

STATE OF NEW YORK

6112

2019-2020 Regular Sessions

IN ASSEMBLY

February 28, 2019

Introduced by M. of A. FITZPATRICK, RA, TAGUE, COLTON, SALKA, MIKULIN --
Multi-Sponsored by -- M. of A. MANKTELOW -- read once and referred to
the Committee on Housing

AN ACT to amend the private housing finance law, in relation to creating
a demonstration program establishing a system of community improvement
grants to be administered by and through neighborhood citizens'
participation committees

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. The private housing finance law is amended by adding a new
2 article 6-B to read as follows:

ARTICLE 6-B

DEMONSTRATION PROGRAM: CITIZENS' PARTICIPATION COMMITTEES

Section 270. Legislative intent.

271. Definitions.

272. Community improvement grants.

273. General and administrative provisions.

9 § 270. Legislative intent. The legislature hereby finds and declares
10 that in certain regions of the state a supply of housing stock in excess
11 of that needed by the population of those regions has accumulated in
12 recent years, much of which is old, deteriorated, substandard, unmarket-
13 able, and often abandoned.

14 The legislature further finds that this excess housing has had a
15 blighting effect upon the communities in which it is located, reduces
16 the value of other residential properties in the surrounding neighbor-
17 hoods, and may cause persons, families, and businesses to abandon those
18 municipalities containing an overabundance of excess and blighted hous-
19 ing stock.

20 The legislature further finds that it is in the public interest to
21 encourage persons, families, and businesses to locate or remain in those
22 municipalities, in order to both utilize existing building stock and to

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

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1 preserve the open spaces of the state, and that improving the quality of
2 life within those municipalities is a most effective method of accom-
3 plishing this goal. In addition, declining home values in these munici-
4 palities discourages home ownership by adversely affecting the ability
5 of families of moderate income to build and/or maintain equity in their
6 homes.

7 The legislature further finds that the residents of a community are
8 often in the best position to know and understand the needs of their
9 community, and have the greatest stake in the future of their community.

10 The legislature further finds that no state program presently exists
11 with the primary purpose of supporting and funding the identification
12 and demolition of surplus housing stock or for disposing of the real
13 estate upon which that housing stock is located.

14 The legislature hereby determines that such a program is in the
15 public's interest.

16 § 271. Definitions. As used in this article, the following words and
17 phrases shall have the following meanings:

18 1. "Commissioner" shall mean the commissioner of the state division of
19 housing and community renewal.

20 2. "Division" shall mean the state division of housing and community
21 renewal.

22 3. "Municipality" shall mean any city, town, or village within the
23 state with a population of less than one million persons.

24 4. "Grant" shall mean a community improvement grant as defined in this
25 article.

26 5. "Committee" shall mean a citizens' participation committee as
27 defined in this article.

28 § 272. Community improvement grants. 1. There is created under the
29 direction of the commissioner the community improvement grant program.
30 Within the limit of funds available in the community improvement grant
31 program, the commissioner is authorized to offer state financial assist-
32 ance to municipalities with a population of under one million persons in
33 the form of community improvement grants.

34 2. Prior to the award of a grant, the commissioner shall have made a
35 finding that the municipality requesting a grant contains neighborhoods
36 that contain a significant number of vacant residential housing units
37 that are in excess of the needs of the current population, and that many
38 of these residential housing units are deteriorated, substandard, or
39 obsolete. The municipality shall demonstrate to the division as part of
40 the grant application process that it is eligible to receive grant funds
41 under the provisions of this section and according to the rules and
42 regulations promulgated by the division.

43 3. Municipalities receiving community improvement grants shall cause
44 to be established citizens' participation committees, which are to be
45 representative of the neighborhoods in which these grant funds are to be
46 expended. The geographic boundaries of the neighborhood represented by
47 each committee shall be determined by the municipality. The committees
48 shall direct all aspects of the expenditure of grants, subject to the
49 provisions of this article. No member of a committee shall receive any
50 compensation for this service, nor shall such member personally profit
51 financially from the proceeds of any grant monies received. Membership
52 in a committee shall consist of representatives of local charitable,
53 not-for-profit, social service, faith-based, business and community
54 organizations with an interest in housing or development issues within
55 the affected neighborhood desiring to participate, as well as any inter-
56 ested local citizens desiring to be involved. Committees are to be self-

