STATE OF NEW YORK

9117

IN SENATE

February 4, 2026

Introduced by Sen. COMRIE -- 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, in relation to establishing a small homeowner rehabilitation revolving loan program administered by the New York state housing finance agency

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 section 43-a to read as follows:

§ 43-a. Small homeowner rehabilitation revolving loan program. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "Small homeowner" means a natural person, family trust, estate, limited liability company, or closely held corporation that owns one or more multiple dwellings containing ten dwelling units or fewer within the state of New York.

(b) "Eligible property" means a residential multiple dwelling containing ten dwelling units or fewer, including mixed-use buildings with residential units above ground-floor commercial space, provided that the residential units constitute the primary use.

(c) "Eligible rehabilitation and repair" means work necessary to correct building code violations; address health and safety hazards; repair or replace building systems including roofs, boilers, plumbing, electrical, elevators, and facades; remediate mold, lead, asbestos, or other environmental hazards; perform energy efficiency or resiliency improvements; and undertake other capital repairs necessary to maintain habitability and regulatory compliance.

(d) "Administering agency" means the New York state housing finance agency, which shall have full authority to administer the program created under this section, and may consult with the New York state homes and community renewal or other public or nonprofit partners for technical assistance, underwriting, and compliance purposes.

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

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(e) "Program" means the small homeowner rehabilitation revolving loan program established under this section.

2. (a) There is hereby established within the New York state housing finance agency a program to be known as the small homeowner rehabilitation revolving loan program.

(b) The program shall consist of moneys appropriated by the legislature, repayments of principal and interest on loans made from the program, interest earnings, private or philanthropic contributions, and any other moneys made available for its purposes.

(c) Moneys in the program shall be continuously available and shall not lapse.

3. (a) The administering agency is authorized to make low-interest loans, deferred payment loans, or forgivable loans, or a combination thereof, to eligible small homeowners for eligible rehabilitation and repair projects.

(b) Loan terms may include below-market interest rates, extended amortization periods, interest-only or deferred payment periods, and technical assistance as determined by the administering agency.

(c) Loans shall be secured by a mortgage, note, or other appropriate security interest, except where forgivable loan structures are authorized by program guidelines.

(d) Administrative, outreach, and marketing expenditures, including program materials, community-based outreach, and applicant technical assistance, shall not exceed one percent of the total annual appropriation for the program and shall not include general agency overhead or unrelated personnel costs.

4. (a) To be eligible for assistance, a small homeowner shall:

(i) Demonstrate financial need and an inability to obtain comparable private financing on reasonable terms;

(ii) Demonstrate an inability to obtain rental income for a period of six months or more for one or more dwelling units within the eligible property due to vacancy caused by necessary repairs, rent arrears, housing court proceedings, emergency repair conditions, or other documented financial hardship;

(iii) Certify that the eligible property will be maintained as residential housing for the duration of the loan term;

(iv) Be current on state and local taxes or enter into an approved repayment agreement; and

(v) Agree to comply with all applicable housing maintenance, building, and fire codes.

(b) As a condition of receiving assistance:

(i) No tenant shall be displaced as a result of rehabilitation activities except temporarily for health and safety, with the right to return;

(ii) Rent-stabilized units shall remain rent-stabilized;

(iii) Rent increases, if any, shall be limited in accordance with program guidelines and applicable law; and

(iv) The administering agency may require affordability covenants for a defined period commensurate with the amount and terms of assistance.

5. In awarding assistance, the administering agency shall prioritize:

(a) Small homeowners experiencing financial distress that threatens the viability of their property or their ability to maintain rental units;

(b) Properties with outstanding hazardous or immediately hazardous violations;

(c) Buildings housing low- and moderate-income tenants;

(d) Owner-occupied properties;
(e) Properties at risk of foreclosure or physical distress;
(f) Projects that leverage additional public or private financing; and
(g) Environmental justice communities and historically underserved areas.
6. (a) The administering agency shall submit an annual report to the governor, the temporary president of the senate, and the speaker of the assembly detailing program activity, including number of loans made, geographic distribution, types of repairs funded, demographic data to the extent permitted by law, repayment performance, and fund balance.
(b) The program and its administration shall be subject to audit by the state comptroller.
7. Severability. If any provision of this act or its application shall be adjudged invalid, such judgment shall not affect or impair the validity of the remainder of the act.

§ 2. This act shall take effect immediately; provided, however, that the administering agency is authorized to promulgate any rules or regulations necessary to implement the provisions of this act on or before such effective date.