STATE OF NEW YORK

5362

2025-2026 Regular Sessions

IN ASSEMBLY

February 13, 2025

Introduced by M. of A. HYNDMAN -- read once and referred to the Committee on Cities

AN ACT to amend the administrative code of the city of New York, in relation to establishing city community improvement projects

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

Section 1. Title 25 of the administrative code of the city of New York is amended by adding a new chapter 5-A to read as follows:

CHAPTER 5-A
CITY COMMUNITY IMPROVEMENT PROJECTS

§ 25-501 Authorization for the establishment of city community improvement projects. Pursuant to the provisions of this chapter, community improvement projects shall be established and extended as hereinafter provided.

§ 25-502 Definitions. As used in this chapter:

a. "Average full valuation of taxable real property" means the valuation obtained by taking the assessed valuation of taxable real property in the boundaries of the project as it appears upon the last completed and four preceding assessment rolls of the city and dividing each by the applicable state equalization rate as determined by the state board of equalization and assessment pursuant to article twelve of the real property tax law for each of the assessment rolls and dividing the sum of the quotients thus obtained by five.

b. "Project" means a community improvement project established pursuant to this chapter.

c. "Project charge" means a levy imposed on behalf of a project as provided in the project plan.

d. "Project management association" means the association established pursuant to section 25-514 of this chapter.

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

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e. "Project plan" or "plan" means a proposal as defined in section 25-505 of this chapter.

f. "Owner" means homeowner of record.

g. "Tenant" means an occupant pursuant to a lease of a dwelling unit, other than an owner.

§ 25-503 Contents of the project plan. The project plan shall contain the following:

a. a map of the project;

b. the written report or reports of the city council containing:

(1) a description of the boundaries of the project proposed for establishment or extension in a manner sufficient to identify the lands included;

(2) a description of the present and proposed uses of such lands;

(3) the improvements proposed and the maximum cost thereof;

(4) the total annual amount proposed to be expended for improvements, maintenance and operation;

(5) the proposed source or sources of financing;

(6) the proposed time for implementation and completion of the project plan;

(7) any proposed rules and regulations to be applicable to the project;

(8) a list of the properties to be benefited, and a statement of the method or methods by which the expenses of a project will be imposed upon benefited real property, in proportion to the benefit received by such property, to defray the cost thereof, including operation and maintenance. Notwithstanding any inconsistent provision of section 25-507 of this chapter, the plan may provide that all or any class or category of real property which is exempt by law from real property taxation and which would not benefit from the establishment or extension of the project may nevertheless be included within the boundaries of the project, but such property shall not be subject to any project charge;

(9) a statement identifying the project management association for the project; and

(10) any other item or matter required to be incorporated therein by the city council.

§ 25-504 Powers of the city council. Upon establishment of a project pursuant to the provisions of this chapter, the city council shall have authority to exercise the following powers with respect to such project, subject to the provisions of this chapter:

a. To provide for community improvements located on or within municipally or community owned or leased property within the boundaries of the project, including but not limited to:

(1) closing, opening, widening, narrowing, or repair of existing shared driveways;

(2) retrofits or repair of private sewers; and

(3) rehabilitation or removal of existing structures or infrastructure as required;

b. To provide for the operation and maintenance of any community improvement; and

c. To provide for additional maintenance or other additional services required for the enjoyment and protection of the property and the enhancement of the community, whether or not in conjunction with improvements authorized by this section, including but not limited to:

(1) enhanced sanitation services; and

(2) services to enhance the security of persons and property within the boundaries of the project.

