

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:

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

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

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

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

17 6-j. Enhanced building aid for housing growth and transit-oriented
18 communities. (a) Notwithstanding any provision of law to the contrary,
19 for any school district located wholly or partially within a qualifying
20 municipality, the approved building aid ratio for any eligible capital
21 construction project shall be increased by five percentage points,
22 subject to the provisions of this subdivision.

23 (b) For purposes of this subdivision, a "qualifying municipality"
24 shall mean a city, town, or village that meets at least one of the
25 following criteria, as determined by the commissioner of homes and
26 community renewal in consultation with the commissioner of transporta-
27 tion:

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

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1 (i) the municipality has adopted zoning and land use policies that:
2 (A) permit residential development at a minimum average density of
3 fifteen dwelling units per acre within one-half mile of a commuter rail
4 station, subway station, ferry terminal, or bus rapid transit corridor;

5 (B) allow multifamily housing as-of-right in such areas; and
6 (C) do not impose minimum off-street parking requirements for such
7 developments; and/or

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

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

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

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

15 (c) The commissioner of homes and community renewal shall annually
16 publish a list of qualifying municipalities eligible under this subdivi-
17 sion.

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

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

24 (f) The commissioner shall promulgate any rules and regulations neces-
25 sary to implement the provisions of this subdivision.

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