

10651

I N A S S E M B L Y

April 13, 2010

Introduced by M. of A. MONTESANO -- read once and referred to the
Committee on Housing

AN ACT to amend the private housing finance law and the state finance
law, in relation to establishing the "Long Island next generation
first-time homebuyer grant program"; making an appropriation therefor;
and providing for the repeal of such provisions upon expiration there-
of

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

1 Section 1. This act shall be known and may be cited as the "Long
2 Island next generation first-time homebuyer grant program".

3 S 2. The private housing finance law is amended by adding a new arti-
4 cle 19-A to read as follows:

5 ARTICLE XIX-A

6 LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER GRANT PROGRAM

7 SECTION 1115. LEGISLATIVE FINDINGS AND STATEMENT OF POLICY.

8 1116. DEFINITIONS.

9 1117. LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER GRANT
10 PROGRAM ESTABLISHED; REGULATIONS.

11 1118. LOCAL FIRST-TIME HOMEBUYER PROGRAM; ADVISORY BOARD.

12 S 1115. LEGISLATIVE FINDINGS AND STATEMENT OF POLICY. THE LEGISLATURE
13 HEREBY FINDS THAT IT IS THE PUBLIC POLICY OF THE STATE OF NEW YORK TO
14 FOSTER THE GOAL OF HOME OWNERSHIP IN AREAS OF THE STATE, SUCH AS LONG
15 ISLAND, WHERE THERE IS A SHORTAGE OF AFFORDABLE HOUSING FOR FIRST-TIME
16 HOMEBUYERS. IT IS FURTHER FOUND BY THIS LEGISLATURE THAT LONG ISLAND
17 MUNICIPALITIES ARE INTERESTED IN PRESERVING EXISTING SINGLE FAMILY HOMES
18 AND ENCOURAGING FIRST-TIME HOMEBUYERS FOR A VARIETY OF REASONS. FOR
19 EXAMPLE, LOCAL EMPLOYERS HAVE DIFFICULTY HIRING AND RETAINING EMPLOYEES
20 BECAUSE OF HOUSING COSTS AND AVAILABILITY. LOCAL VOLUNTEER EMERGENCY
21 SERVICES AGENCIES EXPERIENCE DIFFICULTY IN RECRUITMENT AND RETENTION.
22 EXTENDED FAMILIES ARE STRAINED BECAUSE THE CHILDREN OF LONG TIME RESI-
23 DENTS ARE FORCED TO LEAVE THE AREA AND THEIR FAMILIES BECAUSE THEY CAN
24 NOT AFFORD TO STAY IN THE AREA. TRAFFIC CONGESTION IS EXACERBATED BY THE
25 IMPORTATION OF LABOR FROM AREAS WITH LOWER HOUSING COSTS. THE DEMAND FOR

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

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1 HIGH-END HOUSING ON LONG ISLAND HAS LEFT A SHORT SUPPLY OF MODERATELY
2 PRICED HOUSING OPPORTUNITIES FOR FIRST-TIME HOMEBUYERS, PARTICULARLY
3 YOUNG FAMILIES SEEKING TO STAY OR MOVE ONTO LONG ISLAND. DEMAND FOR NEW
4 CONSTRUCTION IS USING UP THE EXISTING OPEN SPACE WHICH IS AN ASSET TO
5 THE QUALITY OF LIFE ON LONG ISLAND. IT IS THE PURPOSE OF THIS LEGIS-
6 LATION TO PROVIDE THE MUNICIPALITIES OF LONG ISLAND THE AUTHORITY AND
7 RESOURCES NEEDED TO PROVIDE AFFORDABLE HOUSING OPPORTUNITIES FOR ELIGI-
8 BLE FIRST-TIME HOMEBUYERS WITH A PREFERENCE FOR RESIDENTS AND CHILDREN
9 OF RESIDENTS.

10 SPECIFICALLY, THIS ARTICLE ESTABLISHES A GRANT PROGRAM UNDER THE REGU-
11 LATION OF THE COMMISSIONER OF HOUSING AND COMMUNITY RENEWAL AND AUTHOR-
12 IZES LONG ISLAND MUNICIPALITIES, UPON THE APPROVAL OF THEIR LOCAL
13 GOVERNING BODY, TO ESTABLISH FIRST-TIME HOMEBUYER HOUSING PROGRAMS FOR
14 THE PURPOSE OF PURCHASING PROPERTIES FOR RE-SALE TO FIRST-TIME HOMEBUY-
15 ERS AT A SUBSIDIZED PRICE. SUCH PROPERTIES WOULD BE PURCHASED AND
16 MANAGED ON BEHALF OF THE MUNICIPALITIES PURSUANT TO LAW AND REGULATION.
17 A STATE FUND IS ESTABLISHED FROM AN INITIAL APPROPRIATION, THE FIRST OF
18 FOUR CONSECUTIVE YEARLY APPROPRIATIONS, WHICH MUNICIPALITIES COULD
19 ACCESS FOR THE PURPOSE OF PROVIDING MODERATELY PRICED HOUSING OPPORTU-
20 NITIES FOR ELIGIBLE FIRST-TIME HOMEBUYERS IN THE LONG ISLAND REGION.

