# STATE OF NEW YORK

10506

# IN SENATE

May 15, 2026

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

AN ACT to amend the education law, in relation to providing enhanced building aid for school construction projects in municipalities that meet transit-oriented development or housing growth benchmarks

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

Section 1. Legislative intent. The legislature finds that New York State faces a critical housing shortage that threatens economic growth, affordability, and sustainability. Transit-oriented development and increased housing production are essential tools to address this crisis.

The legislature further finds that municipalities often face fiscal pressures associated with population growth, including the need to expand and modernize school facilities. Providing targeted financial incentives through the state's school building aid formula will encourage municipalities to support housing growth while ensuring that local infrastructure keeps pace.

Therefore, it is the intent of this act to reward municipalities that advance transit-oriented development or achieve meaningful housing production targets by increasing the state reimbursement rate for eligible school construction projects.

§ 2. Section 3602 of the education law is amended by adding a new subdivision 6-j to read as follows:

**6-j. Enhanced building aid for housing growth and transit-oriented communities. (a) Notwithstanding any provision of law to the contrary, for any school district located wholly or partially within a qualifying municipality, the approved building aid ratio for any eligible capital construction project shall be increased by five percentage points, subject to the provisions of this subdivision.**

**(b) For purposes of this subdivision, a "qualifying municipality" shall mean a city, town, or village that meets at least one of the following criteria, as determined by the commissioner of homes and community renewal in consultation with the commissioner of transportation:**

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

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(i) the municipality has adopted zoning and land use policies that:

(A) permit residential development at a minimum average density of fifteen dwelling units per acre within one-half mile of a commuter rail station, subway station, ferry terminal, or bus rapid transit corridor;

(B) allow multifamily housing as-of-right in such areas; and

(C) do not impose minimum off-street parking requirements for such developments; and/or

(ii) the municipality has achieved a net increase in housing units of not less than:

(A) one percent annually over the preceding three years; or

(B) three percent over the preceding five years; and/or

(iii) the municipality has adopted and is implementing a state-certified housing production plan that includes enforceable targets and zoning reforms to increase housing supply.

(c) The commissioner of homes and community renewal shall annually publish a list of qualifying municipalities eligible under this subdivision.

(d) The enhanced building aid provided pursuant to this subdivision shall apply only to projects approved by the commissioner on or after the effective date of this subdivision.

(e) The additional aid provided pursuant to this subdivision shall not cause a district's total building aid ratio to exceed ninety-eight percent.

(f) The commissioner shall promulgate any rules and regulations necessary to implement the provisions of this subdivision.

§ 3. This act shall take effect immediately and shall apply to projects approved on or after such effective date.