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

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 thereof

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

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

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

ARTICLE XIX-A

LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER GRANT PROGRAM

SECTION 1115. LEGISLATIVE FINDINGS AND STATEMENT OF POLICY.
1116. DEFINITIONS.
1117. LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER GRANT PROGRAM ESTABLISHED; REGULATIONS.
1118. LOCAL FIRST-TIME HOMEBUYER PROGRAM; ADVISORY BOARD.

S 1115. LEGISLATIVE FINDINGS AND STATEMENT OF POLICY. THE LEGISLATURE HEREBY FINDS THAT IT IS THE PUBLIC POLICY OF THE STATE OF NEW YORK TO FOSTER THE GOAL OF HOME OWNERSHIP IN AREAS OF THE STATE, SUCH AS LONG ISLAND, WHERE THERE IS A SHORTAGE OF AFFORDABLE HOUSING FOR FIRST-TIME HOMEBUYERS. IT IS FURTHER FOUND BY THIS LEGISLATURE THAT LONG ISLAND MUNICIPALITIES ARE INTERESTED IN PRESERVING EXISTING SINGLE FAMILY HOMES AND ENCOURAGING FIRST-TIME HOMEBUYERS FOR A VARIETY OF REASONS. 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. EXTENDED FAMILIES ARE STRAINED BECAUSE THE CHILDREN OF LONG TIME RESIDENTS ARE FORCED TO LEAVE THE AREA AND THEIR FAMILIES BECAUSE THEY CAN NOT AFFORD TO STAY IN THE AREA. TRAFFIC CONGESTION IS EXACERBATED BY THE 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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HIGH-END HOUSING ON LONG ISLAND HAS LEFT A SHORT SUPPLY OF MODERATELY PRICED HOUSING OPPORTUNITIES FOR FIRST-TIME HOMEBUYERS, PARTICULARLY YOUNG FAMILIES SEEKING TO STAY OR MOVE ONTO LONG ISLAND. DEMAND FOR NEW CONSTRUCTION IS USING UP THE EXISTING OPEN SPACE WHICH IS AN ASSET TO THE QUALITY OF LIFE ON LONG ISLAND. IT IS THE PURPOSE OF THIS LEGISLATION TO PROVIDE THE MUNICIPALITIES OF LONG ISLAND THE AUTHORITY AND RESOURCES NEEDED TO PROVIDE AFFORDABLE HOUSING OPPORTUNITIES FOR ELIGIBLE FIRST-TIME HOMEBUYERS WITH A PREFERENCE FOR RESIDENTS AND CHILDREN OF RESIDENTS.

SPECIFICALLY, THIS ARTICLE ESTABLISHES A GRANT PROGRAM UNDER THE REGULATION OF THE COMMISSIONER OF HOUSING AND COMMUNITY RENEWAL AND AUTHORIZES LONG ISLAND MUNICIPALITIES, UPON THE APPROVAL OF THEIR LOCAL GOVERNING BODY, TO ESTABLISH FIRST-TIME HOMEBUYER HOUSING PROGRAMS FOR THE PURPOSE OF PURCHASING PROPERTIES FOR RE-SALE TO FIRST-TIME HOMEBUYERS AT A SUBSIDIZED PRICE. SUCH PROPERTIES WOULD BE PURCHASED AND MANAGED ON BEHALF OF THE MUNICIPALITIES PURSUANT TO LAW AND REGULATION. A STATE FUND IS ESTABLISHED FROM AN INITIAL APPROPRIATION, THE FIRST OF FOUR CONSECUTIVE YEARLY APPROPRIATIONS, WHICH MUNICIPALITIES COULD ACCESS FOR THE PURPOSE OF PROVIDING MODERATELY PRICED HOUSING OPPORTUNITIES FOR ELIGIBLE FIRST-TIME HOMEBUYERS IN THE LONG ISLAND REGION.

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

1. "PROGRAM" MEANS THE "LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER GRANT PROGRAM" ESTABLISHED PURSUANT TO THIS ARTICLE.

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

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

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

5. "ELIGIBLE BUYER" MEANS A BUYER WHO MEETS THE INCOME AND RESIDENCY ELIGIBILITY REQUIREMENTS FOR PURCHASE OF A HOME PURSUANT TO THIS ARTICLE.

