S T A T E O F N E W Y O R K

4071

2009-2010 Regular Sessions

I N A S S E M B L Y

January 29, 2009

Introduced by M. of A. THIELE, ALESSI -- Multi-Sponsored by -- M. of A. SALADINO -- read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law, in relation to creating the "Peconic Bay region workforce housing opportunity act"

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. This act may be cited as the "Peconic Bay region workforce housing opportunity act".

S 2. Legislative findings. The legislature hereby finds that critical to the future of the Peconic Bay region is the need to protect community stability by providing for an adequate supply of workforce housing opportunities for all segments of the Peconic Bay community. One of the great paradoxes of the Peconic Bay regional economy is that the number of housing units in the Peconic Bay region has increased from 38,000 in 1960 to more than 85,000 today. Yet, the availability of affordable housing opportunities for moderate income and working class residents is in critically short supply.

The adverse impacts from this shortage of housing opportunities are critical. For example, local employers have difficulty hiring and retaining employees because of housing costs and availability. Local volunteer emergency services agencies experience difficulty in recruitment and retention. Long time residents are forced to leave the area. Traffic congestion is exacerbated by the importation of labor from areas with lower housing costs. Other land uses such as motels are being converted to emergency and permanent housing. Finally, the lack of affordable housing is resulting in residents being forced to live in substandard, illegal conditions.

Unique demographics and economics in the Peconic Bay region, and a lack of affordable dwelling units, are creating this housing shortage. The combination of the Peconic Bay region's attractiveness, proximity to the dense population of the New York metropolitan region, and proximity

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

to that region's extraordinary wealth, makes the Peconic Bay region a prime location for seasonal and luxury homes.

While this combination of extraordinary attractiveness, population and wealth has created a strong local economy for the Peconic Bay region, it has resulted in housing problems for local families. In the Peconic Bay region, 37% of all housing units are seasonal. The population of the region increases from 125,000 to more than 320,000 during the summer season.

In summary, the demand of land for luxury and seasonal homes and seasonal rentals has left a short supply of housing opportunities for moderate income and working class local residents. The Peconic Bay region needs a balanced housing policy where there exists a variety of housing types and opportunities across the region's economic spectrum.

It is the purpose of this legislation, to give the towns of the Peconic Bay region the authority and resources needed to establish community housing opportunities. This legislation would permit each town to establish a dedicated community housing opportunity fund to increase housing opportunities in the region.

Specifically, towns would be permitted to provide loans to those residents and families below the median income level of the town who are first time home buyers. Said loans would be up to $200,000. Such a loan would permit more residents and families to access the existing housing market. Said loan would be repaid upon any future sale of the dwelling. The repayment amount would be equal to an amount in proportion to the resale price as the original proportion of the loan to the original sale price.

This program would provide funding to increase workforce housing opportunities. It would also permit families under the program to enjoy a proportional benefit in the equity of their new home. Finally, upon resale, the town's proportional interest would be returned to the fund to finance future workforce housing opportunities.

Said fund would be financed by a combination of state and local funds, including a fee on new residential construction over 3,000 square feet. The fund and fee enacted by local law would be subject to a mandatory referendum.

S 3. The private housing finance law is amended by adding a new article 23 to read as follows:

ARTICLE XXIII

PECONIC BAY REGION WORKFORCE HOUSING OPPORTUNITY ACT

SECTION 1160. DEFINITIONS.
1161. FUND AUTHORIZED.
1162. PURPOSES OF THE FUND.
1163. WORKFORCE HOUSING IMPACT FEE.
1164. MANDATORY REFERENDUM.
1165. SEVERABILITY CLAUSE.

S 1160. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING WORDS AND TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "PECONIC BAY REGION" MEANS THE TOWNS OF EAST HAMPTON, RIVERHEAD, SHELTER ISLAND, SOUTHAMPTON, AND SOUTHOLD.

2. "WORKFORCE HOUSING" SHALL BE DEFINED AS HOUSING FOR HOUSEHOLDS WITH INCOMES AT OR BELOW ONE HUNDRED PERCENT OF THE MEDIAN INCOME FOR EACH TOWN WITHIN THE PECONIC BAY REGION.

3. "FUND" MEANS THE WORKFORCE HOUSING OPPORTUNITY FUND AUTHORIZED PURSUANT TO THIS ARTICLE.

S 1161. FUND AUTHORIZED. THE TOWN BOARD OF ANY TOWN IN THE PECONIC BAY REGION IS AUTHORIZED TO ESTABLISH BY LOCAL LAW A COMMUNITY HOUSING

OPPORTUNITY FUND, PURSUANT TO THE PROVISIONS OF THIS SECTION. DEPOSITS INTO THE FUND MAY INCLUDE REVENUES OF THE LOCAL GOVERNMENT FROM WHATEVER SOURCE, INCLUDING BUT NOT LIMITED TO:

1. ALL REVENUES FROM THE WORKFORCE HOUSING IMPACT FEE AUTHORIZED BY SECTION ELEVEN HUNDRED SIXTY-THREE OF THIS ARTICLE;

2. GENERAL FUND BALANCES OR SURPLUSES;

3. FUNDS RECEIVED BY THE TOWN FROM THE APPORTIONMENT OF MORTGAGE RECORDING TAXES RECEIVED FROM THE COUNTY PURSUANT TO ARTICLE ELEVEN OF THE TAX LAW;

