STATE OF NEW YORK

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2025-2026 Regular Sessions

IN SENATE

January 24, 2025

Introduced by Sens. GONZALEZ, BRISPORT, COONEY, JACKSON, SALAZAR, SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public authorities law, in relation to establishing the green affordable pre-electrification program

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

Section 1. Short title. This act shall be known and may be cited as the "green affordable pre-electrification fund" (GAP fund).

§ 2. Legislative intent. The legislature finds that a significant portion of the state's residential buildings are old and in disrepair. This limits the suitability and eligibility of low- and moderate-income households for residential energy efficiency, electrification, weatherization, installation of insulation, and resiliency programs. There is a critical need to identify and remediate environmental hazards like mold, lead-based paint, and friable asbestos, water intrusion, indoor air pollution, and other hazards before insulation and air sealing to ensure that any renovations to the home do not create or exacerbate toxic conditions. These programs often do not cover the costs associated with renovations that would make such homes eligible for such programs. Given the limitation of these programs to help make these homes eligible, there is a critical need to fund such improvements if the state is to comprehensively reduce emissions from residential buildings and achieve our climate goals. This need was recognized by the State Climate Action Council in their 2022 Final Scoping Plan, which stated: "The State should create a new Retrofit and Electrification Readiness Fund for LMI (low-moderate income) households, affordable housing, rent regulated housing, public housing, and residential buildings in Disadvantaged Communities to cover costs of non-energy building improvements that are necessary to install energy measures and broadband installation costs when funding energy projects."

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

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§ 3. The public authorities law is amended by adding a new section 1872-b to read as follows:

§ 1872-b. Green affordable pre-electrification program. 1. Definitions. For the purposes of this section:

(a) "Residential building" shall mean a residential dwelling which is owner or tenant occupied.

(b) "Eligible applicant" shall mean an owner or tenant of a residential building who would be ineligible for, or who has been denied, any local, state or federal incentives, assistance, subsidies, grants or loans for improvements or projects relating to energy savings, greenhouse gas emissions reductions, climate change adaptation and resiliency due to structural deficiencies, health hazards, or code violations which make the building or property ineligible or unsuitable for such improvements or projects. The authority may also include as an eligible applicant; a city, town or village; a housing development fund company incorporated pursuant to article eleven of the private housing finance law which has as one of its primary purposes the improvement of housing; a municipal housing authority created pursuant to the public housing law; a public benefit corporation formed to assist particular municipalities with their housing, community development or renewal needs; or a county, provided, however, that the county acts as an administrator of a program under which projects are constructed, rehabilitated or improved by other eligible applicants or acts in any other capacity as permitted by law.

(c) "Financial awards" shall mean incentives, grants or loans, as determined appropriate by the authority.

(d) "Eligible rehabilitation projects" shall mean any work necessary to bring a complete structure or unit of a structure, where appropriate, into compliance with applicable building codes and regulations or other improvements, including but not limited to repairs, upgrades, removal or mitigation of health hazards, such as mold, lead, asbestos, radon or tests, replacement of insulation, air sealing, ventilation systems, septic and plumbing systems, roof repairs or replacements, water intrusion mitigation, foundation repair, wall repair, moisture control, electrical upgrades, correcting potential electrical hazards, and safe repair or removal of fossil fuel systems which are needed to enable participation in local, state, or federal programs, incentives, grants, or loans for implementing home improvements regarding climate change adaptation, mitigation and resiliency or economic efficiency, including, but not limited to, energy efficiency, electrification, weatherization, or the installation of insulation. Projects under this section may also include measures needed to make the dwelling accessible to individuals with disabilities when those measures are combined with other qualifying measures. Projects under this section shall not include the installation, or updating of equipment which uses fossil fuels including, but not limited to, gasoline, natural gas, diesel, home heating oil, or coal.

2. General and administrative provisions. The authority shall promulgate rules and regulations for the administration of this section, in consultation with the division of housing and community renewal, to provide financial and technical assistance for the completion of eligible rehabilitation projects. Such rules and regulations shall include provisions concerning the eligibility of grantees for state financial awards; funding criteria and the funding determination process; supervision and evaluation of the awardees; and such other matters not inconsistent with the purposes and provisions of this section as the authority shall deem necessary. The rules and regulations shall require

awardees to conduct, through NYSERDA-approved contractors, an inspection and risk assessment to determine if the home contains any hazardous condition due to the presence of lead-based paint, mold, or friable asbestos. The inspection and risk assessment may be paid for with the financial award if the official reports are provided to the authority. The authority may provide technical services and assistance, or contract to provide technical services and assistance, to awardees to facilitate compliance with the provisions and intent of this section which may include, but shall not be limited to, construction skills training, home inspection, financial packaging, and engineering and architectural services necessary for the preparation of proposals for entering into contracts or for the continued operation of projects.

