

STATE OF NEW YORK

10325

IN ASSEMBLY

May 13, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Fahy) --
read once and referred to the Committee on Governmental Operations

AN ACT to amend the executive law, in relation to the resilient New York revolving loan program; and to amend the state finance law, in relation to establishing the resilient New York revolving loan fund

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

1 Section 1. The executive law is amended by adding a new section 29-1
2 to read as follows:

3 § 29-1. Resilient New York revolving loan program. 1. The division,
4 in conjunction with the comptroller, shall establish and administer the
5 resilient New York revolving loan program as provided in this section.

6 2. (a) The resilient New York revolving loan program shall provide low
7 or no-interest loans to municipalities and not-for-profit organizations
8 for hazard mitigation and resilience projects, including but not limited
9 to, building resilient infrastructures and communities, flood mitigation
10 assistance, flood risk reduction projects such as levees, closures, pump
11 stations and non-structural projects like elevation and wet/dry flood
12 proofing or any adaption or mitigation projects included pursuant to
13 section 54-1523 of the environmental conservation law.

14 (b) Loans may also be granted to individual property owners to provide
15 the financing for natural hazard mitigation projects such as wind retro-
16 fits, flood mitigation elevation and wet or dry flood-proofing projects,
17 fire mitigation retrofit projects, and earthquake retrofit mitigation
18 projects. These loans may be attached to property taxes, allowing for
19 the property to be sold so long as the new owner agrees to assume the
20 debt obligation.

21 (c) Loans provided under this section may be used to satisfy the non-
22 federal match for federal mitigation grants.

23 3. (a) The division shall, taking into consideration requirements from
24 the STORM Act, establish application procedures and eligibility criteria
25 for loans from the resilient New York revolving loan fund established
26 pursuant to section ninety-nine-oo of the state finance law. The eligi-

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

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1 bility criteria shall require that municipalities, not-for-profit organ-
2 izations, and individual property owner applicants demonstrate:

3 (1) A need for a loan to address hazard mitigation; and

4 (2) The ability to repay the loan, if required, at a later date.

5 (b) Loans provided pursuant to this section shall be for a fixed peri-
6 od.

7 (c) The loan program shall also provide graduated forgivability avail-
8 able to eligible individual property owner recipients that shall, at a
9 minimum:

10 (1) Provide full loan forgiveness for eligible households with income
11 between eighty percent and fifty percent of the area median income for
12 the area in which the property to which the loan applies, is located.

13 (2) Provide fifty percent loan forgiveness for eligible households
14 with income equal to eighty percent to one hundred percent of the area
15 median income for the area in which the property to which the loan
16 applies, is located.

17 (3) Provide additional forgivability percentages for households with
18 incomes not within those addressed in this paragraph may be applied by
19 the division based on:

20 i. the number of eligible individual recipients participating in the
21 program authorized under this section;

22 ii. the availability of funding; and

23 iii. any other factor that the division finds reasonable and neces-
24 sary.

25 4. Such program shall be in addition to any funds provided by the
26 federal government and expended or provided through the division for
27 disaster recovery and relief.

28 5. (a) The commissioner shall submit to FEMA an application for
29 capitalization grant funding, together with all required proposals and
30 information required pursuant to the STORM Act or regulations promulgat-
31 ed thereto.

32 (b) Upon approval of such application, the division shall enter into
33 an agreement with FEMA to deposit the capitalization grant funding into
34 the resilient New York revolving loan fund.

35 6. For the purposes of this section, the following terms shall have
36 the following meanings:

37 (a) "Capitalization grant" means funds provided by FEMA to the depart-
38 ment for the establishment of the resilient New York revolving loan fund
39 in accordance with the provisions of section 5135(f) of the STORM Act.

40 (b) "Commissioner" means the commissioner of the division of homeland
41 security and emergency services.

42 (c) "Division" means the division of homeland security and emergency
43 services.

44 (d) "FEMA" means the federal emergency management administration.

45 (e) "STORM Act" means the federal "Safeguarding Tomorrow through Ongo-
46 ing Risk Management Act", 42 U.S.C. section 5135 et seq., enacted by
47 public law 116-284, and approved on January first, two thousand twenty-
48 one.

49 § 2. The state finance law is amended by adding a new section 99-pp to
50 read as follows:

51 § 99-pp. Resilient New York revolving loan fund. 1. There is hereby
52 established in the joint custody of the state comptroller and the
53 commissioner of the division of homeland security and emergency services
54 a special fund to be known as the "resilient New York revolving loan
55 fund" to be administered in accordance with this section and section
56 twenty-nine-1 of the executive law.

1 2. The fund shall consist of all moneys appropriated for its purpose,
2 all moneys transferred to such fund pursuant to law, all money received
3 from FEMA under the STORM Act, any repayments of principal and interest
4 from the resilient New York revolving loan program administered pursuant
5 to section twenty-nine-1 of the executive law, and all other moneys
6 required by this section or any other law to be paid into or credited to
7 this fund.

8 3. Moneys in such fund shall be kept separate from and shall not be
9 commingled with any other moneys in the custody of the comptroller or
10 the commissioner of taxation and finance. Any moneys of the fund not
11 required for immediate use may, at the discretion of the comptroller, in
12 consultation with the director of the budget, be invested by the comp-
13 troller in obligations of the United States or the state, or in obli-
14 gations the principal and interest on which are guaranteed by the United
15 States or by the state. Any income earned by the investment of such
16 moneys shall be added to and become a part of and shall be used for the
17 purposes of such fund.

18 4. Money expended from such fund shall be used to supplement and not
19 supplant or replace any other available recovery or relief funds,
20 including federal or state funding, which would otherwise have been
21 expended for reimbursement or appropriated to local governments for
22 natural hazard mitigation or resilience projects.

23 5. The monies of the fund shall be paid out, without appropriation, on
24 the audit and warrant of the state comptroller on vouchers certified or
25 approved by the commissioner of the division of homeland security and
26 emergency services as provided in section twenty-nine-1 of the executive
27 law. The comptroller shall, in consultation with the commissioner of the
28 division of homeland security and emergency services, prescribe by regu-
29 lation the manner in which moneys of the fund shall be distributed to
30 eligible applicants.

31 § 3. This act shall take effect immediately.