21 S 1116. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING WORDS AND
22 TERMS SHALL HAVE THE FOLLOWING MEANINGS:

23 1. "PROGRAM" MEANS THE "LONG ISLAND NEXT GENERATION FIRST-TIME HOME-
24 BUYER GRANT PROGRAM" ESTABLISHED PURSUANT TO THIS ARTICLE.

25 2. "FUND" MEANS THE "LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER
26 GRANT FUND" ESTABLISHED IN SECTION NINETY-NINE-R OF THE STATE FINANCE
27 LAW.

28 3. "BOARD" MEANS THE ADVISORY BOARD OF A LOCAL FIRST-TIME HOMEBUYER
29 PROGRAM ESTABLISHED BY A MUNICIPALITY.

30 4. "HOME" MEANS A SINGLE FAMILY HOME WHICH MEETS THE REQUIREMENTS OF
31 THE PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE.

32 5. "ELIGIBLE BUYER" MEANS A BUYER WHO MEETS THE INCOME AND RESIDENCY
33 ELIGIBILITY REQUIREMENTS FOR PURCHASE OF A HOME PURSUANT TO THIS ARTI-
34 CLE.

35 6. "LOCAL PROGRAM" MEANS A FIRST-TIME HOMEBUYER PROGRAM ESTABLISHED
36 THROUGH LOCAL LEGISLATION PURSUANT TO THIS ARTICLE.

37 S 1117. LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER GRANT PROGRAM
38 ESTABLISHED; REGULATIONS. 1. THERE SHALL BE ESTABLISHED IN THE DIVISION
39 OF HOUSING AND COMMUNITY RENEWAL ESTABLISHED PURSUANT TO ARTICLE THIR-
40 TEEN OF THE EXECUTIVE LAW, THE "LONG ISLAND NEXT GENERATION FIRST-TIME
41 HOMEBUYER GRANT PROGRAM".

42 2. WITHIN THE LIMIT OF FUNDS AVAILABLE IN THE LONG ISLAND NEXT GENER-
43 ATION FIRST-TIME HOMEBUYER GRANT FUND ESTABLISHED IN SECTION
44 NINETY-NINE-R OF THE STATE FINANCE LAW, THE COMMISSIONER IS AUTHORIZED
45 TO PROVIDE GRANTS TO LONG ISLAND MUNICIPALITIES FOR THE PURPOSE OF
46 PURCHASING HOMES FOR RESALE TO ELIGIBLE FIRST-TIME HOMEBUYERS IN SUCH
47 MUNICIPALITIES THROUGH LOCAL FIRST-TIME HOMEBUYER PROGRAMS ESTABLISHED
48 PURSUANT TO SECTION ELEVEN HUNDRED EIGHTEEN OF THIS ARTICLE. ANY GRANTS
49 RECEIVED BY A MUNICIPALITY PURSUANT TO SUCH PROGRAM SHALL NOT BE DEEMED
50 TO BE MUNICIPAL FUNDS. GRANTEEES SHALL UTILIZE GRANT FUNDS SOLELY FOR THE
51 PURCHASE, AT FAIR MARKET VALUE, OF HOMES WITHIN THE MUNICIPAL BOUNDARIES
52 FOR RESALE TO AN ELIGIBLE BUYER SUBJECT TO THE PROVISIONS OF THIS ARTI-
53 CLE.

54 3. THE COMMISSIONER IS AUTHORIZED AND DIRECTED TO PROMULGATE RULES AND
55 REGULATIONS AND TO DETERMINE STANDARDS FOR THE IMPLEMENTATION OF THE
56 GRANT PROGRAM ESTABLISHED IN THIS SECTION AND LOCAL FIRST-TIME HOMEBUYER

1 PROGRAMS ESTABLISHED BY LOCAL LAW PURSUANT TO SECTION ELEVEN HUNDRED
2 EIGHTEEN OF THIS ARTICLE. SUCH REGULATIONS MAY INCLUDE, BUT NOT BE
3 LIMITED TO:

