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

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2011-2012 Regular Sessions

I N A S S E M B L Y

February 15, 2011

Introduced by M. of A. BRENNAN, MILLMAN -- read once and referred to the Committee on Economic Development

AN ACT to amend the urban development corporation act, the private housing finance law, the public authorities law, the general municipal law and the eminent domain procedure law, in relation to addressing environmental and community concerns regarding the Atlantic Yards arena and redevelopment project

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

Section 1. Section 2 of section 1 of chapter 174 of the laws of 1968 constituting the urban development corporation act is amended by adding a new eleventh undesignated paragraph to read as follows:

THE LEGISLATURE HEREBY FINDS AND DECLARES THAT THE DEVELOPMENT OF THE ATLANTIC YARDS AND ITS IMMEDIATE SURROUNDING AREA IN BROOKLYN IS IN THE PUBLIC INTEREST. SUCH DEVELOPMENT MAY INCLUDE A COMBINATION OF A SPORTS ARENA, SUBSTANTIAL NEW HOUSING, INCLUDING HOUSING FOR PERSONS OF LOW- AND MIDDLE-INCOME, AS PROVIDED IN SECTION 608-B OF THE PRIVATE HOUSING FINANCE LAW, RETAIL AND COMMERCIAL DEVELOPMENT, AND PUBLIC SPACE. THE LEGISLATURE FINDS THAT IT IS NECESSARY TO BALANCE ENVIRONMENTAL AND COMMUNITY CONCERNS REGARDING THE SIZE, SCOPE, AND DENSITY OF THE PROJECT WITH THE BENEFITS OF THE PROJECT; AND FURTHER FINDS IT NECESSARY TO ASSURE AN ENHANCED DUE PROCESS FOR OWNERS AND TENANTS IN THE PROJECT AREA SUBJECT TO EMINENT DOMAIN AND DISPLACEMENT.

S 2. Section 1 of chapter 174 of the laws of 1968 constituting the urban development corporation act is amended by adding a new section 16-u to read as follows:

S 16-U. THE ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT. 1. THE "ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT" REFERS TO AN APPLICANT WHO SIGNED A MEMORANDUM OF UNDERSTANDING WITH THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION DOING BUSINESS AS EMPIRE STATE DEVELOPMENT CORPORATION, THE CITY OF NEW YORK AND THE NEW YORK CITY ECONOMIC DEVEL-

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

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OPMENT CORPORATION ON FEBRUARY 18, 2005 AND SHALL INCLUDE AN AREA OF APPROXIMATELY TWENTY-TWO ACRES ROUGHLY BOUNDED BY FLATBUSH AND FOURTH AVENUES TO THE WEST, VANDERBILT AVENUE TO THE EAST, ATLANTIC AVENUE TO THE NORTH, AND DEAN STREET TO THE SOUTH. THE AFFECTED PARCELS INCLUDE THE ENTIRETY OF TAX BLOCKS 1118, 1119, 1120, 1121, 1127, 1129 AND TAX BLOCK 1128, LOTS 1, 2, 4, 85, 86, 87, 88 AND 89 IN THE BOROUGH OF BROOKLYN AS WELL AS ANY PARCELS IDENTIFIED IN THE ENVIRONMENTAL IMPACT STATEMENT NOT LISTED. THE PROJECT MAY INCLUDE A RESIDENTIAL PROJECT, LAND USE IMPROVEMENT PROJECT, CIVIC PROJECT, SMALL AND MEDIUM-SIZED BUSINESS ASSISTANCE PROJECT OR ECONOMIC DEVELOPMENT PROJECT AS DEFINED IN SECTION THREE OF THIS ACT. THE ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT SHALL NOT EXCEED A TOTAL OF FIVE MILLION SIX HUNDRED THOUSAND SQUARE FEET.

2. THE ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT MODIFIED GENERAL PROJECT PLAN, AS ADOPTED BY THE BOARD OF THE URBAN DEVELOPMENT CORPORATION, DOING BUSINESS AS THE EMPIRE STATE DEVELOPMENT CORPORATION ON DECEMBER 8, 2006, SHALL BE AMENDED TO LIMIT THE PROJECT TO A SIZE NO GREATER THAN FIVE MILLION SIX HUNDRED FIFTY THOUSAND SQUARE FEET. THE PROJECT SHALL CONSIST OF A MINIMUM OF FOUR THOUSAND TWO HUNDRED RESIDENTIAL HOUSING UNITS, AND A MINIMUM OF TWO THOUSAND TWO HUNDRED SUCH UNITS SHALL BE AFFORDABLE HOUSING UNITS AS PROVIDED IN SECTION 608-B OF THE PRIVATE HOUSING FINANCE LAW.

