

S. 740

A. 2030

2009-2010 Regular Sessions

S E N A T E - A S S E M B L Y

January 15, 2009

IN SENATE -- Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

IN ASSEMBLY -- Introduced by M. of A. THIELE -- read once and referred to the Committee on Local Governments

AN ACT to amend the town law, in relation to authorizing certain towns in the Peconic Bay region to establish community housing opportunity funds, provided that such towns adopt a housing plan adhering to smart growth principles in conjunction with the creation of such community housing opportunity fund

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

1 Section 1. Legislative findings. The legislature hereby finds that
2 chapter 114 of the laws of 1998 enacted provisions of law relating to
3 Peconic Bay region community preservation funds. Such chapter permitted
4 the five towns of the Peconic Bay region to establish a dedicated fund
5 for the acquisition of interests in real property for the purposes of
6 open space, farmland, and historic preservation, as well as park and
7 recreation purposes. The revenue for such fund was derived from a two
8 percent real estate transfer tax. Community preservation funds in each
9 of the five Peconic Bay region towns were approved overwhelmingly by
10 public referendum.

11 The enactment of this land preservation has been an incredible
12 success. The funds have generated over one hundred million dollars as
13 of July 2002, resulting in thousands of acres of land being protected on
14 eastern Long Island. The program has received national recognition for
15 its innovative and creative approach to community preservation.

16 Just as critical to the future of the Peconic Bay region is the human
17 need to protect community stability by providing for an adequate supply
18 of community housing opportunities for all segments of the Peconic Bay

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

LBD02069-02-9

1 community. One of the great paradoxes of the Peconic Bay regional econo-
2 my is that the number of housing units in the Peconic Bay region has
3 increased from 38,000 in 1960 to more than 84,000 today. Yet, the avail-
4 ability of affordable housing opportunities for moderate income and
5 working class residents is in critically short supply.

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

16 Unique demographics and economics in the Peconic Bay region, and a
17 lack of affordable dwelling units, are creating this housing shortage.
18 The combination of the Peconic Bay region's attractiveness, proximity to
19 the dense population of the New York metropolitan region, and proximity
20 to that region's extraordinary wealth, makes the Peconic Bay region a
21 prime location for seasonal and luxury homes.

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

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

33 The Peconic Bay region requires the same creativity, planning, and
34 community consensus that resulted in the community preservation fund in
35 order to address the issue of housing opportunity. Further, increased
36 housing opportunities must be accomplished in the context of rational
37 long term planning.

38 It is the purpose of this legislation, to give the towns of the Pecon-
39 ic Bay region the authority and resources needed to establish community
40 housing opportunities. Specifically, this legislation would permit each
41 town to establish a dedicated community housing opportunity fund to
42 increase housing opportunities in the region. Such fund shall be
43 financed by a combination of state and local funds. Further, a town
44 housing plan adhering to smart growth principles would be required to be
45 approved and implemented to insure that these new housing opportunities
46 are enacted in the context of a comprehensive plan. The fund shall be
47 enacted by local law subject to a mandatory referendum.

48 S 2. This act shall be known and may be cited as the "Peconic Bay
49 region community housing opportunity act".

50 S 3. The town law is amended by adding a new section 64-k to read as
51 follows:

52 S 64-K. PECONIC BAY REGION COMMUNITY HOUSING OPPORTUNITY FUND. 1.
53 DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING WORDS AND TERMS
54 SHALL HAVE THE FOLLOWING MEANINGS:

55 (A) "PECONIC BAY REGION" MEANS THE TOWNS OF EAST HAMPTON, RIVERHEAD,
56 SHELTER ISLAND, SOUTHAMPTON, AND SOUTHOLD.

1 (B) "COMMUNITY HOUSING" SHALL BE DEFINED AS HOUSING FOR HOUSEHOLDS
2 WITH INCOMES AT OR BELOW THE MEDIAN INCOME FOR EACH TOWN WITHIN THE
3 PECONIC BAY REGION.

4 (C) "BOARD" MEANS THE ADVISORY BOARD CREATED PURSUANT TO THIS SECTION.

5 (D) "FUND" MEANS THE COMMUNITY HOUSING OPPORTUNITY FUND AUTHORIZED
6 PURSUANT TO THIS SECTION.