4 (A) ASSURANCE THAT HOMES FOR PURCHASE, WITH THE ADDITION OF ANY LOCAL
5 SUBSIDY, WILL BE AVAILABLE AND AFFORDABLE TO ELIGIBLE BUYERS, AND SUCH
6 ELIGIBLE BUYERS WILL MAINTAIN AND IMPROVE SUCH HOME DURING THE TERM OF
7 THEIR OWNERSHIP, SUCH TERM NOT TO EXCEED FIVE YEARS;

8 (B) ELIGIBILITY REQUIREMENTS FOR BUYERS INCLUDING A MAXIMUM ANNUAL
9 HOUSEHOLD INCOME FOR PURCHASERS NOT EXCEEDING ONE HUNDRED TWENTY PERCENT
10 OF THE ESTIMATED MEDIAN ANNUAL HOUSEHOLD INCOME FOR A HOUSEHOLD OF THEIR
11 SIZE IN THE MUNICIPALITY; BUYERS MUST NOT OWN OTHER PROPERTY, MUST HAVE
12 LIVED IN THE MUNICIPALITY WHERE THE HOME IS LOCATED FOR THE PREVIOUS
13 FIVE YEARS, MUST BE AT LEAST TWENTY-ONE YEARS OF AGE, MUST BE ABLE TO
14 QUALIFY FOR A MORTGAGE, AND ANY OTHER QUALIFICATIONS DEEMED APPROPRIATE
15 BY THE COMMISSIONER;

16 (C) THE EXTENT TO WHICH GRANTS PURSUANT TO THIS ARTICLE WILL BE
17 SUPPLEMENTED BY PRIVATE OR OTHER PUBLIC INVESTMENT;

18 (D) A REQUIREMENT THAT ELIGIBLE BUYERS WILL OCCUPY HOMES AS THEIR
19 PRINCIPAL PLACE OF RESIDENCE AND A PROCESS BY WHICH PURCHASE PRICE AND
20 EQUITY WILL BE RECAPTURED BY THE MUNICIPALITY IF THE HOMEBUYER DOES NOT
21 OCCUPY THE HOME AS THE PRINCIPAL PLACE OF RESIDENCE UNDER THE TERMS AND
22 CONDITIONS OF A FORMULA ESTABLISHED OR APPROVED BY THE COMMISSIONER;

23 (E) A PROCESS BY WHICH HOMES WILL BE SOLD BACK TO THE MUNICIPALITY
24 AFTER THE CONCLUSION OF THE AGREED UPON TERM OF OWNERSHIP;

25 (F) CRITERIA FOR EVALUATING APPLICATIONS FROM MUNICIPALITIES, INCLUD-
26 ING A DETERMINATION THAT THE GRANT WILL NOT SUBSTITUTE FOR PRIVATE FUNDS
27 WHICH WOULD BE OTHERWISE AVAILABLE TO THE PROGRAM;

28 (G) PERIODIC REVIEW BY THE COMMISSIONER OF LOCAL HOMEBUYER PROGRAMS;

29 (H) CRITERIA FOR HOME SIZE AND OCCUPANCY INCLUDING NO BASEMENT OR
30 CELLAR MAY BE OCCUPIED AS A LIVING OR SLEEPING QUARTERS, NO MORE THAN
31 TWO PERSONS IN A BEDROOM, MINIMUM HABITABLE SPACE OF TWELVE HUNDRED
32 SQUARE FEET AND A MAXIMUM OF FIFTEEN HUNDRED SQUARE FEET, AND ANY OTHER
33 CRITERIA DEEMED APPROPRIATE BY THE COMMISSIONER.

34 S 1118. LOCAL FIRST-TIME HOMEBUYER PROGRAM; ADVISORY BOARD. 1. THE
35 GOVERNING BODY OF ANY MUNICIPALITY ON LONG ISLAND IS AUTHORIZED TO
36 ESTABLISH BY LOCAL LAW OR LAWS A NEXT GENERATION FIRST-TIME HOMEBUYER
37 HOUSING PROGRAM, PURSUANT TO THE PROVISIONS OF THIS ARTICLE AND REGU-
38 LATIONS OF THE COMMISSIONER FOR THE PURPOSE OF PURCHASING HOMES FOR
39 RESALE TO ELIGIBLE FIRST-TIME HOMEBUYERS. SUCH LOCAL PROGRAM SHALL
40 INCLUDE A FUND TO INCLUDE REVENUES OF THE LOCAL GOVERNMENT FROM WHATEVER
41 SOURCE, ANY GRANTS RECEIVED BY THE MUNICIPALITY FROM THE NEXT GENERATION
42 FIRST-TIME HOMEBUYER GRANT FUND PURSUANT TO SECTION NINETY-NINE-R OF THE
43 STATE FINANCE LAW, AND ANY PROCEEDS FROM RESALE OF PROPERTIES PURCHASED
44 THROUGH THE PROGRAM. INTEREST ACCRUED BY MONIES DEPOSITED INTO THE FUND
45 SHALL BE CREDITED TO THE FUND. IN NO EVENT SHALL MONIES DEPOSITED INTO
46 THE FUND BE TRANSFERRED TO ANY OTHER ACCOUNT. THE LOCAL LAW OR LAWS
47 ESTABLISHING THE FIRST-TIME HOMEBUYER PROGRAM AND FUND SHALL BE SUBJECT
48 TO A MANDATORY REFERENDUM. SAID LOCAL LAW OR LAWS SHALL ONLY BECOME
49 EFFECTIVE UPON THE ADOPTION OF SAID REFERENDUM BY THE ELECTORS OF THE
50 TOWN.