S 3. The private housing finance law is amended by adding a new section 608-b to read as follows:

S 608-B. ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT: SUBSIDY. 1. NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, THE COMMISSIONER IS HEREBY DIRECTED TO ENTER INTO A HOUSING ASSISTANCE PAYMENT CONTRACT WITH THE ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT, TO PROVIDE AN ANNUAL SUBSIDY OF TWELVE MILLION SIX HUNDRED THOUSAND DOLLARS PER YEAR FOR A MINIMUM OF TWO THOUSAND TWO HUNDRED UNITS OF AFFORDABLE HOUSING, UP TO FIFTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS PER YEAR FOR A MAXIMUM OF TWENTY-TWO HUNDRED UNITS OF AFFORDABLE HOUSING PLUS ADJUSTMENTS FOR ANNUAL INFLATION BASED ON THE CONSUMER PRICE INDEX, FOR A PERIOD OF THIRTY YEARS, RENTED TO HOUSEHOLDS OF UP TO BUT NOT EXCEEDING NINETY THOUSAND DOLLARS IN INCOME PER YEAR, IN ACCORDANCE WITH THE FOLLOWING TABLE:

TENANT HOUSEHOLD ANNUAL INCOME ($)	PERCENTAGE OF RENT SUBSIDIZED (%)
30,000 OR LESS	70
30,001-45,000	70-55
45,001-60,000	55-40
60,001-75,000	40-25
75,001-90,000	25-10
90,001 OR GREATER	NO SUBSIDY

2. THE HOUSING UNITS TO BE SUBSIDIZED PURSUANT TO THIS SECTION SHALL BE MADE AVAILABLE AND RENTED TO HOUSEHOLDS IN A MANNER THAT, AS CLOSELY AS IS PRACTICABLE, DISTRIBUTES SUCH HOUSING UNITS EVENLY TO EACH OF THE INCOME BRACKETS SET FORTH IN THIS SECTION. THE SPONSOR SHALL DEVELOP A PLAN THAT PROVIDES FOR THREE HUNDRED UNITS OF THESE HOUSING UNITS TO BE SOLD AS CONDOMINIUMS AND TO BE MADE AVAILABLE AND SOLD TO HOUSEHOLDS IN A MANNER THAT, AS CLOSELY AS IS PRACTICABLE, DISTRIBUTES SUCH UNITS EVENLY TO EACH OF THE INCOME BRACKETS AS SET FORTH IN THE PROJECT PLAN.

S 4. Paragraph a of subdivision 6 of section 2897 of the public authorities law, as added by chapter 766 of the laws of 2005, is amended to read as follows:

a. All disposals or contracts for disposal of property of a public authority made or authorized by the contracting officer shall be made after publicly advertising for bids except as provided in [paragraph] PARAGRAPHS c AND C-1 of this subdivision.

S 5. Subdivision 6 of section 2897 of the public authorities law is amended by adding a new paragraph c-1 to read as follows:

C-1. THE LEGISLATURE FINDS AND DECLARES IT TO BE IN THE PUBLIC INTEREST FOR THE APPLICANT TO PROCEED WITH THE ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT. IN CONSIDERATION OF SUCH AND NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE APPLICANT SHALL NOT BE RESPONSIBLE FOR THE FOLLOWING:

(I) PAYMENT FOR THE DEVELOPMENT RIGHTS TO THE ATLANTIC YARDS; AND

(II) REIMBURSEMENT FOR ONGOING PLATFORM MAINTENANCE.

THE APPLICANT SHALL INDEMNIFY THE METROPOLITAN TRANSPORTATION AUTHORITY FOR REMEDIATION COSTS ASSOCIATED WITH ENVIRONMENTAL CONDITIONS ON THE PROPERTY COMMONLY KNOWN AS THE VANDERBILT YARD.

S 6. The general municipal law is amended by adding a new section 507-a to read as follows:

S 507-A. ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT; ACCOMMODATION TO TENANTS. 1. FOR PURPOSES OF THIS SECTION, THE TERMS "DEVELOPER" AND "DEVELOPMENT PROJECT" SHALL MEAN THE DEVELOPER AND DEVELOPMENT PROJECT IN THE ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT AS SET FORTH IN SECTION SIXTEEN-U OF SECTION ONE OF THE URBAN DEVELOPMENT CORPORATION ACT.

