

STATE OF NEW YORK

S. 1597

A. 935

2017-2018 Regular Sessions

SENATE - ASSEMBLY

January 10, 2017

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 program has received national recognition for its innovative and creative approach to community preservation.

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

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

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1 moderate income and working class residents is in critically short
2 supply.

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

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

19 While this combination of extraordinary attractiveness, population and
20 wealth has created a strong local economy for the Peconic Bay region, it
21 has resulted in housing problems for local families.

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

27 The Peconic Bay region requires the same creativity, planning, and
28 community consensus that resulted in the community preservation fund in
29 order to address the issue of housing opportunity. Further, increased
30 housing opportunities must be accomplished in the context of rational
31 long term planning.

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

42 § 2. This act shall be known and may be cited as the "Peconic Bay
43 region community housing opportunity act".

44 § 3. The town law is amended by adding a new section 64-k to read as
45 follows:

46 § 64-k. Peconic Bay region community housing opportunity fund. 1.
47 Definitions. As used in this section, the following words and terms
48 shall have the following meanings:

49 (a) "Peconic Bay region" means the towns of East Hampton, Riverhead,
50 Shelter Island, Southampton, and Southold.

51 (b) "Community housing" shall be defined as housing for households
52 with incomes at or below the median income for each town within the
53 Peconic Bay region.

54 (c) "Board" means the advisory board created pursuant to this section.

55 (d) "Fund" means the community housing opportunity fund authorized
56 pursuant to this section.

1 (e) "Education impact payment" means a payment made from the fund to
2 school districts not to exceed an amount equal to the additional annual
3 cost of educating the number of students that will be added to a school
4 district as a result of the production of community housing pursuant to
5 the fund.

6 2. Fund authorized. The town board of any town in the Peconic Bay
7 region is authorized to establish by local law a community housing
8 opportunity fund, pursuant to the provisions of this section. Deposits
9 into the fund may include revenues of the local government from whatever
10 source, including but not limited to: (a) all proceeds from any indebt-
11 edness or obligations issued pursuant to the local finance law for
12 community housing opportunity purposes as provided for in subdivision
13 three of this section; (b) general fund balances or surpluses; (c) funds
14 received by the town from the apportionment of mortgage recording taxes
15 received from the county pursuant to article eleven of the tax law; (d)
16 funds received by the town from the sale of development rights from a
17 central bank created pursuant to section sixty-four-e of this article;
18 (e) any proceeds received by the local government from the sale of
19 affordable housing produced from revenues of the fund; (f) the repayment
20 of any loans issued from proceeds of the fund; (g) any gifts of inter-
21 ests in land or funds; (h) any state or federal grants received by the
22 town for providing affordable homes; and (i) funds received by the town
23 from fees paid to the town pursuant to an inclusionary zoning law where
24 authorized by the legislature. Interest accrued by monies deposited into
25 the fund shall be credited to the fund. In no event shall monies depos-
26 ited into the fund be transferred to any other account. Nothing
27 contained in this section shall be construed to prevent the financing in
28 whole or in part, pursuant to the local finance law, of any project or
29 purpose authorized pursuant to this section. Monies from the fund may
30 be utilized to repay indebtedness or obligations incurred pursuant to
31 the local finance law consistent with effectuating the purposes of this
32 section.

33 3. Purposes of the fund. The proceeds of the fund established pursuant
34 to subdivision two of this section shall be utilized for the following
35 purposes:

36 (a) the provision of no-interest or low-interest loans to eligible
37 residents of the town for the purchase of a first home;

38 (b) the actual production of community housing for sale to eligible
39 individuals by the town;

40 (c) the actual production of community housing for sale to eligible
41 individuals in conjunction with a public/private partnership, where the
42 private partner agrees to comply with the profit guidelines of the New
43 York state affordable housing corporation;

44 (d) the actual production and maintenance of rental housing for rent
45 to eligible individuals either by the town, the town housing authority,
46 or in conjunction with a public/private partnership, where the private
47 partner agrees to comply with the profit guidelines of the New York
48 state affordable housing corporation;

49 (e) the rehabilitation of existing buildings and structures in the
50 town for the purpose of conversion to community housing for sale or
51 rental to eligible individuals;

52 (f) the provision of housing counseling services by not-for-profit
53 corporations who are authorized by the United States department of hous-
54 ing and urban development to provide such services; and

55 (g) the provision of education impact payments to school districts as
56 defined in paragraph (e) of subdivision one of this section.