3. Green rehabilitation contracts. (a) Subject to available appropriations, the authority is hereby authorized to enter into contracts with eligible applicants to provide financial awards for the completion of eligible rehabilitation projects, subject to the terms and conditions of this section. Any financial award received by a municipality hereunder shall not be deemed to be municipal funds. Recipients of financial awards shall utilize funds provided pursuant to this section solely to cover or reduce the cost of eligible rehabilitation projects. Such funds as may be appropriated shall be equitably divided across the state's ten regions, including western New York, the finger lakes, the southern tier, central New York, the Mohawk valley, the capital region, mid-Hudson region, New York City, Long Island, and the north country. Awards shall be made with the goal of prioritizing disadvantaged communities, as defined in section 75-0101 of the environmental conservation law and using criteria developed by the climate justice working group pursuant to section 75-0111 of the environmental conservation law, to receive no less than forty percent of the overall amount awarded.

(b) The authority shall streamline the application process by incorporating the green affordable pre-electrification program into the eligibility section of existing program applications offered by the authority.

(c) Applicants may apply to the green affordable pre-electrification program concurrently with other existing programs upon the applicant's provision of information detailing eligible rehabilitation projects that would cause the applicant to be denied funding under other existing programs. Notwithstanding any section of law to the contrary, such concurrent application or the provision of a financial award by the authority shall not be cause to deny the application for funding under other existing programs.

(d) Financial awards provided pursuant to this section shall cover one hundred percent of associated costs for owners or tenants with incomes up to eighty percent of the state median income or area median income, whichever is greater, and seventy-five percent of associated costs for owners or tenants with incomes between eighty-one and one hundred fifty percent of the area median income, whichever is greater. Notwithstanding the foregoing, the authority may cap total financial awards for each project pursuant to the following schedule:

(i) For a residential building with up to four dwelling units: (A) a maximum award of forty thousand dollars multiplied by the number of units in the building where owners or tenants have incomes up to eighty percent of the state or the area median income, whichever is greater; and (B) a maximum award of thirty-five thousand dollars multiplied by the number of units in the building where owners or tenants have incomes

between eighty-one and one hundred fifty percent of the state or the area median income, whichever is greater;

(ii) For a residential building with more than four but less than fifty dwelling units: (A) a maximum award of twenty-five thousand dollars multiplied by the number of units in the building where owners or tenants have incomes up to eighty percent of the state or the area median income, whichever is greater; and (B) a maximum award of twenty thousand dollars multiplied by the number of units in the building where owners or tenants have incomes between eighty-one and one hundred fifty percent of the state or the area median income, whichever is greater; and

(iii) For a residential building with more than fifty dwelling units a maximum award of fifteen thousand dollars multiplied by the number of units in the building where owners or tenants have incomes up to one hundred fifty percent of the state or the area median income, whichever is greater.

(e) The authority may cap total financial awards for each project or each individual improvement within a project to ensure that each necessary improvement is made, as long as the cap does not create a singular obstacle to the project moving forward.

(f) The authority shall provide an answer to the applicant within sixty days after it receives the application, stating whether or not the applicant is eligible for funding, or if more information is needed to determine eligibility. The authority shall also state the cap amounts for each project or each improvement within each project in its response.

(g) The eligible applicant shall be responsible to secure all necessary descriptions of expenses for eligible projects and associated costs.

(h) Eligible rehabilitation projects, if not completed by a not-for-profit corporation, may be completed by a NYSERDA-approved private contractor headquartered in New York state or within ten miles of the border of New York state with another state. The authority shall establish cost control measures such as per-measure payment formulas to ensure prices charged by contractors are reasonable.

(i) The authority shall prioritize the contracting of financial awards to projects located within an area which is an environmental justice community, blighted, deteriorated or deteriorating, or has a blighting influence on the surrounding area, or is in danger of becoming a slum or a blighted area because of the existence of substandard, unsanitary, deteriorating or deteriorated conditions, aged housing stock, or vacant non-residential property, or other factors indicating an inability or unwillingness of the private sector unaided to cause the rehabilitation of homes for which financial awards under this section are provided.

(j) The authority shall compile a list of eligible contractors organized by region to facilitate projects under this program.

(k) The authority shall provide applicants with a list of conditions that must be met prior to entering into a contract pursuant to this section. Within fifteen working days of receipt by the authority of all documents in satisfaction of the list, the authority shall notify the applicant of the sufficiency or insufficiency of the documentation. After satisfaction by the applicant of all conditions required by the authority, and a determination of eligibility, the authority shall enter into the contract within forty-five working days of satisfaction of such conditions provided, however, that sufficient funding is available.

(l) In the case of projects that receive financial awards of over forty thousand dollars, the authority may establish restrictions on the sale of the residence or its subunits to qualified low-income homebuyers for a period of at least sixty years, but no more than ninety-nine years, and the authority may ensure this restriction by use of deed restrictions, community land trusts, or limited-equity cooperative ownership structures.