§ 25-505 Project plan. a. The mayor may provide for the preparation of a project plan upon the written petition, signed and acknowledged, of:

(1) the owners of at least fifty-one percent of the assessed valuation of all the taxable real property within the boundaries of the project proposed for establishment or extension, as shown upon the latest completed assessment roll of the city; and

(2) at least fifty-one percent of the owners of real property within the area included in the project proposed for establishment or extension.

b. The establishment or extension of a project shall be based upon the project plan filed in the office of the city clerk, except as provided in subdivision c of this section.

c. The project plan shall first be submitted to the city planning commission which shall forward a copy within five days to the city council and to the council member or members representing the council district or districts in which the proposed project is located, to the community board or boards for the community district or districts in which the proposed project is located, and to the respective borough board and borough president, if the plan involves properties located in two or more community districts. Each community board shall notify the public of the proposed plan in accordance with the requirements established by the city planning commission, and may conduct a public hearing and submit a written recommendation to the city planning commission not later than thirty days after receipt of the plan. The city planning commission shall review the plan and recommendations, and, after a public hearing, prepare a report. The city planning commission shall submit its report to the mayor, to the affected borough president, to the city council and to the council member or members representing the council district or districts in which the proposed district is located, together with copies of any recommendation of a community board, within sixty days from the date of expiration of the community board's period for reviewing the plan and submitting recommendations. This report shall certify the city planning commission's unqualified approval, disapproval or qualified approval with recommendations for modifications of the district plan. A copy of this report together with the original project plan shall be transmitted for filing with the city clerk. In the event the city planning commission shall fail to submit its report within ninety-five days of receipt of the original project plan, it shall be required to immediately transmit the original plan to the city clerk for filing and no report of the city planning commission shall be necessary.

d. All project plans shall conform with the requirements of this chapter. The mayor may determine that the plan or any part of the plan, shall be prepared by, or under the supervision of city officers and employees to be designated by the mayor, or by persons or firms to be employed for that purpose. Except as otherwise provided in this chapter, the expense incurred for the preparation of the plan or part of the plan shall be a city charge.

e. If the city shall thereafter establish or extend the project or provide the improvements or additional services or contract for the required services, the expense incurred by the city for the preparation of the plan or any part of the plan shall be deemed to be part of the cost of the improvement, or the rendering of additional services, and the city shall be reimbursed in the amount paid, or the portion of that amount which the city council, at a public hearing held pursuant to this chapter, shall allocate against the project.

§ 25-506 Notice and hearing. a. After the filing of the project plan in the office of the city clerk, the city council may adopt a resolution and shall enter the same in the minutes of its proceedings. This resolution shall contain a copy of the project plan, any report of the city planning commission or board, the fact that a project plan is on file in the city clerk's office for public inspection and the time when and the place where the city council will meet and hold a public hearing to hear all persons interested in the subject thereof.

b. The resolution shall also contain a statement that any owner of real property, deemed benefited and therefore within the boundaries of the project, objecting to the plan must file an objection at the office of the city clerk within thirty days of the conclusion of the hearing on forms made available by the clerk, and, further, that if (1) owners of at least fifty-one percent of the assessed valuation of all the benefited real property situated within the boundaries of the project proposed for establishment or extension, as shown upon the latest completed assessment roll of the city, or (2) at least fifty-one percent of the owners of benefited real property within the area included in the project proposed for establishment or extension, so file their objections, the project will not be established or extended.

c. The city council shall cause a copy of the resolution or a summary thereof to be published at least once in the city record or a newspaper in general circulation in the city, the first publication to be not less than ten nor more than thirty days before the day set for the hearing required by this section. In addition, not less than ten nor more than thirty days before the date set for the hearing, the city council shall cause a copy of the resolution or a summary thereof to be mailed to each owner of real property within the boundaries of the proposed project at the address shown on the latest city assessment roll, to such other persons as are registered with the city to receive tax bills concerning real property within the boundaries of the proposed project, and to the tenants of each building within the boundaries of the proposed project. If the city council publishes or mails a summary of the resolution, such summary shall include the business address of the city clerk, a statement that copies of the resolution shall be made available free of charge to the public, the improvements proposed and the maximum cost thereof, the total annual amount proposed to be expended for improvements, maintenance and operation, and a statement indicating the rights of owners to object pursuant to subdivision b of this section.

d. The resolution may further state the place, other than the city clerk's office, where the project plan may be inspected in advance of the hearing, if the city council determines that, in the public interest, any additional place of inspection is necessary or desirable.