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

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

2. WITHIN THE LIMIT OF FUNDS AVAILABLE IN THE LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER GRANT FUND ESTABLISHED IN SECTION NINETY-NINE-R OF THE STATE FINANCE LAW, THE COMMISSIONER IS AUTHORIZED TO PROVIDE GRANTS TO LONG ISLAND MUNICIPALITIES FOR THE PURPOSE OF PURCHASING HOMES FOR RESALE TO ELIGIBLE FIRST-TIME HOMEBUYERS IN SUCH MUNICIPALITIES THROUGH LOCAL FIRST-TIME HOMEBUYER PROGRAMS ESTABLISHED PURSUANT TO SECTION ELEVEN HUNDRED EIGHTEEN OF THIS ARTICLE. ANY GRANTS RECEIVED BY A MUNICIPALITY PURSUANT TO SUCH PROGRAM SHALL NOT BE DEEMED TO BE MUNICIPAL FUNDS. GRANTEES SHALL UTILIZE GRANT FUNDS SOLELY FOR THE PURCHASE, AT FAIR MARKET VALUE, OF HOMES WITHIN THE MUNICIPAL BOUNDARIES FOR RESALE TO AN ELIGIBLE BUYER SUBJECT TO THE PROVISIONS OF THIS ARTICLE.

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

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

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

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

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

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

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

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

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

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

S 1118. LOCAL FIRST-TIME HOMEBUYER PROGRAM; ADVISORY BOARD. 1. THE GOVERNING BODY OF ANY MUNICIPALITY ON LONG ISLAND IS AUTHORIZED TO ESTABLISH BY LOCAL LAW OR LAWS A NEXT GENERATION FIRST-TIME HOMEBUYER HOUSING PROGRAM, PURSUANT TO THE PROVISIONS OF THIS ARTICLE AND REGULATIONS OF THE COMMISSIONER FOR THE PURPOSE OF PURCHASING HOMES FOR RESALE TO ELIGIBLE FIRST-TIME HOMEBUYERS. SUCH LOCAL PROGRAM SHALL INCLUDE A FUND TO INCLUDE REVENUES OF THE LOCAL GOVERNMENT FROM WHATEVER SOURCE, ANY GRANTS RECEIVED BY THE MUNICIPALITY FROM THE NEXT GENERATION FIRST-TIME HOMEBUYER GRANT FUND PURSUANT TO SECTION NINETY-NINE-R OF THE STATE FINANCE LAW, AND ANY PROCEEDS FROM RESALE OF PROPERTIES PURCHASED THROUGH THE PROGRAM. 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. THE LOCAL LAW OR LAWS ESTABLISHING THE FIRST-TIME HOMEBUYER PROGRAM AND FUND 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.

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

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

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

S 99-R. LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER GRANT FUND. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE STATE COMPTROLLER AND THE COMMISSIONER OF HOUSING AND COMMUNITY RENEWAL A SPECIAL FUND TO BE KNOWN AS THE "LONG ISLAND NEXT GENERATION FIRST-TIME HOMEBUYER GRANT FUND".

2. SUCH FUND SHALL CONSIST OF ALL MONEYS CREDITED OR TRANSFERRED THERETO FROM ANY OTHER FUND OR SOURCE PURSUANT TO LAW.

3. MONEYS OF THE FUND, LESS ANY ADMINISTRATIVE EXPENSES OF THE DIVISION OF HOUSING AND COMMUNITY RENEWAL RELATED TO THE PROGRAM AND FOLLOWING APPROPRIATION BY THE LEGISLATURE, MAY BE EXPENDED FOR GRANTS TO MUNICIPALITIES PURSUANT TO ARTICLE NINETEEN-A OF THE PRIVATE HOUSING FINANCE LAW AND FOR ADMINISTRATIVE EXPENSES OF ADVISORY BOARDS FOR LOCAL FIRST-TIME HOMEBUYER PROGRAMS. MONEYS SHALL BE PAID OUT OF THE FUND ON THE AUDIT AND WARRANT OF THE STATE COMPTROLLER ON VOUCHERS CERTIFIED OR APPROVED BY THE COMMISSIONER OF HOUSING AND COMMUNITY RENEWAL.

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

S 5. 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 10 years after such date.