STATE OF NEW YORK

8591

IN SENATE

February 20, 2024

Introduced by Sen. RYAN -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the private housing finance law and the state finance law, in relation to establishing the rental improvement fund pilot program

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

Section 1. The private housing finance law is amended by adding a new article 32 to read as follows:

ARTICLE XXXII

RENTAL IMPROVEMENT FUND PILOT PROGRAM

Section 1290. Statement of legislative findings and purpose.

1291. Rental improvement fund pilot program.

§ 1290. Statement of legislative findings and purpose. It is hereby declared and found that there exists across upstate New York a shortage of safe and affordable rental units. It is further found that stable housing is tied to positive employment, education, and health outcomes, and that the state therefore has an interest in promoting safe and affordable housing opportunities. In order, further, to promote such opportunities, it is hereby declared that additional provisions should be made to provide public monies for the purpose of grants to small landlords to make necessary improvements to rental units on the condition that renovated units will be leased at a reasonable rate for ten years. The necessity in the public interest for the provisions of this article is hereby declared as a matter of legislative determination.

§ 1291. Rental improvement fund pilot program. 1. (a) Over a period of five years beginning on the effective date of this article, the division of housing and community renewal shall, subject to appropriation, make capital grants of up to seventy-five thousand dollars per unit available to small landlords for the purpose of making necessary improvements to up to four thousand rental units located in Albany, Buffalo, Rochester, and Syracuse. The allocation of the four thousand grants shall be proportional to the populations of each of the four cities.

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

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(b) Receipt of such capital grants shall be conditioned upon an agreement by such landlords to lease such renovated units at a reasonable rate for the ten-year period following the receipt of such capital grants. Over such ten-year period, each such rental unit shall be eligible to receive an additional ten thousand dollars for maintenance purposes. Upon a finding by the commissioner of housing and community renewal that a landlord who has received a grant to renovate a rental unit pursuant to this section increased the rent at such unit at an unreasonable rate, any grants received by such landlord shall be subject to recoupment in full.

2. The commissioner of housing and community renewal shall promulgate rules and regulations deemed necessary and appropriate to establish and administer the rental improvement fund pilot program pursuant to this article, including but not limited to the application process, eligibility requirements, disbursement of grants, determination of a reasonable lease rate, and any other rules, regulations, or definitions necessary to carry out the provisions of this article.

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

§ 99-rr. Rental improvement fund. 1. There is hereby established in the joint custody of the state comptroller and the commissioner of housing and community renewal a fund to be known as the "rental improvement fund".

2. Such fund shall consist of all moneys collected therefor, or moneys credited, appropriated or transferred thereto from any other fund or source pursuant to law, or any other moneys made available for the purposes of the fund.

3. Moneys of the fund, following appropriation by the legislature and allocation by the director of the budget, shall be available only for purposes of the rental improvement fund pilot program, as set forth in article thirty-two of the private housing finance law.

§ 3. This act shall take effect on the sixtieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.