

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

3 2. (a) There is hereby established within the New York state housing
4 finance agency a program to be known as the small homeowner rehabili-
5 tation revolving loan program.

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

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

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

16 (b) Loan terms may include below-market interest rates, extended amor-
17 tization periods, interest-only or deferred payment periods, and techni-
18 cal assistance as determined by the administering agency.

19 (c) Loans shall be secured by a mortgage, note, or other appropriate
20 security interest, except where forgivable loan structures are author-
21 ized by program guidelines.

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

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

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

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

35 (iii) Certify that the eligible property will be maintained as resi-
36 dential housing for the duration of the loan term;

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

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

41 (b) As a condition of receiving assistance:

42 (i) No tenant shall be displaced as a result of rehabilitation activ-
43 ities except temporarily for health and safety, with the right to
44 return;

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

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

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

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

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

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

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

1 (d) Owner-occupied properties;
2 (e) Properties at risk of foreclosure or physical distress;
3 (f) Projects that leverage additional public or private financing; and
4 (g) Environmental justice communities and historically underserved
5 areas.

6 6. (a) The administering agency shall submit an annual report to the
7 governor, the temporary president of the senate, and the speaker of the
8 assembly detailing program activity, including number of loans made,
9 geographic distribution, types of repairs funded, demographic data to
10 the extent permitted by law, repayment performance, and fund balance.

11 (b) The program and its administration shall be subject to audit by
12 the state comptroller.

13 7. Severability. If any provision of this act or its application shall
14 be adjudged invalid, such judgment shall not affect or impair the valid-
15 ity of the remainder of the act.

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