7 (E) "EDUCATION IMPACT PAYMENT" MEANS A PAYMENT MADE FROM THE FUND TO
8 SCHOOL DISTRICTS NOT TO EXCEED AN AMOUNT EQUAL TO THE ADDITIONAL ANNUAL
9 COST OF EDUCATING THE NUMBER OF STUDENTS THAT WILL BE ADDED TO A SCHOOL
10 DISTRICT AS A RESULT OF THE PRODUCTION OF COMMUNITY HOUSING PURSUANT TO
11 THE FUND.

12 2. FUND AUTHORIZED. THE TOWN BOARD OF ANY TOWN IN THE PECONIC BAY
13 REGION IS AUTHORIZED TO ESTABLISH BY LOCAL LAW A COMMUNITY HOUSING
14 OPPORTUNITY FUND, PURSUANT TO THE PROVISIONS OF THIS SECTION. DEPOSITS
15 INTO THE FUND MAY INCLUDE REVENUES OF THE LOCAL GOVERNMENT FROM WHATEVER
16 SOURCE, INCLUDING BUT NOT LIMITED TO: (A) ALL PROCEEDS FROM ANY INDEBT-
17 EDNESS OR OBLIGATIONS ISSUED PURSUANT TO THE LOCAL FINANCE LAW FOR
18 COMMUNITY HOUSING OPPORTUNITY PURPOSES AS PROVIDED FOR IN SUBDIVISION
19 THREE OF THIS SECTION; (B) GENERAL FUND BALANCES OR SURPLUSES; (C) FUNDS
20 RECEIVED BY THE TOWN FROM THE APPORTIONMENT OF MORTGAGE RECORDING TAXES
21 RECEIVED FROM THE COUNTY PURSUANT TO ARTICLE ELEVEN OF THE TAX LAW; (D)
22 FUNDS RECEIVED BY THE TOWN FROM THE SALE OF DEVELOPMENT RIGHTS FROM A
23 CENTRAL BANK CREATED PURSUANT TO SECTION SIXTY-FOUR-E OF THIS ARTICLE;
24 (E) ANY PROCEEDS RECEIVED BY THE LOCAL GOVERNMENT FROM THE SALE OF
25 AFFORDABLE HOUSING PRODUCED FROM REVENUES OF THE FUND; (F) THE REPAYMENT
26 OF ANY LOANS ISSUED FROM PROCEEDS OF THE FUND; (G) ANY GIFTS OF INTER-
27 ESTS IN LAND OR FUNDS; (H) ANY STATE OR FEDERAL GRANTS RECEIVED BY THE
28 TOWN FOR PROVIDING AFFORDABLE HOMES; AND (I) FUNDS RECEIVED BY THE TOWN
29 FROM FEES PAID TO THE TOWN PURSUANT TO AN INCLUSIONARY ZONING LAW WHERE
30 AUTHORIZED BY THE LEGISLATURE. INTEREST ACCRUED BY MONIES DEPOSITED INTO
31 THE FUND SHALL BE CREDITED TO THE FUND. IN NO EVENT SHALL MONIES DEPOS-
32 ITED INTO THE FUND BE TRANSFERRED TO ANY OTHER ACCOUNT. NOTHING
33 CONTAINED IN THIS SECTION SHALL BE CONSTRUED TO PREVENT THE FINANCING IN
34 WHOLE OR IN PART, PURSUANT TO THE LOCAL FINANCE LAW, OF ANY PROJECT OR
35 PURPOSE AUTHORIZED PURSUANT TO THIS SECTION. MONIES FROM THE FUND MAY
36 BE UTILIZED TO REPAY INDEBTEDNESS OR OBLIGATIONS INCURRED PURSUANT TO
37 THE LOCAL FINANCE LAW CONSISTENT WITH EFFECTUATING THE PURPOSES OF THIS
38 SECTION.

