

STATE OF NEW YORK

10503

IN SENATE

May 15, 2026

Introduced by Sen. BOTTCHEr -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the private housing finance law, in relation to establishing the pro-housing communities incentive fund; and making an appropriation therefor

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

1 Section 1. The private housing finance law is amended by adding a new
2 article 28 to read as follows:

ARTICLE 28

PRO-HOUSING COMMUNITIES INCENTIVE FUND

Section 1240. Definitions.

6 1241. Establishment of fund.

7 1242. Incentive payments.

8 1243. Permitted uses of funds.

9 1244. Certification and reporting.

10 1245. Anti-displacement and anti-gaming provisions.

11 1246. Bonus for certified pro-housing communities.

12 1247. Annual report.

§ 1240. Definitions. For the purposes of this article:

13 1. "Corporation" means the New York State Housing Trust Fund Corpo-
14 ration.

15 2. "Municipality" means any city, town, or village.

16 3. "Net new housing unit" means a dwelling unit that:

17 (a) receives a certificate of occupancy, temporary certificate of
18 occupancy, or equivalent local authorization on or after the effective
19 date of this article;

20 (b) increases the total number of lawful dwelling units within the
21 municipality; and

22 (c) does not merely replace a dwelling unit that was demolished,
23 converted, or otherwise eliminated, except as otherwise provided for
24 deeply affordable, supportive, or public housing replacement.

25 4. "Eligible housing unit" means a net new housing unit, including but
26 not limited to:
27

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

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1 (a) rental housing;
2 (b) homeownership housing;
3 (c) affordable housing;
4 (d) supportive housing;
5 (e) senior housing;
6 (f) accessory dwelling units;
7 (g) conversions from nonresidential to residential use;
8 (h) mixed-use development containing residential units; and
9 (i) public housing, Mitchell-Lama housing, or other publicly assisted
10 housing.

11 § 1241. Establishment of fund. There is hereby established the pro-
12 housing communities incentive fund, to be administered by the corpo-
13 ration. Subject to appropriation, the fund shall provide incentive
14 payments to municipalities based on the number of eligible net new hous-
15 ing units produced within such municipality.

16 § 1242. Incentive payments. 1. For each eligible net new housing unit,
17 the corporation shall provide the municipality with an incentive payment
18 of:

19 (a) ten thousand dollars per net new housing unit;
20 (b) fifteen thousand dollars per net new affordable housing unit
21 affordable to households earning up to eighty percent of area median
22 income;
23 (c) twenty thousand dollars per net new deeply affordable, supportive,
24 public housing, or formerly homeless housing unit;
25 (d) five thousand dollars per net new accessory dwelling unit.

26 2. The corporation may adjust such amounts annually based on available
27 appropriations and regional housing need.

28 § 1243. Permitted uses of funds. 1. Funds awarded under this article
29 may be used by a municipality for any lawful municipal purpose, includ-
30 ing but not limited to:

31 (a) sewer, water, school, park, street, transit, and public realm
32 infrastructure;
33 (b) planning, zoning, environmental review, and building department
34 staffing;
35 (c) affordable housing preservation or production;
36 (d) code enforcement;
37 (e) public safety and emergency services;
38 (f) climate resilience and green infrastructure;
39 (g) property tax relief; and
40 (h) community facilities.

41 2. Funds shall not be required to be spent directly on the housing
42 development that generated the award.

43 3. If eligible claims exceed available appropriations, the corporation
44 may prorate payments, with priority given to affordable housing,
45 supportive housing, public housing, and municipalities in regions with
46 severe housing shortages.

47 § 1244. Certification and reporting. 1. Each municipality seeking
48 payment shall submit an annual certification to the corporation identi-
49 fying:

50 (a) the number of eligible net new housing units produced;
51 (b) the type and affordability level of such units;
52 (c) the location of such units;
53 (d) the number of dwelling units demolished, converted, or eliminated
54 during the same period; and
55 (e) any local zoning or permitting actions taken to facilitate housing
56 production.

1 2. The corporation shall verify such certifications using certificates
2 of occupancy, building permit data, local assessment rolls, and any
3 other relevant state or local data.

4 § 1245. Anti-displacement and anti-gaming provisions. 1. No payment
5 shall be made for a housing unit if the corporation determines that the
6 municipality or applicant has artificially created eligibility through:

7 (a) demolition of existing occupied housing without replacement;

8 (b) conversion of rent-regulated, affordable, supportive, Mitchell-
9 Lama, public, or other protected housing into market-rate housing;

10 (c) temporary or sham dwelling unit classifications; or

11 (d) failure to comply with applicable fair housing, environmental,
12 labor, or tenant protection laws.

13 2. Where new housing replaces demolished or converted housing, incen-
14 tive payments shall be made only for the net increase in lawful dwelling
15 units, except where the replacement housing provides greater affordabil-
16 ity or deeper public benefit as determined by the corporation.

17 § 1246. Bonus for certified pro-housing communities. 1. A municipality
18 that has been designated by the state as a pro-housing community shall
19 receive a twenty-five percent bonus on all payments under this article.

20 2. A municipality that fails to submit required housing production
21 data shall be ineligible for payments until such data is submitted.

22 § 1247. Annual report. 1. The corporation shall publish an annual
23 report including:

24 (a) the payments made to each municipality;

25 (b) the number of units produced by municipality;

26 (c) the number of affordable units produced;

27 (d) the number of units demolished or lost;

28 (e) the regional distribution of awards; and

29 (f) the corporation's recommendations for improving the program.

30 2. The report shall be delivered to the governor, the temporary presi-
31 dent of the senate, the speaker of the assembly, the minority leader of
32 the senate and the minority leader of the assembly by December thirty-
33 first of each year.

34 § 2. Appropriation. The sum of two hundred fifty million dollars
35 (\$250,000,000), or so much thereof as may be necessary, is hereby appro-
36 riated to the New York State Housing Trust Fund Corporation out of any
37 moneys in the state treasury in the general fund not otherwise appropri-
38 ated, and made immediately available, for the purpose of carrying out
39 the provisions of this act. Such moneys shall be payable on the audit
40 and warrant of the comptroller on vouchers certified or approved by the
41 commissioner of housing and community renewal in the manner prescribed
42 by law.

43 § 3. This act shall take effect immediately and shall apply to housing
44 units receiving a certificate of occupancy on or after January first
45 next succeeding the date on which it shall have become a law.