1 For the purposes of this subdivision, eligible expenses relating to
2 the production of community housing and the rehabilitation of existing
3 buildings and structures under the fund shall include but not be limited
4 to land acquisition, planning, engineering, construction costs, and
5 other hard and soft costs directly related to the construction, rehabil-
6 itation, purchase or rental of housing pursuant to this section. All
7 revenues received by the town from the sale or rental of community
8 homes, or the repayment of loans shall be deposited in the fund.

9 4. Advisory board established. The town board of any town in the
10 Peconic Bay region which has established a community housing opportunity
11 fund pursuant to this section shall create an advisory board to review
12 and make recommendations regarding the town's community housing program.
13 Such board shall consist of not less than seven nor more than fifteen
14 legal residents of the municipality who shall serve without compen-
15 sation. No member of the local legislative body shall serve on the
16 board. The board shall include a representative of: (a) the building
17 industry; (b) the real estate industry; (c) the banking industry; and
18 three representatives of local housing advocacy or human services organ-
19 izations. Where a village or villages, located within the town, have
20 elected to participate in the fund, as provided in subdivision six of
21 this section, the board shall include at least one resident of a partic-
22 ipating village or villages. Where an Indian nation is located within
23 the boundaries of a town, the board shall include at least one member
24 from such nation. The board shall act in an advisory capacity to the
25 town board.

26 5. Adoption of housing plan. (a) Before a town may establish the fund,
27 the town board shall first adopt a town housing plan which establishes
28 an implementation plan for the provision of community housing opportu-
29 nities by the fund, and a local law implementing said plan. Such plan
30 shall adhere to the following smart growth principles:

31 (1) Public investment. To account for and minimize social, economic,
32 and environmental costs of new development, including infrastructure
33 costs such as transportation, sewers, and wastewater treatment, water,
34 schools, recreation, and loss of open space and agricultural land;

35 (2) Development. To encourage development in areas where transpora-
36 tion, water, and sewage infrastructure are available or practical;

37 (3) Conservation. To protect, preserve, and enhance the state's
38 resources, including agricultural land, forests, surface waters, ground-
39 water, recreation and open space, scenic areas, and significant historic
40 and archeological sites;

41 (4) Coordination. To promote coordination of state and local govern-
42 ment decisions and cooperation among communities to work toward the most
43 efficient, planned and cost-effective delivery of government services
44 by, among other means, facilitating cooperative agreements among adja-
45 cent communities, and to coordinate planning to ensure compatibility of
46 one's community development with development of neighboring communities;

47 (5) Community design. To strengthen communities through development
48 and redevelopment strategies that include integration of all income and
49 age groups, mixed land uses, and compact development, traditional neigh-
50 borhood development, planned unit development, open space districts,
51 downtown revitalization, brownfield redevelopment, enhanced beauty in
52 public spaces, and diverse and community housing in close proximity to
53 places of employment, recreation, and commercial development;

54 (6) Transportation. To provide transportation choices, including
55 increasing public transit and alternative modes of transportation, in

1 order to reduce automobile dependency, traffic congestion, and automo-
2 bile pollution;

3 (7) Consistency. To insure predictability in building and land use
4 codes;

5 (8) Community collaboration. To provide for and encourage local
6 governments to develop, through a collaborative community-based effort,
7 smart growth plans that include long term land use and permit predict-
8 ability and coordination, efficient decision making and planning imple-
9 mentation.

10 (b) Such plan may include the establishment of a map or maps that
11 delineate the housing implementation recommendations proposed by the
12 town.

