

6287--A

2015-2016 Regular Sessions

I N A S S E M B L Y

March 20, 2015

Introduced by M. of A. THIELE -- Multi-Sponsored by -- M. of A. SALADINO
-- read once and referred to the Committee on Housing -- committee
discharged, bill amended, ordered reprinted as amended and recommitted
to said committee

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 ASSEM-
BLY, 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.

7 The adverse impacts from the lack of housing opportunities are crit-
8 ical. For example, local employers have difficulty hiring and retaining
9 employees because of housing costs and availability. Local volunteer
10 emergency services agencies experience difficulty in recruitment and
11 retention. Long time residents are forced to leave the area. Traffic
12 congestion is exacerbated by the importation of labor from areas with
13 lower housing costs. Finally, the lack of affordable housing is result-
14 ing in residents being forced to live in substandard, illegal condi-
15 tions.

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

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

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has resulted in housing problems for local families. In the Peconic Bay region, 37% of all housing units are seasonal.

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

It is the purpose of this legislation, to give the towns of the Peconic Bay region the authority and resources needed to establish community housing opportunities. This legislation would permit each town to establish a dedicated community housing opportunity fund to increase housing opportunities in the region.

Specifically, towns would be permitted to provide loans to those residents and families below the median income level of the town who are first time home buyers. Said loans would be up to \$250,000. Such a loan would permit more residents and families to access the existing housing market. Said loan would be repaid upon any future sale of the dwelling. The repayment amount would be equal to an amount in proportion to the resale price as the original proportion of the loan to the original sale price.

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

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

S 3. The private housing finance law is amended by adding a new article 23 to read as follows:

ARTICLE XXIII

PECONIC BAY REGION WORKFORCE HOUSING OPPORTUNITY ACT

SECTION 1160. DEFINITIONS.

1161. FUND AUTHORIZED.

1162. PURPOSES OF THE FUND.

1163. WORKFORCE HOUSING IMPACT FEE.

1164. MANDATORY REFERENDUM.

1165. SEVERABILITY CLAUSE.

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

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

2. "WORKFORCE HOUSING" MEANS A PRIMARY RESIDENTIAL PROPERTY FOR A HOUSEHOLD WITH AN INCOME THAT DOES NOT EXCEED ONE HUNDRED PERCENT OF THE INCOME LIMITS WHERE THE PURCHASE PRICE OF THE PRIMARY RESIDENTIAL PROPERTY DOES NOT EXCEED ONE HUNDRED TWENTY PERCENT OF THE PURCHASE PRICE LIMITS. THE INCOME LIMITS AND PURCHASE PRICE LIMITS SHALL BE AS ESTABLISHED BY THE STATE OF NEW YORK MORTGAGE AGENCY LOW INTEREST RATE LOAN PROGRAM IN NON-TARGET CATEGORIES FOR SUFFOLK COUNTY IN EFFECT ON THE CONTRACT DATE FOR THE SALE OF SUCH PROPERTY.

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

4. "FIRST HOME" MEANS A PERSON WHO HAS NOT OWNED A PRIMARY RESIDENTIAL PROPERTY AND IS NOT MARRIED TO A PERSON WHO HAS OWNED A RESIDENTIAL PROPERTY DURING THE THREE-YEAR PERIOD PRIOR TO HIS OR HER PURCHASE OF

1 THE PRIMARY RESIDENTIAL PROPERTY, AND WHO DOES NOT OWN A VACATION OR
2 INVESTMENT HOME.

3 5. "PRIMARY RESIDENTIAL PROPERTY" MEANS ANY ONE OR TWO FAMILY HOUSE,
4 TOWNHOUSE, OR CONDOMINIUM.

5 S 1161. FUND AUTHORIZED. THE TOWN BOARD OF ANY TOWN IN THE PECONIC BAY
6 REGION IS AUTHORIZED TO ESTABLISH BY LOCAL LAW A COMMUNITY HOUSING
7 OPPORTUNITY FUND, PURSUANT TO THE PROVISIONS OF THIS SECTION. DEPOSITS
8 INTO THE FUND MAY INCLUDE REVENUES OF THE LOCAL GOVERNMENT FROM WHATEVER
9 SOURCE, INCLUDING BUT NOT LIMITED TO:

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

12 2. GENERAL FUND BALANCES OR SURPLUSES;

13 3. FUNDS RECEIVED BY THE TOWN FROM THE APPORTIONMENT OF MORTGAGE
14 RECORDING TAXES RECEIVED FROM THE COUNTY PURSUANT TO ARTICLE ELEVEN OF
15 THE TAX LAW;

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

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

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

20 7. ANY STATE OR FEDERAL GRANTS RECEIVED BY THE TOWN FOR PROVIDING
21 AFFORDABLE HOMES.

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

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

39 2. A TOWN MAY MAKE A LOAN TO A RESIDENT OF THE TOWN FOR THE PURCHASE
40 OF A FIRST HOME FOR THE PURPOSE OF WORKFORCE HOUSING. SAID LOAN SHALL
41 NOT EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS PER HOME. SAID LOAN SHALL
42 BE REPAYABLE TO THE TOWN UPON THE RE-SALE OF THE HOME. THE REPAYMENT TO
43 THE TOWN SHALL BE AN AMOUNT EQUAL TO THE PROPORTION OF THE ORIGINAL LOAN
44 FROM THE TOWN TO THE ORIGINAL PURCHASE PRICE TO THE RESALE PRICE.

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

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

1 CONSTRUCTION WHICH IS RESTRICTED TO WORKFORCE HOUSING SHALL BE EXEMPT
2 FROM THIS FEE.

3 S 1164. MANDATORY REFERENDUM. THE LOCAL LAW OR LAWS ESTABLISHING THE
4 WORKFORCE HOUSING OPPORTUNITY FUND AND AUTHORIZING THE WORKFORCE HOUSING
5 IMPACT FEE SHALL BE SUBJECT TO A MANDATORY REFERENDUM. SAID LOCAL LAW OR
6 LAWS SHALL ONLY BECOME EFFECTIVE UPON THE ADOPTION OF SAID REFERENDUM BY
7 THE ELECTORS OF THE TOWN.

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

14 S 4. This act shall take effect immediately.