39 3. PURPOSES OF THE FUND. THE PROCEEDS OF THE FUND ESTABLISHED PURSUANT
40 TO SUBDIVISION TWO OF THIS SECTION SHALL BE UTILIZED FOR THE FOLLOWING
41 PURPOSES:

42 (A) THE PROVISION OF NO-INTEREST OR LOW-INTEREST LOANS TO ELIGIBLE
43 RESIDENTS OF THE TOWN FOR THE PURCHASE OF A FIRST HOME;

44 (B) THE ACTUAL PRODUCTION OF COMMUNITY HOUSING FOR SALE TO ELIGIBLE
45 INDIVIDUALS BY THE TOWN;

46 (C) THE ACTUAL PRODUCTION OF COMMUNITY HOUSING FOR SALE TO ELIGIBLE
47 INDIVIDUALS IN CONJUNCTION WITH A PUBLIC/PRIVATE PARTNERSHIP, WHERE THE
48 PRIVATE PARTNER AGREES TO COMPLY WITH THE PROFIT GUIDELINES OF THE NEW
49 YORK STATE AFFORDABLE HOUSING CORPORATION;

50 (D) THE ACTUAL PRODUCTION AND MAINTENANCE OF RENTAL HOUSING FOR RENT
51 TO ELIGIBLE INDIVIDUALS EITHER BY THE TOWN, THE TOWN HOUSING AUTHORITY,
52 OR IN CONJUNCTION WITH A PUBLIC/PRIVATE PARTNERSHIP, WHERE THE PRIVATE
53 PARTNER AGREES TO COMPLY WITH THE PROFIT GUIDELINES OF THE NEW YORK
54 STATE AFFORDABLE HOUSING CORPORATION;

1 (E) THE REHABILITATION OF EXISTING BUILDINGS AND STRUCTURES IN THE
2 TOWN FOR THE PURPOSE OF CONVERSION TO COMMUNITY HOUSING FOR SALE OR
3 RENTAL TO ELIGIBLE INDIVIDUALS;

4 (F) THE PROVISION OF HOUSING COUNSELING SERVICES BY NOT-FOR-PROFIT
5 CORPORATIONS WHO ARE AUTHORIZED BY THE UNITED STATES DEPARTMENT OF HOUS-
6 ING AND URBAN DEVELOPMENT TO PROVIDE SUCH SERVICES; AND

7 (G) THE PROVISION OF EDUCATION IMPACT PAYMENTS TO SCHOOL DISTRICTS AS
8 DEFINED IN PARAGRAPH (E) OF SUBDIVISION ONE OF THIS SECTION.

9 FOR THE PURPOSES OF THIS SUBDIVISION, ELIGIBLE EXPENSES RELATING TO
10 THE PRODUCTION OF COMMUNITY HOUSING AND THE REHABILITATION OF EXISTING
11 BUILDINGS AND STRUCTURES UNDER THE FUND SHALL INCLUDE BUT NOT BE LIMITED
12 TO LAND ACQUISITION, PLANNING, ENGINEERING, CONSTRUCTION COSTS, AND
13 OTHER HARD AND SOFT COSTS DIRECTLY RELATED TO THE CONSTRUCTION, REHABIL-
14 ITATION, PURCHASE OR RENTAL OF HOUSING PURSUANT TO THIS SECTION. ALL
15 REVENUES RECEIVED BY THE TOWN FROM THE SALE OR RENTAL OF COMMUNITY
16 HOMES, OR THE REPAYMENT OF LOANS SHALL BE DEPOSITED IN THE FUND.