§ 25-507 Establishment or extension of the project. a. Not earlier than thirty days after the conclusion of the last day of the public hearing held pursuant to section 25-506 of this chapter, the city council shall determine:

(1) whether the notice of hearing for all hearings required to be held was published and mailed as required by law and is otherwise sufficient;

(2) except as otherwise provided in section 25-503 of this chapter, whether all the real property within the boundaries of the proposed project or extension will benefit from the establishment or extension of the project;

(3) whether all the real property benefited is included within the limits of the proposed project or extension; and

(4) whether the establishment or extension of the project is in the public interest.

b. (1) If the city council shall determine the question of paragraph four of subdivision a of this section in the negative, or if the requisite number of owners shall have filed their objections as provided in section 25-506 of this chapter, the city council shall adopt a resolution disapproving the establishment or extension of the project, stating the reasons for its determination and enter the same in the minutes of its proceedings. Thereafter no plan for the establishment or extension of a project to include any part of the property proposed to be included in the disapproved project may be prepared as provided in section 25-505 of this chapter until the expiration of at least one year from the date of disapproval.

(2) If the city council shall find that notice was incorrectly or insufficiently given or that, except as otherwise provided in section 25-506 of this chapter, any part or portion of the real property within the boundaries of the proposed project or extension is not benefited thereby or that certain property benefited thereby has not been included therein, it shall call a further hearing at a definite place and time not less than ten nor more than thirty days after this determination. In the resolution calling such hearing, it shall specify the necessary changes, if any, to the boundaries of the proposed project or extension to be made in order that, except as otherwise provided in section 25-503 of this chapter, all of the real property and only that real property as is deemed benefited shall be included within the boundaries of the proposed project or extension. Such a further hearing shall also be required in the event that the city council proposes to amend the project plan to reduce improvements or services or provide additional improvements or services not included in the original plan prior to the establishment of the project. Notice of the further hearing shall be published and mailed in the manner provided in section 25-506 of this chapter, except that, where boundaries are to be altered, this notice shall also specify the manner in which it is proposed to alter the boundaries of the proposed project or extension. The further hearing shall be conducted in the same manner as the original hearing.

c. If and when the city council shall determine in the affirmative all of the questions set forth in subdivision a of this section, and provided that the requisite number of owners shall not have objected as provided in section 25-506 of this chapter, it may adopt a local law approving the establishment or extension of the project as the boundaries shall be finally determined and the construction of the improvement or providing of the service in the project area. Such local law shall become effective only upon compliance with section 25-508 of this chapter.

d. Upon the recommendation of the project management association and after a public hearing, the city council may adopt a local law at any time prior to or after the establishment of a project to change the method of assessment as set forth in the plan. Notice of such public hearing and a description of the proposed change shall be given in the manner set forth in section 25-506 of this chapter.

§ 25-508 Review by the state comptroller. a. The state comptroller shall review as provided in this section: (1) the establishment or extension of a project; and (2) the amendment of a project plan pursuant to subdivision c of section 25-510 of this chapter.

b. Within twenty days after the adoption of a local law by the city council pursuant to section 25-507 or subdivision c of section 25-510 of

this chapter, the mayor shall forward the following information to the state comptroller at Albany, New York:

(1) an itemized statement of the then outstanding indebtedness of the city for all purposes, as evidenced by bonds, bond anticipation notes, capital notes, deferred payment notes and budget notes; the amount of budgetary appropriations for the payment of any outstanding indebtedness, whether or not appropriations have been realized as cash; the amount of indebtedness proposed to be contracted for the improvement, and the amounts, purposes and probable date of issuance of any bonds, bond anticipation notes, capital notes, deferred payment notes and budget notes which the city has authorized to be issued but which in fact have not been issued to date;

(2) a statement of the total assessed valuation of the taxable real property situated in the proposed project or extension of a project, as shown on the latest completed and four preceding assessment rolls of the city and of the amount of city real property taxes levied against such property in the preceding fiscal year;

(3) a statement of the average full valuation of the taxable real property of the city determined in accordance with the provisions of paragraph seven-a of section 2.00 of the local finance law; and

(4) a statement, the form of which shall be determined by the state comptroller, attesting that the provisions of this chapter have been met, signed and verified by the mayor.

c. The state comptroller shall review the information submitted pursuant to paragraphs one, two and three of subdivision b of this section to determine that the tax and debt limitations provided in section 25-512 of this chapter will not be exceeded by the establishment or extension of the project.

