STATE OF NEW YORK

7939

2025-2026 Regular Sessions

IN SENATE

May 14, 2025

Introduced by Sen. BAILEY -- 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 creating an affordable housing insurance relief fund program; and providing for the repeal of such provisions upon expiration thereof

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 article 33 to read as follows:

ARTICLE XXXIII

AFFORDABLE HOUSING INSURANCE RELIEF FUND PROGRAM

Section 1301. Definitions.
1302. Affordable housing insurance relief fund program.
1303. Program criteria.
1304. Funding criteria.
1305. Funding.
1306. Annual report.
1307. Stakeholder advisory group.
1308. Disposition upon expiration.

§ 1301. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Corporation" shall mean the housing trust fund corporation established in section forty-five-a of this chapter.

2. "Program" shall mean the affordable housing insurance relief fund program established under this article.

3. "Eligible project" shall mean a proposed, one hundred percent affordable or supportive multifamily rental property subject to a regulatory agreement with one or more municipal, state, or federal housing agencies.

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

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4. "Eligible applicant" shall include for-profit and not-for-profit affordable housing developers that have a regulatory agreement with one or more municipal, state, or federal housing agencies which will be applicable to one hundred percent of the housing units on the property upon completion of the property's development.

5. "Commercial insurance expenses" shall mean premiums and related costs paid by eligible applicants for insurance policies that provide coverage for commercial property damage, general liability, excess liability, or umbrella liability risks associated with the operation and maintenance of affordable housing developments. Such policies shall be customarily issued under commercial habitational insurance lines.

§ 1302. Affordable housing insurance relief fund program. Within amounts appropriated or otherwise available therefor, the housing trust fund corporation shall develop and administer an affordable housing insurance relief fund program which shall provide aid in the form of payments and grants for reasonable and necessary commercial insurance expenses to eligible applicants for the development of affordable housing properties in accordance with this article.

§ 1303. Program criteria. 1. The corporation shall develop procedures, criteria and requirements for the program related to the competitive application for and award of grants pursuant to this article which shall include, but not be limited to: eligibility, market demand, feasibility and funding criteria; the funding determination process; supervision and evaluation of contracting applicants; reporting, budgeting and record-keeping requirements; provisions for modification and termination of contracts; and such other matters not inconsistent with the purposes and provisions of this article as the corporation shall deem necessary or appropriate.

2. The corporation may prioritize awards to eligible projects that demonstrate a material increase in the cost of maintaining required commercial insurance coverage. Such prioritization shall be based on documented evidence of: (a) premium increases exceeding industry benchmarks; (b) loss of carrier availability or reductions in policy coverage limits; or (c) other market-based indicators of insurance cost volatility. For the purposes of this section, all applicants shall be presumed to have obtained commercial insurance coverage sufficient to meet financing or regulatory compliance obligations, and the inability to obtain insurance shall not be construed as a prerequisite to program eligibility.

3. The corporation may prioritize eligible projects with demonstrated insurance access barriers, financial vulnerability, or other indicators of critical need.

§ 1304. Funding criteria. 1. The amount of assistance provided under this program shall not exceed three thousand dollars per income-restricted housing unit per calendar year, and shall not exceed two million dollars in total assistance per eligible project per calendar year. The corporation shall establish a methodology to determine appropriate award levels based on factors including, but not limited to: (a) documented increases in commercial insurance premiums relative to a baseline year; (b) the total number of income-restricted units in the project; and (c) the risk classification or loss experience of the development, as applicable.

2. The corporation shall have the authority to adjust the maximum award amounts set forth in this article, including the per-unit and per-project caps, to account for inflation or significant changes in market conditions. Any such adjustments shall be made in accordance with

a methodology established by the corporation, published in the state register, and reported in the annual report required under section thirteen hundred six of this article.

§ 1305. Funding. Subject to appropriations for this program, the corporation in its sole discretion shall authorize all funding decisions and make all award determinations.

§ 1306. Annual report. The corporation shall, on or before June thirtieth in each year submit a report to the legislature and the governor on the implementation of this article. Such report shall include, but not be limited to, the number of applications received by the end of the preceding calendar year, the total dollar amount of such applications, and the disposition of such applications; and for each award made to a grantee under this article, a description of such award, the contract amount and cumulative total, and such other information as the corporation deems pertinent.

§ 1307. Stakeholder advisory group. The corporation may convene a stakeholder advisory group composed of representatives from affordable housing development, insurance markets, nonprofit organizations, tenant advocates, and local governments. The advisory group shall assist in reviewing program implementation, equity considerations, and recommend improvements to support long-term affordability and sustainability.

§ 1308. Disposition upon expiration. Upon the expiration of this article, the corporation shall continue to administer and enforce all contracts, awards, and obligations entered into prior to such expiration in accordance with their terms. Any unencumbered funds appropriated for the purposes of this article that remain at the time of expiration shall be returned to the state treasury or reallocated in a manner consistent with legislative intent, as determined by the corporation in consultation with the division of the budget. The expiration of this article shall not impair or affect the rights or obligations of any party under any contract executed pursuant to this article prior to its repeal.

§ 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall expire and be deemed repealed twenty years after such effective date. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.