51 2. ADVISORY BOARD ESTABLISHED. THE GOVERNING BODY OF ANY MUNICIPALITY
52 ON LONG ISLAND WHICH HAS ESTABLISHED A NEXT GENERATION FIRST-TIME HOME-
53 BUYER PROGRAM AND FUND PURSUANT TO THIS SECTION SHALL CREATE AN ADVISORY
54 BOARD TO REVIEW AND MAKE RECOMMENDATIONS REGARDING THE MUNICIPALITY'S
55 FIRST-TIME HOMEBUYER HOUSING PROGRAM. SUCH BOARD SHALL CONSIST OF NOT
56 LESS THAN SEVEN NOR MORE THAN FIFTEEN LEGAL RESIDENTS OF THE MUNICI-

1 PALITY WHO SHALL SERVE WITHOUT COMPENSATION. NO MEMBER OF THE LOCAL
2 LEGISLATIVE BODY SHALL SERVE ON THE BOARD. THE BOARD SHALL INCLUDE ONE
3 REPRESENTATIVE FROM EACH OF THE BUILDING INDUSTRY, THE REAL ESTATE
4 INDUSTRY AND THE BANKING INDUSTRY, AND THREE REPRESENTATIVES OF LOCAL
5 HOUSING ADVOCACY OR HUMAN SERVICES ORGANIZATIONS. THE BOARD SHALL ACT IN
6 AN ADVISORY CAPACITY TO THE MUNICIPALITY.

7 S 3. The state finance law is amended by adding a new section 99-r to
8 read as follows:

9 S 99-R. LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER GRANT FUND.
10 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE STATE COMP-
11 TROLLER AND THE COMMISSIONER OF HOUSING AND COMMUNITY RENEWAL A SPECIAL
12 FUND TO BE KNOWN AS THE "LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUY-
13 ER GRANT FUND".

14 2. SUCH FUND SHALL CONSIST OF ALL MONEYS CREDITED OR TRANSFERRED THER-
15 ETO FROM ANY OTHER FUND OR SOURCE PURSUANT TO LAW.

16 3. MONEYS OF THE FUND, LESS ANY ADMINISTRATIVE EXPENSES OF THE DIVI-
17 SION OF HOUSING AND COMMUNITY RENEWAL RELATED TO THE PROGRAM AND FOLLOW-
18 ING APPROPRIATION BY THE LEGISLATURE, MAY BE EXPENDED FOR GRANTS TO
19 MUNICIPALITIES PURSUANT TO ARTICLE NINETEEN-A OF THE PRIVATE HOUSING
20 FINANCE LAW AND FOR ADMINISTRATIVE EXPENSES OF ADVISORY BOARDS FOR LOCAL
21 FIRST-TIME HOMEBUYER PROGRAMS. MONEYS SHALL BE PAID OUT OF THE FUND ON
22 THE AUDIT AND WARRANT OF THE STATE COMPTROLLER ON VOUCHERS CERTIFIED OR
23 APPROVED BY THE COMMISSIONER OF HOUSING AND COMMUNITY RENEWAL.

24 S 4. The sum of two hundred fifty million dollars (\$250,000,000), or
25 so much thereof as may be necessary, is hereby appropriated to the divi-
26 sion of housing out of any moneys in the state treasury in the general
27 fund to the credit of the local assistance account, not otherwise appro-
28 priated, and made immediately available, for the purpose of carrying out
29 the provisions of this act. Such moneys shall be payable on the audit
30 and warrant of the comptroller on vouchers certified or approved by the
31 commissioner of housing and community renewal in the manner prescribed
32 by law.

33 S 5. This act shall take effect on the first of January next succeed-
34 ing the date on which it shall have become a law, and shall expire and
35 be deemed repealed 10 years after such date.