17 4. ADVISORY BOARD ESTABLISHED. THE TOWN BOARD OF ANY TOWN IN THE
18 PECONIC BAY REGION WHICH HAS ESTABLISHED A COMMUNITY HOUSING OPPORTUNITY
19 FUND PURSUANT TO THIS SECTION SHALL CREATE AN ADVISORY BOARD TO REVIEW
20 AND MAKE RECOMMENDATIONS REGARDING THE TOWN'S COMMUNITY HOUSING PROGRAM.
21 SUCH BOARD SHALL CONSIST OF NOT LESS THAN SEVEN NOR MORE THAN FIFTEEN
22 LEGAL RESIDENTS OF THE MUNICIPALITY WHO SHALL SERVE WITHOUT COMPEN-
23 SATION. NO MEMBER OF THE LOCAL LEGISLATIVE BODY SHALL SERVE ON THE
24 BOARD. THE BOARD SHALL INCLUDE A REPRESENTATIVE OF: (A) THE BUILDING
25 INDUSTRY; (B) THE REAL ESTATE INDUSTRY; (C) THE BANKING INDUSTRY; AND
26 THREE REPRESENTATIVES OF LOCAL HOUSING ADVOCACY OR HUMAN SERVICES ORGAN-
27 IZATIONS. WHERE A VILLAGE OR VILLAGES, LOCATED WITHIN THE TOWN, HAVE
28 ELECTED TO PARTICIPATE IN THE FUND, AS PROVIDED IN SUBDIVISION SIX OF
29 THIS SECTION, THE BOARD SHALL INCLUDE AT LEAST ONE RESIDENT OF A PARTIC-
30 IPATING VILLAGE OR VILLAGES. WHERE AN INDIAN NATION IS LOCATED WITHIN
31 THE BOUNDARIES OF A TOWN, THE BOARD SHALL INCLUDE AT LEAST ONE MEMBER
32 FROM SUCH NATION. THE BOARD SHALL ACT IN AN ADVISORY CAPACITY TO THE
33 TOWN BOARD.

34 5. ADOPTION OF HOUSING PLAN. (A) BEFORE A TOWN MAY ESTABLISH THE FUND,
35 THE TOWN BOARD SHALL FIRST ADOPT A TOWN HOUSING PLAN WHICH ESTABLISHES
36 AN IMPLEMENTATION PLAN FOR THE PROVISION OF COMMUNITY HOUSING OPPORTU-
37 NITIES BY THE FUND, AND A LOCAL LAW IMPLEMENTING SAID PLAN. SUCH PLAN
38 SHALL ADHERE TO THE FOLLOWING SMART GROWTH PRINCIPLES:

39 (1) PUBLIC INVESTMENT. TO ACCOUNT FOR AND MINIMIZE SOCIAL, ECONOMIC,
40 AND ENVIRONMENTAL COSTS OF NEW DEVELOPMENT, INCLUDING INFRASTRUCTURE
41 COSTS SUCH AS TRANSPORTATION, SEWERS, AND WASTEWATER TREATMENT, WATER,
42 SCHOOLS, RECREATION, AND LOSS OF OPEN SPACE AND AGRICULTURAL LAND;

43 (2) DEVELOPMENT. TO ENCOURAGE DEVELOPMENT IN AREAS WHERE TRANSPORTA-
44 TION, WATER, AND SEWAGE INFRASTRUCTURE ARE AVAILABLE OR PRACTICAL;

45 (3) CONSERVATION. TO PROTECT, PRESERVE, AND ENHANCE THE STATE'S
46 RESOURCES, INCLUDING AGRICULTURAL LAND, FORESTS, SURFACE WATERS, GROUND-
47 WATER, RECREATION AND OPEN SPACE, SCENIC AREAS, AND SIGNIFICANT HISTORIC
48 AND ARCHEOLOGICAL SITES;

49 (4) COORDINATION. TO PROMOTE COORDINATION OF STATE AND LOCAL GOVERN-
50 MENT DECISIONS AND COOPERATION AMONG COMMUNITIES TO WORK TOWARD THE MOST
51 EFFICIENT, PLANNED AND COST-EFFECTIVE DELIVERY OF GOVERNMENT SERVICES
52 BY, AMONG OTHER MEANS, FACILITATING COOPERATIVE AGREEMENTS AMONG ADJA-
53 CENT COMMUNITIES, AND TO COORDINATE PLANNING TO ENSURE COMPATIBILITY OF
54 ONE'S COMMUNITY DEVELOPMENT WITH DEVELOPMENT OF NEIGHBORING COMMUNITIES;

55 (5) COMMUNITY DESIGN. TO STRENGTHEN COMMUNITIES THROUGH DEVELOPMENT
56 AND REDEVELOPMENT STRATEGIES THAT INCLUDE INTEGRATION OF ALL INCOME AND