4. FUNDS RECEIVED BY THE TOWN FROM THE SALE OF DEVELOPMENT RIGHTS FROM A CENTRAL BANK;

5. THE REPAYMENT OF ANY LOANS ISSUED FROM PROCEEDS OF THE FUND;

6. ANY GIFTS OF INTERESTS IN LAND OR FUNDS; AND

7. ANY STATE OR FEDERAL GRANTS RECEIVED BY THE TOWN FOR PROVIDING AFFORDABLE HOMES.

INTEREST ACCRUED BY MONIES DEPOSITED INTO THE FUND SHALL BE CREDITED TO THE FUND. IN NO EVENT SHALL MONIES DEPOSITED INTO THE FUND BE TRANSFERRED TO ANY OTHER ACCOUNT. NOTHING CONTAINED IN THIS SECTION SHALL BE CONSTRUED TO PREVENT THE FINANCING IN WHOLE OR IN PART, PURSUANT TO THE LOCAL FINANCE LAW, OF ANY PURPOSE AUTHORIZED PURSUANT TO THIS SECTION. MONIES FROM THE FUND MAY BE UTILIZED TO REPAY INDEBTEDNESS OR OBLIGATIONS INCURRED PURSUANT TO THE LOCAL FINANCE LAW CONSISTENT WITH EFFECTUATING THE PURPOSES OF THIS SECTION.

S 1162. PURPOSES OF THE FUND. 1. THE PROCEEDS OF THE FUND ESTABLISHED PURSUANT TO SECTION ELEVEN HUNDRED SIXTY-ONE OF THIS ARTICLE SHALL BE UTILIZED (A) FOR THE PROVISION OF LOANS TO ELIGIBLE RESIDENTS OF THE TOWN FOR THE PURCHASE OF A FIRST HOME PURSUANT TO THE PROVISIONS OF THIS SECTION, (B) THE ACQUISITION OF COVENANTS, RESTRICTIONS, OR EASEMENTS LIMITING EXISTING HOMES FOR WORKFORCE HOUSING, AND (C) THE PROVISION OF HOUSING COUNSELING SERVICES BY NOT-FOR-PROFIT CORPORATIONS WHO ARE AUTHORIZED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO PROVIDE SUCH SERVICES.

2. A TOWN MAY MAKE A LOAN TO A RESIDENT OF THE TOWN FOR THE PURCHASE OF A FIRST HOME FOR THE PURPOSE OF WORKFORCE HOUSING. SAID LOAN SHALL NOT EXCEED TWO HUNDRED THOUSAND DOLLARS PER HOME. SAID LOAN SHALL BE REPAYABLE TO THE TOWN UPON THE RE-SALE OF THE HOME. THE REPAYMENT TO THE TOWN SHALL BE AN AMOUNT EQUAL TO THE PROPORTION OF THE ORIGINAL LOAN FROM THE TOWN TO THE ORIGINAL PURCHASE PRICE TO THE RESALE PRICE.

3. ALL REVENUES RECEIVED BY THE TOWN FROM THE REPAYMENT OF LOANS SHALL BE DEPOSITED IN THE FUND.

S 1163. WORKFORCE HOUSING IMPACT FEE. EACH TOWN IS HEREBY AUTHORIZED TO IMPOSE, COLLECT, AND DISBURSE, AS SET FORTH IN THIS SECTION, A FEE ON ALL NEW RESIDENTIAL CONSTRUCTION. SAID FEE SHALL BE IMPOSED ON NEW RESIDENTIAL CONSTRUCTION WHERE THE TOTAL FLOOR AREA OF SAID CONSTRUCTION EXCEEDS THREE THOUSAND SQUARE FEET. SAID FEE SHALL BE SET BY THE TOWN BOARD, BUT SHALL NOT EXCEED EIGHT DOLLARS PER SQUARE FOOT IN EXCESS OF THREE THOUSAND SQUARE FEET. SAID FEE SHALL BE PAID UPON THE ISSUANCE OF A BUILDING PERMIT BY THE TOWN. THE PROCEEDS OF SAID FEE SHALL BE DEPOSITED IN THE COMMUNITY HOUSING OPPORTUNITY FUND CREATED BY THE TOWN PURSUANT TO SECTION ELEVEN HUNDRED SIXTY-ONE OF THIS ARTICLE. HOUSING CONSTRUCTION WHICH IS RESTRICTED TO WORKFORCE HOUSING SHALL BE EXEMPT FROM THIS FEE.

S 1164. MANDATORY REFERENDUM. THE LOCAL LAW OR LAWS ESTABLISHING THE WORKFORCE HOUSING OPPORTUNITY FUND AND AUTHORIZING THE WORKFORCE HOUSING IMPACT FEE SHALL BE SUBJECT TO A MANDATORY REFERENDUM. SAID LOCAL LAW OR

LAWS SHALL ONLY BECOME EFFECTIVE UPON THE ADOPTION OF SAID REFERENDUM BY THE ELECTORS OF THE TOWN.

S 1165. SEVERABILITY CLAUSE. IF ANY PROVISION OF THIS ARTICLE OR APPLICATION THEREOF SHALL FOR ANY REASON BE ADJUDGED BY ANY COURT OF COMPETENT JURISDICTION TO BE INVALID, SUCH JUDGMENT SHALL NOT AFFECT, IMPAIR, OR INVALIDATE THE REMAINDER OF THE ACT, BUT SHALL BE CONFINED IN ITS OPERATION TO THE PROVISION THEREOF DIRECTLY INVOLVED IN THE CONTROVERSY IN WHICH THE JUDGMENT SHALL HAVE BEEN RENDERED.

S 4. This act shall take effect immediately.