19 friable asbestos. The inspection and risk assessment may be paid for
20 with the financial award if the official reports are provided to the
21 division.

22 (c) The division may provide technical services and assistance, or
23 contract to provide technical services and assistance, to awardees to
24 facilitate compliance with the provisions and intent of this section
25 which may include, but shall not be limited to, construction skills
26 training, home inspection, financial packaging, and engineering and
27 architectural services necessary for the preparation of proposals for
28 entering into contracts or for the continued operation of projects.

29 (d) The division may designate and contract with awardees to provide
30 awards to individual owners and tenants in accordance with the
31 provisions of this article. Up to ten percent of the funds appropriated
32 may be used by the commissioner and awardees for administrative expenses
33 attributable to administering the green affordable pre-electrification
34 program.

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

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

55 (c) Applicants may apply to the green affordable pre-electrification
56 program concurrently with other existing programs upon the applicant's

1 provision of information detailing eligible rehabilitation projects that
2 would cause the applicant to be denied funding under other existing
3 programs. Notwithstanding any section of law to the contrary, such
4 concurrent application or the provision of a financial award by the
5 division shall not be cause to deny the application for funding under
6 other existing programs.

7 (d) The division shall provide an answer to the applicant within sixty
8 days after it receives an application, stating whether or not the appli-
9 cant is eligible for funding, if more information is needed to determine
10 eligibility, and whether such funding has been awarded.

11 (e) The eligible applicant shall be responsible to secure all neces-
12 sary descriptions of expenses for eligible projects and associated
13 costs.

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

20 (g) The division shall prioritize the contracting of financial awards
21 to projects located within an area which is a disadvantaged community as
22 defined in section 75-0101 of the environmental conservation law,
23 blighted, deteriorated or deteriorating, or has a blighting influence on
24 the surrounding area, or is in danger of becoming a slum or a blighted
25 area because of the existence of substandard, unsanitary, deteriorating
26 or deteriorated conditions, aged housing stock, or vacant non-residen-
27 tial property, or other factors indicating an inability or unwillingness
28 of the private sector unaided to cause the rehabilitation of homes for
29 which financial awards under this section are provided.

30 (h) The division shall compile a list of eligible contractors organ-
31 ized by region to facilitate projects under this program.

32 (i) The division shall provide applicants with a list of conditions
33 that shall be met prior to entering into a contract pursuant to this
34 section. Within fifteen working days of receipt by the division of all
35 documents in satisfaction of the list, the division shall notify the
36 applicant of the sufficiency or insufficiency of the documentation.
37 After satisfaction by the applicant of all conditions required by the
38 division, and a determination of eligibility for the award, the division
39 shall enter into the contract within forty-five working days of satis-
40 faction of such conditions provided, however, that sufficient funding is
41 available.

42 (j) For all projects with rental units that receive financial awards,
43 an owner shall enter into an agreement with the division to adhere to
44 the following requirements for a period of no less than five years: (i)
45 the owner of a building assisted with funds pursuant to this article may
46 not pass along the cost of improvements made with such funds in the form
47 of a rent increase; (ii) an owner of a building assisted with funds
48 pursuant to this article may not evict, harass, or involuntarily remove
49 any tenant in a weatherized unit building whose owner has entered into
50 an agreement with the state pursuant to this article, except for causes
51 provided in section two hundred sixteen of the real property law; and
52 (iii) the duration of the period for which an agreement between an owner
53 and the division shall be in effect shall be determined by the division
54 and be commensurate with the award amount.

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

27 (m) 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 for such a purpose.

6 § 1303. Severability. If any clause, sentence, paragraph, subdivision
7 or section of this article shall be adjudged by any court of competent
8 jurisdiction to be invalid, such judgment shall not affect, impair, or
9 invalidate the remainder thereof, but shall be confined in its operation
10 to the clause, sentence, paragraph, subdivision or section thereof
11 directly involved in the controversy in which such judgment shall have
12 been rendered. It is hereby declared to be the intent of the legislature
13 that this article would have been enacted even if such invalid
14 provisions had not been included herein.

15 § 2. This act shall take effect immediately.