2. THE DEVELOPER (AND ANY SUCCESSOR OWNER OR LESSEE OF ANY BUILDING IN THE DEVELOPMENT) SHALL ACCOMMODATE ALL RESIDENTIAL TENANTS AFFECTED BY THE DEVELOPMENT PROJECT. THE DEVELOPER SHALL PROVIDE ALL RESIDENTIAL TENANTS CURRENTLY AND LEGALLY OCCUPYING A LEGAL RESIDENTIAL DWELLING UNIT AS THEIR PRIMARY RESIDENCE WITHIN THE AFFECTED AREA WHO ARE IN GOOD STANDING UNDER THE TERMS OF A VALID WRITTEN LEASE AGREEMENT, WHICH IS IN FULL FORCE AND EFFECT, AT SUCH TIME AS THEIR PREMISES ARE SCHEDULED TO BE IMPACTED BY CONSTRUCTION OF THE DEVELOPMENT PROJECT, AND WHO HAVE RESIDED IN SUCH A RESIDENCE FOR AT LEAST ONE YEAR PRIOR TO THE DATE OF THE WRITTEN PROPOSAL SUBMITTED BY THE DEVELOPER, WITH "REASONABLY COMPARABLE LIVING SPACE" IN A NEW UNIT WITHIN THE DEVELOPMENT PROJECT, AT THEIR CURRENT RENT AND A REASONABLE RELOCATION ALLOWANCE. FOR THE PURPOSES OF THIS SUBDIVISION "REASONABLY COMPARABLE LIVING SPACE" SHALL MEAN AN APARTMENT WITH APPROXIMATELY THE SAME SQUARE FOOTAGE AND NUMBER OF BEDROOMS AS SUCH TENANT'S EXISTING UNIT WHICH IS ON A FLOOR THAT IS NO LOWER THAN THE FLOOR OF SUCH EXISTING UNIT. IF A REASONABLY COMPARABLE SPACE AT THE SAME RENT IS NOT AVAILABLE, THE DEVELOPER SHALL PAY THE DIFFERENCE IN RENT FOR A REASONABLY COMPARABLE LIVING SPACE OUTSIDE OF THE DEVELOPMENT PROJECT AREA, WHICH WILL TO THE EXTENT REASONABLY PRACTICABLE BE IN A NEIGHBORING COMMUNITY (OR SUCH OTHER COMMUNITY ACCEPTABLE TO THE DISPLACED PERSONS AND THE DEVELOPER) UNTIL SUCH TIME AS A UNIT (IF THE DEVELOPMENT PROJECT IS DISTINCTLY ALL OR PART RESIDENTIAL) IS MADE AVAILABLE IN THE DEVELOPMENT PROJECT ON THEN COMPARABLE RENTAL TERMS (GIVING EFFECT TO STANDARD COST OF LIVING INCREASES OR RENT STABILIZATION/CONTROL INCREASES, AS APPLICABLE) AND A REASONABLE RELOCATION ALLOWANCE FOR THE INITIAL MOVE AND SUBSEQUENT MOVE INTO THE DEVELOPMENT.

S 7. The eminent domain procedure law is amended by adding a new section 209 to read as follows:

S 209. ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT; COMPENSATION TO OWNERS. 1. FOR PURPOSES OF THIS SECTION, THE TERM "DEVELOPMENT PROJECT" SHALL MEAN THE DEVELOPMENT PROJECT IN THE ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT AS SET FORTH IN SECTION SIXTEEN-U OF SECTION ONE OF THE URBAN DEVELOPMENT CORPORATION ACT.

2. IN ADDITION TO ANY RIGHTS AFFORDED CONDEMNEES PURSUANT TO THIS CHAPTER, THE CONDEMNOR SHALL PROVIDE AT LEAST ONE HUNDRED FIFTY PERCENT OF THE FAIR MARKET VALUE COMPENSATION TO ALL PROPERTY OWNERS AFFECTED BY EMINENT DOMAIN ACQUISITION FOR THE PURPOSE OF IMPLEMENTING THE DEVELOPMENT PROJECT. SUCH CONDEMNOR SHALL ALSO PAY TO SUCH OWNERS, THE COST OF EXPENSES INCURRED IN RELOCATING TO A NEW RESIDENCE.

S 8. Failure to develop housing. The sponsor shall commence construction and develop residential housing units, including affordable housing units, pursuant to the terms and conditions of chapter 15 of the laws of 2008 of the state of New York. If within two years of the completion of the arena, the sponsor has failed to commence construction on residential apartment buildings containing at least eight hundred units, of which no less than fifty percent of such units shall be affordable housing as defined by section 608-b of the private housing finance law, the Empire State Development Corporation shall withdraw the designation of the Forest City Ratner Corporation as the sponsor of the remainder of the redevelopment site. The Empire State Development Corporation shall issue a request for proposals for completion of the redevelopment project which shall include construction of the residential housing units pursuant to the provisions of subdivision 2 of section 16-t of section 1 of the urban development corporation act, including the offer of a housing payment assistance contract or contracts. As such contract or contracts are executed, the Forest City Ratner Corporation shall reimburse the state of New York for the amounts paid under the contract, and the Empire State Development Corporation shall amend the project plan to require such reimbursement as a condition of continued approval of the plan.

S 9. This act shall take effect immediately.