

# STATE OF NEW YORK

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6595

2021-2022 Regular Sessions

## IN ASSEMBLY

March 19, 2021

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Introduced by M. of A. SMULLEN, J. A. GIGLIO -- read once and referred to the Committee on Housing

AN ACT to establish a rental assistance loan-to-grant program to assist landlords of small rental properties who have lost rental income due to the inability of the landlords' tenants to pay rent during the COVID-19 state disaster emergency; and providing for the repeal of such provisions upon the expiration thereof

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

1 Section 1. 1. (a) There shall be established in the New York Division  
2 of Housing and Community Renewal a rental assistance loan-to-grant  
3 program ("the program") to assist landlords of small rental properties  
4 who have lost rental income due to the inability of the landlord's  
5 tenants to pay rent during the period of the COVID-19 state disaster  
6 emergency declared pursuant to executive order 202 of 2020. The program  
7 shall be administered by the Commissioner of the New York Division of  
8 Housing and Community Renewal.

9 (b) The program shall provide loans to landlords of residential prop-  
10 erties containing up to six rental units for the purpose of covering  
11 rent arrearages owed by tenants of the building who were unable to pay  
12 rent during the COVID-19 state disaster emergency due to unemployment or  
13 medical emergency and accrued during the state disaster emergency  
14 declared pursuant to executive order 202 of 2020. If a tenant subse-  
15 quently pays the landlord the arrearages in rent, in whole or in part,  
16 the landlord shall pay such funds to the program as full or partial  
17 repayment of the loan. If a tenant does not pay the landlord the arrear-  
18 ages in rent, that portion of the loan from the program shall be  
19 converted by the Division of Housing and Community Renewal into a grant  
20 to the landlord and the landlord shall be held harmless from any obli-  
21 gation to repay such portion of the loan, absent any fraud.

22 2. The program shall be funded with monies from the following sources:

23 (a) all funds received by the state of New York from the federal Emer-  
24 gency Rental Assistance program;

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

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(b) any funds remaining from monies allocated to the state of New York from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 (P.L. 116-136) for the Emergency Rent Relief Act of 2020, pursuant to chapter one hundred twenty-five of the laws of two thousand twenty, such that the sum of such funds actually expended pursuant to such chapter and that such funds reallocated and expended pursuant to this article shall equal one hundred million dollars; and

(c) any additional funds allocated by the federal government to the state of New York for emergency rental or utility assistance related to the COVID-19 pandemic.

3. The Commissioner of the New York State Division of Housing and Community Renewal will promulgate rules and regulations for the implementation and administration of the program including, but not limited to:

- (i) standards of eligibility for the program;
- (ii) application procedures;
- (iii) a verification process for eligibility for the program;
- (iv) a process for distribution of program funds to eligible landlords;
- (v) a verification process for payment by a tenant of rent arrearages or of the tenant's failure to do so;
- (vi) time frames for the processing of applications and the distribution of funds under the program;
- (vii) procedures for and methods of repayment of loans in whole or in part by landlords; and
- (viii) procedures for the conversion of loans to grants, in whole or in part.

4. Nothing in this act shall be construed to relieve any tenant of any obligation to pay rent to a landlord pursuant to a valid rental agreement or understanding.

§ 2. This act shall take effect immediately and shall expire on the later of December 31, 2021 or the date on which none of the provisions that closed or otherwise restricted public or private businesses or places of public accommodation, or required postponement or cancellation of all non-essential gatherings of individuals of any size for any reason in executive order numbers 202.3, 202.4, 202.5, 202.6, 202.7, 202.8, 202.10, 202.11, 202.13 or 202.14 of two thousand twenty, as extended by executive order numbers 202.28 and 202.31 of two thousand twenty and as further extended by any future executive order, issued in response to the COVID-19 pandemic continue to apply anywhere in the state, when upon such date the provisions of this act shall be deemed repealed; provided that the state commissioner of social services shall notify the legislative bill drafting commission upon the date on which none of the provisions that closed or otherwise restricted public or private businesses or places of public accommodation, or required postponement or cancellation of all non-essential gatherings of individuals of any size for any reason in executive order numbers 202.3, 202.4, 202.5, 202.6, 202.7, 202.8, 202.10, 202.11, 202.13 or 202.14 of two thousand twenty, as extended by executive order numbers 202.28 and 202.31 of two thousand twenty and as further extended by any future executive order, issued in response to the COVID-19 pandemic continue to apply anywhere in the state, in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law.