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:

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

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

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

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

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

3. (a) The division shall, taking into consideration requirements from the STORM Act, establish application procedures and eligibility criteria for loans from the resilient New York revolving loan fund established 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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bility criteria shall require that municipalities, not-for-profit organizations, and individual property owner applicants demonstrate:

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

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

(b) Loans provided pursuant to this section shall be for a fixed period.

(c) The loan program shall also provide graduated forgivability available to eligible individual property owner recipients that shall, at a minimum:

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

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

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

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

ii. the availability of funding; and

iii. any other factor that the division finds reasonable and necessary.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. The monies of the fund shall be paid out, without appropriation, on the audit and warrant of the state comptroller on vouchers certified or approved by the commissioner of the division of homeland security and emergency services as provided in section twenty-nine-l of the executive law. The comptroller shall, in consultation with the commissioner of the division of homeland security and emergency services, prescribe by regulation the manner in which moneys of the fund shall be distributed to eligible applicants.

§ 3. This act shall take effect immediately.