(m) For all projects that receive financial awards, the following restrictions shall apply and be in force for a period of not less than five years: (i) the owner of a building assisted with GAP funds may not raise the rent of any units more than three percent annually in the building or the current maximum rent increases set forth in local rent stabilization law, whichever is lower; and (ii) an owner of a building assisted with GAP funds may not evict, harass, or involuntarily remove any tenant in a weatherized unit, unless the tenant is found to be in violation of the lease terms agreed upon by the tenant and landlord;

(n) The owner and the authority shall be jointly responsible for informing tenants in a building about any upcoming project for which GAP funds have been awarded and which will impact them and of informing tenants about the building owner agreement with the state made pursuant to the award of GAP funds for the project. The authority shall provide owners with templates for a tenant synopsis and notification to be placed in common areas of the building. The notification shall summarize work that will occur in the building, any specific work to be performed in the tenant's unit, the timing of the work and the owner agreement with the state. The tenant synopsis shall explain that rent increases are restricted for five years following the granting of the award of GAP funds, and that such restrictions bind successive owners if the building is sold. The tenant synopsis shall list the conditions under which the owner may increase the rent and other rights tenants have, including the ability to file a claim in court against improper rent increases and the right to view a copy of the owner agreement for the building where the tenant resides. The owner shall be required to attest, in writing that they have provided a tenant synopsis to each tenant and posted appropriate notices in common areas of the building, and shall provide a list of tenant addresses to the authority so that the authority can also send a copy of the tenant synopsis to all residents of the building.

(o) In determining financial awards pursuant to this section, the authority shall give preference to applications based upon the extent to which the proposed rehabilitation project will:

(i) serve the lowest income households in disadvantaged communities or communities in which buildings are deteriorated or deteriorating, or have an injurious influence on the surrounding area, or are in danger of becoming a deteriorating area because of the existence of substandard, unsanitary, aged housing stock or vacant non-residential properties or other factors indicating an inability or unwillingness of the private sector, unaided, to cause the rehabilitation of homes, and which are designed to continue to be affordable to such households for a substantial period of time;

(ii) leverage private and other public investment so as to reduce the amount of assistance appropriated pursuant to this section which is necessary to complete such projects;

(iii) contribute to the rehabilitation of the neighborhood or community in which the program is located;

(iv) not directly displace current low- and moderate-income residents of such neighborhood or community;

(v) be undertaken and completed in a timely fashion; and

(vi) utilize innovative, cost-effective design techniques and building materials which enable the deconstruction of structures and reuse or recycling of such deconstructed materials, and which reduce construction, rehabilitation, or operating costs.

(p) No more than five percent of funds under this program shall be allocated to any single building per year.

(q) The authority shall provide for the review, at periodic intervals not less than annually, of the performance of contracted applicants and related rehabilitation projects receiving financial awards pursuant to this section. Such review shall, among other things, be for the purposes of ascertaining conformity to contractual provisions, the financial integrity and efficiency of awardees and the evaluation of their activities. Contracts entered into pursuant to this section may be terminated, funds may be withheld and unspent funds recaptured by the authority upon a finding of substantial nonperformance or breach by the awardee of its obligations under its contract.

4. Reporting. No later than September first following the first fiscal year commencing after the effective date of this section, and each September first thereafter, the authority shall prepare a report on the green affordable pre-electrification program pursuant to this section and submit such report to the governor, the temporary president of the senate, and the speaker of the assembly. Such report shall include, but not be limited to: (a) the total number of applicants to relevant programs for which eligible applicants under this section would apply, as defined under paragraph (b) of subdivision one of this section; (b) the number of applications pending for that fiscal year; (c) the total number and value of financial awards disbursed and the nonprofits and private contractors which received such award; (d) the number of recipients of funds under this program who entered into and completed other relevant programs; (e) complaints by tenants and homeowners relating to projects completed under this program; and (f) the identification of barriers to the utilization of financial awards and proposed solutions for the removal of those barriers to effectuate disbursal of financial awards.

5. Labor standards. The authority shall establish a quality control, corrective action, and inspection process to ensure that work quality is acceptable and durable. Any contractor performing work under this section shall verify that they have entered into a labor peace agreement with a bona fide labor organization that is actively engaged in representing or attempting to represent the applicant's employees and the maintenance of such a labor peace agreement shall be an ongoing material condition of receiving funds from the authority. Any projects funded pursuant to this section shall be performed in accordance with the provisions of articles eight and nine of the labor law.

6. Funding. Funding for the green affordable pre-electrification program shall consist of all revenue received pursuant to an appropriation therefor, and any other monies appropriated, credited or transferred from any other source pursuant to law. Nothing in this section shall be deemed to prevent the state from receiving grants, gifts or bequests for the purposes of this program.

§ 4. Severability. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof

directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 5. This act shall take effect immediately.