STATE OF NEW YORK

4399

2023-2024 Regular Sessions

IN ASSEMBLY

February 14, 2023

Introduced by M. of A. FITZPATRICK -- 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 preserve the open spaces of the state, and that improving the quality of

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

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life within those municipalities is a most effective method of accomplishing this goal. In addition, declining home values in these municipalities discourages home ownership by adversely affecting the ability of families of moderate income to build and/or maintain equity in their homes.

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

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

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

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

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

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

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

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

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

§ 272. Community improvement grants. 1. There is created under the direction of the commissioner the community improvement grant program. Within the limit of funds available in the community improvement grant program, the commissioner is authorized to offer state financial assistance to municipalities with a population of under one million persons in the form of community improvement grants.

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

3. Municipalities receiving community improvement grants shall cause to be established citizens' participation committees, which are to be representative of the neighborhoods in which these grant funds are to be expended. The geographic boundaries of the neighborhood represented by each committee shall be determined by the municipality. The committees shall direct all aspects of the expenditure of grants, subject to the provisions of this article. No member of a committee shall receive any compensation for this service, nor shall such member personally profit financially from the proceeds of any grant monies received. Membership in a committee shall consist of representatives of local charitable, not-for-profit, social service, faith-based, business and community organizations with an interest in housing or development issues within the affected neighborhood desiring to participate, as well as any interested 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 most appropriate course of action in furthering the improvement of the neighborhood.

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

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

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

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

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

§ 2. This act shall take effect immediately.