1 AGE GROUPS, MIXED LAND USES, AND COMPACT DEVELOPMENT, TRADITIONAL NEIGH-
2 BORHOOD DEVELOPMENT, PLANNED UNIT DEVELOPMENT, OPEN SPACE DISTRICTS,
3 DOWNTOWN REVITALIZATION, BROWNFIELD REDEVELOPMENT, ENHANCED BEAUTY IN
4 PUBLIC SPACES, AND DIVERSE AND COMMUNITY HOUSING IN CLOSE PROXIMITY TO
5 PLACES OF EMPLOYMENT, RECREATION, AND COMMERCIAL DEVELOPMENT;

6 (6) TRANSPORTATION. TO PROVIDE TRANSPORTATION CHOICES, INCLUDING
7 INCREASING PUBLIC TRANSIT AND ALTERNATIVE MODES OF TRANSPORTATION, IN
8 ORDER TO REDUCE AUTOMOBILE DEPENDENCY, TRAFFIC CONGESTION, AND AUTOMO-
9 BILE POLLUTION;

10 (7) CONSISTENCY. TO INSURE PREDICTABILITY IN BUILDING AND LAND USE
11 CODES;

12 (8) COMMUNITY COLLABORATION. TO PROVIDE FOR AND ENCOURAGE LOCAL
13 GOVERNMENTS TO DEVELOP, THROUGH A COLLABORATIVE COMMUNITY-BASED EFFORT,
14 SMART GROWTH PLANS THAT INCLUDE LONG TERM LAND USE AND PERMIT PREDICT-
15 ABILITY AND COORDINATION, EFFICIENT DECISION MAKING AND PLANNING IMPE-
16 MENTATION.

17 (B) SUCH PLAN MAY INCLUDE THE ESTABLISHMENT OF A MAP OR MAPS THAT
18 DELINEATE THE HOUSING IMPLEMENTATION RECOMMENDATIONS PROPOSED BY THE
19 TOWN.

20 (C) THE PLAN AND THE LOCAL LAW IMPLEMENTING THE PLAN SHALL NOT BE
21 ADOPTED UNTIL AFTER A PUBLIC HEARING HAS BEEN HELD BY THE TOWN BOARD.
22 SUCH PLAN SHALL BE UPDATED AT LEAST ONCE EVERY FIVE YEARS. SUCH PLAN AND
23 LOCAL LAW SHALL BE ADOPTED AT LEAST SIXTY DAYS BEFORE THE MANDATORY
24 REFERENDUM REQUIRED BY SUBDIVISION SEVEN OF THIS SECTION.

25 (D) THE TOWN HOUSING PLAN SHALL BE AN ELEMENT OF THE TOWN'S COMPREHEN-
26 SIVE PLAN.

27 (E) SUCH HOUSING PLAN SHALL ALSO PROVIDE FOR INCOME AND OTHER ELIGI-
28 BILITY REQUIREMENTS FOR COMMUNITY HOUSING, INCLUDING ANY ELIGIBILITY
29 PREFERENCE THAT MAY BE GIVEN BASED UPON RESIDENCY OR OTHER CRITERIA.
30 SUCH PLAN SHALL ALSO PROVIDE FOR THE LEGAL MECHANISM THAT WILL BE
31 EMPLOYED TO MAINTAIN THE HOUSING STOCK CREATED PURSUANT TO THIS SECTION
32 AT COMMUNITY LEVELS. THE RESALE OF COMMUNITY HOUSING TO THE PUBLIC FOR
33 OCCUPANCY CREATED PURSUANT TO THIS SECTION TO OTHER THAN INCOME ELIGIBLE
34 HOUSEHOLDS SHALL BE PROHIBITED.

35 (F) SUCH HOUSING PLAN SHALL ALSO PROVIDE FOR THE EQUITABLE DISTRIB-
36 UTION OF COMMUNITY HOUSING OPPORTUNITIES AMONG ALL THE HAMLETS AND
37 COMMUNITIES OF THE TOWN. THE PLAN SHALL INSURE THAT NO HAMLET OR COMMU-
38 NITY IS SITED FOR AN UNDUE CONCENTRATION OF COMMUNITY HOUSING OPPORTU-
39 NITIES THAT WOULD SUBSTANTIALLY ALTER THE CHARACTER OF THE HAMLET OR
40 COMMUNITY. IN DETERMINING EQUITABLE DISTRIBUTION OF COMMUNITY HOUSING
41 OPPORTUNITIES, EXISTING COMMUNITY HOUSING OPPORTUNITIES IN A HAMLET OR
42 COMMUNITY SHALL BE CONSIDERED.