1 governing, and shall establish rules and regulations concerning voting
2 and other procedures, provided that such rules and regulations are
3 constructed in such a manner as to ensure the broadest and most equita-
4 ble participation practicable by all concerned, and that such committees
5 are democratically organized. All proceedings of a committee shall be
6 subject to all provisions of article seven of the public officers law.
7 The municipality shall be responsible for the general oversight of its
8 committees, is to ensure that the committees conduct their business in
9 general conformity with the provisions of this article, and that the
10 organization of each committee is democratic and inclusive of all eligi-
11 ble organizations and individuals. The municipality shall distribute
12 grant monies received to the committees, which shall then expend those
13 funds according to the comprehensive plan developed by such committee.
14 The municipality shall also be responsible for the conduct of periodic
15 financial audits to ensure that all grant monies distributed to the
16 committees are properly accounted for and utilized in conformity with
17 this article. The municipality shall provide to each committee such
18 other technical, legal, and administrative assistance as is required to
19 fulfill the purposes of this article.

20 4. Each committee shall develop a comprehensive neighborhood plan
21 before commencing the expenditure of funds upon other authorized items
22 as defined in subdivision five of this section. The plan shall identify
23 short and long-term goals and objectives that are both consistent with
24 the intent of this article and that shall contribute significantly to
25 improving the quality of life for the citizens living in the neighbor-
26 hood. This plan shall be subject to review and general oversight by the
27 municipality.

28 5. Grant monies received by the committees may be expended upon the
29 following items, subject to the limits indicated:

30 (a) Acquisition of property - not limited.

31 (b) Demolition of structures - not limited.

32 (c) Selective rehabilitation - up to twenty-five percent. Selective
33 rehabilitation may be used to convert suitable multi-family homes into
34 single family homes, if such conversion is consistent with the intent
35 and purposes of this article.

36 (d) Neighborhood beautification - up to twenty percent.

37 (e) Administration - up to ten percent, to be used for expenses such
38 as legal costs, title searches, office supplies, and other miscellaneous
39 support as may be appropriate to assist the efforts of the citizens'
40 participation committees.

41 (f) Property improvement mini-grants - up to twenty percent, with no
42 individual mini-grant to exceed one thousand dollars. These mini-grants
43 are to be offered to individual property owners in order to improve
44 vacant and vacated land as defined in subdivision eight of this section.

45 (g) Planning and market study - up to ten percent, to be utilized by
46 citizens' participation committees in preparing the comprehensive neigh-
47 borhood plan.

48 6. Grant funds may be used by the municipality to acquire tax delin-
49 quent, vacant, and abandoned properties or properties owned by the
50 federal department of Housing and Urban Development, but are not author-
51 ized to acquire properties through eminent domain. Upon municipal acqui-
52 sition of a property, the committee shall assess its condition to deter-
53 mine whether salvaging property is both feasible and consistent with the
54 plans and objectives of the committee. The committee is authorized to
55 direct the demolition of structures when the committee deems this the

1 most appropriate course of action in furthering the improvement of the
2 neighborhood.

3 7. Residential properties acquired through grant funds that are deemed
4 salvageable may only be conveyed to individuals if they contain no more
5 than four dwelling units, and those individuals agree to maintain their
6 primary residence at that property for not less than two years.

7 8. The committees are authorized to request that the municipality
8 transfer vacant land acquired through grant funds to eligible individual
9 homeowners or not-for-profit agencies for the sum of one dollar. In
10 disposing of vacant land, preference shall be given to transferring
11 portions of that land to the owners of adjoining residential properties,
12 provided that those owners are also occupants of the adjoining residen-
13 tial properties. The committee is authorized to award mini-grants of up
14 to one thousand dollars to these homeowners for the purpose of improving
15 this vacant property. In the event that disposition of vacant land to
16 adjoining individual homeowners is impossible or impractical according
17 to the determination of the committee, this land may be disposed of in
18 such other manner as will inure to the benefit of the community in
19 general and its inhabitants, by providing open public space, parkland or
20 parking spaces as is deemed best by the committee.

21 9. The municipality shall review any request by a committee for the
22 disposition of a property under the provisions of this article, and may
23 deny this request if such disposition is deemed improper or clearly
24 contrary to the intent of this article.

25 § 273. General and administrative provisions. 1. The commissioner
26 shall issue and promulgate rules and regulations for the administration
27 of this article. The rules and regulations shall include, but not be
28 limited to: eligibility for grants under this article; funding criteria
29 and the funding determination process; supervision and evaluation of
30 grantees; reporting and record keeping requirements; and other matters
31 not inconsistent with the purposes and provisions of this article as the
32 commissioner shall deem necessary or appropriate.

33 2. The commissioner shall provide for the periodic financial review of
34 the grantee's conformity to the purposes and provisions of this article.

35 § 2. This act shall take effect immediately.