

4071

2009-2010 Regular Sessions

I N   A S S E M B L Y

January 29, 2009

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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:

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

3     S 2. Legislative findings. The legislature hereby finds that critical  
4 to the future of the Peconic Bay region is the need to protect community  
5 stability by providing for an adequate supply of workforce housing  
6 opportunities for all segments of the Peconic Bay community. One of the  
7 great paradoxes of the Peconic Bay regional economy is that the number  
8 of housing units in the Peconic Bay region has increased from 38,000 in  
9 1960 to more than 85,000 today. Yet, the availability of affordable  
10 housing opportunities for moderate income and working class residents is  
11 in critically short supply.

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

22     Unique demographics and economics in the Peconic Bay region, and a  
23 lack of affordable dwelling units, are creating this housing shortage.  
24 The combination of the Peconic Bay region's attractiveness, proximity to  
25 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.

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

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

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

14 It is the purpose of this legislation, to give the towns of the Pecon-  
15 ic Bay region the authority and resources needed to establish community  
16 housing opportunities. This legislation would permit each town to estab-  
17 lish a dedicated community housing opportunity fund to increase housing  
18 opportunities in the region.

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

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

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

36 S 3. The private housing finance law is amended by adding a new arti-  
37 cle 23 to read as follows:

#### 38 ARTICLE XXIII

#### 39 PECONIC BAY REGION WORKFORCE HOUSING OPPORTUNITY ACT

#### 40 SECTION 1160. DEFINITIONS.

41 1161. FUND AUTHORIZED.

42 1162. PURPOSES OF THE FUND.

43 1163. WORKFORCE HOUSING IMPACT FEE.

44 1164. MANDATORY REFERENDUM.

45 1165. SEVERABILITY CLAUSE.

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

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

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

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

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

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

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

6 2. GENERAL FUND BALANCES OR SURPLUSES;

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

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

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

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

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

16 INTEREST ACCRUED BY MONIES DEPOSITED INTO THE FUND SHALL BE CREDITED  
17 TO THE FUND. IN NO EVENT SHALL MONIES DEPOSITED INTO THE FUND BE TRANS-  
18 FERRED TO ANY OTHER ACCOUNT. NOTHING CONTAINED IN THIS SECTION SHALL BE  
19 CONSTRUED TO PREVENT THE FINANCING IN WHOLE OR IN PART, PURSUANT TO THE  
20 LOCAL FINANCE LAW, OF ANY PURPOSE AUTHORIZED PURSUANT TO THIS SECTION.  
21 MONIES FROM THE FUND MAY BE UTILIZED TO REPAY INDEBTEDNESS OR OBLI-  
22 GATIONS INCURRED PURSUANT TO THE LOCAL FINANCE LAW CONSISTENT WITH  
23 EFFECTUATING THE PURPOSES OF THIS SECTION.

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

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

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

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

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

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

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

9 S 4. This act shall take effect immediately.