d. The state comptroller shall notify the city of such state comptroller's determination within sixty days of the receipt of the items specified in subdivision b of this section. Unless the state comptroller determines within such time that the tax and debt limitations provided in section 25-512 of this chapter will be exceeded by the establishment or extension of the project or that the statement required by paragraph four of subdivision b of this section does not comply with the provisions of such paragraph, the city may proceed with the establishment or extension of the project upon receipt of the notice from the state comptroller of such state comptroller's determination.

e. Upon the city's compliance with any other requirements established by law, the local law adopted pursuant to section 25-507 of this chapter shall become effective.

§ 25-509 Publication; filing; judicial review. a. The city clerk shall cause a certified copy of the local law adopted pursuant to the provisions of this chapter establishing or extending any project, or increasing the maximum total amount proposed to be expended for the improvement in any project or extension, or changing the method of assessment, or authorizing the project to incur debt to provide for additional improvements or services within the boundaries of the project, to be duly recorded in the city clerk's office within ten days after such local law becomes effective. When so recorded this local law shall be presumptive evidence of the regularity of the proceedings for the establishment or extension of the project, of the proceedings instituted for the construction of any improvement and of all other actions taken in relation to it.

b. Within ten days after the local law becomes effective, the city clerk shall, in addition to any other filing required by law, cause a

certified copy thereof to be filed in the office of the state comptroller at Albany, New York, and within two weeks thereafter shall cause a copy of the local law or a summary thereof to be published at least once in the city record or a newspaper of general circulation in the city.

c. This local law shall be final and conclusive unless a proceeding to review is commenced in accordance with this subdivision. Any person aggrieved by any local law adopted pursuant to this chapter may seek judicial review of the local law in the manner provided by article seventy-eight of the civil practice law and rules, provided the proceeding is commenced within thirty days from the date of the publication of the copy or summary of the local law pursuant to subdivision b of this section. No review shall be had unless the petitioner shall give an undertaking approved by the supreme court, or a justice thereof, as to form, amount and sufficiency of sureties, that, in the event of failure to modify the local law, such petitioner will pay to the city all costs and expenses as are incurred by it on account of the proceedings, as shall be determined by the court. In the event that upon this review there shall be any modification by the court of the local law, the court shall direct the modification by judgment which shall be final and conclusive, and the city clerk shall cause the judgment to be recorded and filed in the same places and manner as was the local law which was modified.

§ 25-510 Amendments to the project plan. a. At any time after the establishment or extension of a project pursuant to the provisions of this chapter, the project plan upon which the establishment or extension was based, may, upon the recommendation of the project management association, be amended by the city council after compliance with the procedures set forth in this section.

b. Amendments to the project plan which provide for additional improvements or services or any change in the method of assessment upon which the project charge is based, or an increase only in the amount to be expended annually for improvements, services, maintenance and operation may be adopted by local law, provided that the city council shall, after a public hearing, determine that it is in the public interest to authorize the additional improvements, services or increase in the maximum annual amount and that the tax and debt limits prescribed in section 25-512 of this chapter will not be exceeded. The city council shall give notice of the hearing by publication of a notice in at least one newspaper having general circulation in the district specifying the time when and the place where the hearing will be held and stating the increase proposed in the maximum amount to be expended annually. This notice shall be published once at least ten days prior to the date specified for the hearing.

c. Amendments to the project plan which provide for the project to incur indebtedness in order to provide for additional improvements or which provide for an increase in the total maximum amount to be expended for improvements in the district, may be adopted by local law, provided that the city council shall, after a public hearing, determine that it is in the public interest to authorize the project to incur indebtedness to provide for additional improvements or to increase the maximum total amount to be expended for improvements in the project area and that the tax and debt limits prescribed in section 25-512 of this chapter will not be exceeded. Notice of the hearing shall be published and mailed in the manner provided in section 25-506 of this chapter. The local law adopted pursuant to this subdivision shall not be effective until

reviewed by the state comptroller in accordance with section 25-508 of this chapter.

