STATE OF NEW YORK

5629

2021-2022 Regular Sessions

IN SENATE

March 12, 2021

Introduced by Sens. TEDISCO, GALLIVAN, HELMING, JORDAN, MARTUCCI, OBERACKER, ORTT, PALUMBO -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

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:

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

(b) The program shall provide loans to landlords of residential properties containing up to six rental units for the purpose of covering rent arrearages owed by tenants of the building who were unable to pay rent during the COVID-19 state disaster emergency due to unemployment or medical emergency and accrued during the state disaster emergency declared pursuant to executive order 202 of 2020. If a tenant subsequently pays the landlord the arrearages in rent, in whole or in part, the landlord shall pay such funds to the program as full or partial repayment of the loan. If a tenant does not pay the landlord the arrearages in rent, that portion of the loan from the program shall be converted by the Division of Housing and Community Renewal into a grant

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

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to the landlord and the landlord shall be held harmless from any obligation to repay such portion of the loan, absent any fraud.

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

(a) all funds received by the state of New York from the federal Emergency Rental Assistance program;

(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.