13 (c) The plan and the local law implementing the plan shall not be
14 adopted until after a public hearing has been held by the town board.
15 Such plan shall be updated at least once every five years. Such plan and
16 local law shall be adopted at least sixty days before the mandatory
17 referendum required by subdivision seven of this section.

18 (d) The town housing plan shall be an element of the town's comprehen-
19 sive plan.

20 (e) Such housing plan shall also provide for income and other eligi-
21 bility requirements for community housing, including any eligibility
22 preference that may be given based upon residency or other criteria.
23 Such plan shall also provide for the legal mechanism that will be
24 employed to maintain the housing stock created pursuant to this section
25 at community levels. The resale of community housing to the public for
26 occupancy created pursuant to this section to other than income eligible
27 households shall be prohibited.

28 (f) Such housing plan shall also provide for the equitable distrib-
29 ution of community housing opportunities among all the hamlets and
30 communities of the town. The plan shall insure that no hamlet or commu-
31 nity is sited for an undue concentration of community housing opportu-
32 nities that would substantially alter the character of the hamlet or
33 community. In determining equitable distribution of community housing
34 opportunities, existing community housing opportunities in a hamlet or
35 community shall be considered.

36 6. Village and Indian nation participation. (a) The participation of
37 any village or Indian nation in the community housing opportunity
38 program authorized by this section shall be at the option of the village
39 or Indian nation. In order to participate, a village or Indian nation
40 shall pass a resolution opting into the program and shall submit said
41 resolution to the town board.

42 (b) Where a village or Indian nation opts to participate pursuant to
43 this subdivision, an intergovernmental agreement shall be executed
44 pursuant to article five-G of the general municipal law or other appli-
45 cable legal authority, in order to establish the rights and responsibil-
46 ities of each government regarding community housing opportunities.

47 7. Mandatory referendum. The local law or laws adopting the housing
48 plan and establishing the community housing opportunity fund shall be
49 subject to a mandatory referendum. Such local law or laws shall only
50 become effective upon the adoption of said referendum by the electors of
51 the town.

52 § 4. Subdivision 10 of section 64-e of the town law, as amended by
53 chapter 551 of the laws of 2015, is amended to read as follows:

54 10. ~~Rights~~ Except as provided for herein, rights or interests in
55 real property acquired with monies from such fund shall not be sold,
56 leased, exchanged, donated, or otherwise disposed of or used for other

1 than the purposes permitted by this section without the express authori-
2 ty of an act of the legislature, which shall provide for the substi-
3 tution of other lands of equal environmental value and fair market value
4 and reasonably equivalent usefulness and location to those to be discon-
5 tinued, sold or disposed of, and such other requirements as shall be
6 approved by the legislature. Nothing in this section shall preclude a
7 town, by local law, from establishing additional restrictions to the
8 alienation of lands acquired pursuant to this section. This subdivision
9 shall not apply to the sale of development rights by a town acquired
10 pursuant to this section, where said sale is made by a central bank
11 created by a town, pursuant to a transfer of development rights program
12 established by a town pursuant to section two hundred sixty-one-a of
13 this chapter, provided, however (a) that the lands from which said
14 development rights were acquired shall remain preserved in perpetuity by
15 a permanent conservation easement or other instrument that similarly
16 preserves the community character referenced in subdivision four of this
17 section, and (b) the proceeds from such sale shall be deposited in the
18 community preservation fund or the community housing opportunity fund
19 pursuant to section sixty-four-k of this article.

20 § 5. Applicability. Nothing shall preclude a town from transferring
21 development rights acquired after the effective date of chapter 114 of
22 the laws of 1998 but before the effective date of this section into a
23 central bank.

24 § 6. Severability clause. If any provision of this act or application
25 thereof shall for any reason be adjudged by any court of competent
26 jurisdiction to be invalid, such judgment shall not affect, impair, or
27 invalidate the remainder of the act, but shall be confined in its opera-
28 tion to the provision thereof directly involved in the controversy in
29 which the judgment shall have been rendered.

30 § 7. This act shall take effect immediately.