43 6. VILLAGE AND INDIAN NATION PARTICIPATION. (A) THE PARTICIPATION OF
44 ANY VILLAGE OR INDIAN NATION IN THE COMMUNITY HOUSING OPPORTUNITY
45 PROGRAM AUTHORIZED BY THIS SECTION SHALL BE AT THE OPTION OF THE VILLAGE
46 OR INDIAN NATION. IN ORDER TO PARTICIPATE, A VILLAGE OR INDIAN NATION
47 SHALL PASS A RESOLUTION OPTING INTO THE PROGRAM AND SHALL SUBMIT SAID
48 RESOLUTION TO THE TOWN BOARD.

49 (B) WHERE A VILLAGE OR INDIAN NATION OPTS TO PARTICIPATE PURSUANT TO
50 THIS SUBDIVISION, AN INTERGOVERNMENTAL AGREEMENT SHALL BE EXECUTED
51 PURSUANT TO ARTICLE FIVE-G OF THE GENERAL MUNICIPAL LAW OR OTHER APPLI-
52 CABLE LEGAL AUTHORITY, IN ORDER TO ESTABLISH THE RIGHTS AND RESPONSIBIL-
53 ITIES OF EACH GOVERNMENT REGARDING COMMUNITY HOUSING OPPORTUNITIES.

54 7. MANDATORY REFERENDUM. THE LOCAL LAW OR LAWS ADOPTING THE HOUSING
55 PLAN AND ESTABLISHING THE COMMUNITY HOUSING OPPORTUNITY FUND SHALL BE
56 SUBJECT TO A MANDATORY REFERENDUM. SUCH LOCAL LAW OR LAWS SHALL ONLY

1 BECOME EFFECTIVE UPON THE ADOPTION OF SAID REFERENDUM BY THE ELECTORS OF
2 THE TOWN.

3 S 4. Subdivision 10 of section 64-e of the town law, as amended by
4 chapter 373 of the laws of 2008, is amended to read as follows:

5 10. [Rights] EXCEPT AS PROVIDED FOR HEREIN, RIGHTS or interests in
6 real property acquired with monies from such fund shall not be sold,
7 leased, exchanged, donated, or otherwise disposed of or used for other
8 than the purposes permitted by this section without the express authori-
9 ty of an act of the legislature, which shall provide for the substi-
10 tution of other lands of equal environmental value and fair market value
11 and reasonably equivalent usefulness and location to those to be discon-
12 tinued, sold or disposed of, and such other requirements as shall be
13 approved by the legislature. Nothing in this section shall preclude a
14 town, by local law, from establishing additional restrictions to the
15 alienation of lands acquired pursuant to this section. This subdivision
16 shall not apply to the sale of development rights by a town acquired
17 pursuant to this section, where said sale is made by a central bank
18 created by a town, pursuant to a transfer of development rights program
19 established by a town pursuant to section two hundred sixty-one-a of
20 this chapter, provided, however (a) that the lands from which said
21 development rights were acquired shall remain preserved in perpetuity by
22 a permanent conservation easement or other instrument that similarly
23 preserves the community character referenced in subdivision four of this
24 section, and (b) the proceeds from such sale shall be deposited in the
25 community preservation fund OR THE COMMUNITY HOUSING OPPORTUNITY FUND
26 PURSUANT TO SECTION SIXTY-FOUR-K OF THIS ARTICLE.

27 S 5. Applicability. Nothing shall preclude a town from transferring
28 development rights acquired after the effective date of chapter 114 of
29 the laws of 1998 but before the effective date of this section into a
30 central bank.

31 S 6. Severability clause. If any provision of this act or application
32 thereof shall for any reason be adjudged by any court of competent
33 jurisdiction to be invalid, such judgment shall not affect, impair, or
34 invalidate the remainder of the act, but shall be confined in its opera-
35 tion to the provision thereof directly involved in the controversy in
36 which the judgment shall have been rendered.

37 S 7. This act shall take effect immediately.