STATE OF NEW YORK

7679

2025-2026 Regular Sessions

IN ASSEMBLY

April 4, 2025

Introduced by M. of A. McDONALD -- read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law and the state finance law, in relation to establishing the vacant rental improvement 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 33 to read as follows:

ARTICLE XXXIII

VACANT RENTAL IMPROVEMENT PROGRAM

Section 1300. Statement of legislative findings and purpose.

1301. Vacant rental improvement program.

§ 1300. 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 owners of buildings with five or fewer units 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.

§ 1301. Vacant rental improvement program. 1. (a) The housing trust fund corporation shall, subject to appropriation, make capital grants of up to seventy-five thousand dollars per unit to owners of buildings with five or fewer units for the purpose of making necessary improvements to rental units located outside of a city with a population of one million or more. The housing trust fund corporation, to the extent practicable,

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

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shall prioritize funding for units that are currently vacant or have outstanding code violations.

(b) Receipt of such capital grants shall be conditioned upon a regulatory agreement by such owners to lease such renovated units at a rate affordable to persons earning no more than eighty percent of area median income, as calculated by the United States department of housing and urban development, for the ten-year period commencing at the start of the first lease agreement following a renovation or rehabilitation completed pursuant to this article. Upon a finding by the housing trust fund corporation that an owner who has received a grant to renovate a rental unit pursuant to this section has violated the regulatory agreement, any grants received by such owner shall be subject to recoupment in full. Rental restrictions shall not expire if the unit is transferred or sold to a new owner. The housing trust fund corporation shall promulgate rules and regulations to ensure compliance with this section.

2. The chief executive officer of the housing trust fund corporation shall promulgate rules and regulations deemed necessary and appropriate to establish and administer the vacant rental improvement 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-ss to read as follows:

§ 99-ss. 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 vacant rental improvement program, as set forth in article thirty-three 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.