

# STATE OF NEW YORK

5607

2021-2022 Regular Sessions

## IN ASSEMBLY

February 22, 2021

Introduced by M. of A. FITZPATRICK, COLTON, MIKULIN, MORINELLO, RA, SALKA, TAGUE -- 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 Assembly, do enact as follows:

Section 1. The private housing finance law is amended by adding a new 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.

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

The legislature further finds that this excess housing has had a blighting effect upon the communities in which it is located, reduces the value of other residential properties in the surrounding neighborhoods, and may cause persons, families, and businesses to abandon those municipalities containing an overabundance of excess and blighted housing stock.

The legislature further finds that it is in the public interest to encourage persons, families, and businesses to locate or remain in those 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-

governing, and shall establish rules and regulations concerning voting and other procedures, provided that such rules and regulations are constructed in such a manner as to ensure the broadest and most equitable participation practicable by all concerned, and that such committees are democratically organized. All proceedings of a committee shall be subject to all provisions of article seven of the public officers law. The municipality shall be responsible for the general oversight of its committees, is to ensure that the committees conduct their business in general conformity with the provisions of this article, and that the organization of each committee is democratic and inclusive of all eligible organizations and individuals. The municipality shall distribute grant monies received to the committees, which shall then expend those funds according to the comprehensive plan developed by such committee. The municipality shall also be responsible for the conduct of periodic financial audits to ensure that all grant monies distributed to the committees are properly accounted for and utilized in conformity with this article. The municipality shall provide to each committee such other technical, legal, and administrative assistance as is required to fulfill the purposes of this article.

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

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

(a) Acquisition of property - not limited.

(b) Demolition of structures - not limited.

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

(d) Neighborhood beautification - up to twenty percent.

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

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

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

6. Grant funds may be used by the municipality to acquire tax delinquent, vacant, and abandoned properties or properties owned by the federal department of Housing and Urban Development, but are not authorized to acquire properties through eminent domain. Upon municipal acquisition of a property, the committee shall assess its condition to determine whether salvaging property is both feasible and consistent with the plans and objectives of the committee. The committee is authorized to 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.