§ 25-511 Expense of the project. a. The expense incurred in the construction or operation of any improvement or provision of additional services in a project area pursuant to this chapter shall be financed in accordance with the project plan upon which the establishment or extension of the project was based. Services for which property owners within the boundaries of the project are charged pursuant to the plan must be in addition to or an enhancement of those provided by the city prior to the project's establishment. The expense and cost apportioned to benefited real property in accordance with the plan shall be a charge upon each benefited parcel of real property within the boundaries of the project.

b. The charge upon benefited real property pursuant to this chapter shall be imposed as provided in the project plan. If the formula includes an ad valorem component, this component shall be determined by the assessed value of each parcel as entered on the latest completed assessment roll used by the city for the levy of general city taxes. The charge shall be determined, levied and collected in the same manner, at the same time and by the same officers, as general city taxes are levied and collected.

c. When a project has been established pursuant to this chapter, the city may, for the purpose of providing funds for making capital improvements within the boundaries of such project, issue and sell bonds or other municipal obligations as provided in the local finance law and other applicable laws and statutes. Principal and interest payments on these bonds or other municipal obligations may be made in whole or in part from the proceeds of charges imposed upon benefited real property within the boundaries of the project.

§ 25-512 Tax and debt limitations. a. The aggregate amount of outstanding indebtedness that is incurred to provide funds for capital improvements pursuant to this chapter shall be chargeable against the city's constitutional debt limit and may not exceed ten percent of the amount allowable under that limit. The aggregate amount of outstanding indebtedness that is incurred to provide funds for capital improvements pursuant to this chapter and that is chargeable against the property within the district may not exceed seven percent of the average full valuation of taxable real property in the district.

b. The project charge, exclusive of debt service, levied in a given year against real property in a project area may not exceed twenty percent of the total general city taxes levied in that year against the taxable real property in the project area. The project charge so levied shall be included in the total amount, if any, that the city is permitted by law to raise in that year by a tax on real property.

§ 25-513 Expenditure of project funds. a. The proceeds of any charge imposed pursuant to this chapter shall be held by the comptroller and shall be separately accounted for in the books and records of the city. None of the proceeds collected pursuant to this chapter shall be used for any purposes other than those set forth in the project plan. These funds may be paid out for project purposes in accordance with the general procedures for payment of other city expenditures.

b. All contracts for improvements, goods or services to be provided for the project shall be subject to all applicable provisions of the law relating to the letting of contracts by the city.

§ 25-514 Project management association. a. There shall be a project management association for each project established pursuant to the

provisions of this chapter (which shall pursuant to the not-for-profit corporation law have one or more classes of membership, voting or nonvoting) for the purpose of carrying out such activities as may be prescribed in the plan. Notwithstanding any inconsistent provision of paragraph (e) of section six hundred eleven of the not-for-profit corporation law, the certificate of incorporation or by-laws of such association shall provide for voting representation of owners of property and tenants within the boundaries of the project, and may provide that the votes of members who are property owners be weighted in proportion to the assessment levied or to be levied against the properties within the boundaries of the project, provided that in no case shall the total number of votes assigned to any one such member or to any number of such members under common ownership or control exceed thirty-three and one-third percent of the total number of votes which may be cast.

b. The board of directors of the association shall be composed of representatives of owners and tenants within the boundaries of the project, provided, however, that not less than a majority of its members shall represent owners, and provided further that tenants of commercial space and dwelling units within the boundaries of the project shall also be represented on the board. The board shall include, in addition, four members, one member appointed by each of the following: the mayor, the comptroller, the borough president of the borough in which the project is located and the council member representing the council district in which the proposed project is located, or if the proposed project is located in more than one council district, by the speaker of the city council after consultation with the council members representing the council districts in which the proposed project is located. The additional four members shall serve as the incorporators of the association pursuant to the not-for-profit corporation law. The association may be incorporated prior to the effective date of any project established pursuant to this chapter.

c. In addition to such other powers as are conferred on it by law, the project management association may make recommendations to the city council with respect to any matter involving or relating to the project.

d. For such consideration as it may deem appropriate and consistent with the powers granted pursuant to section 25-504 of this chapter, the city council may license or grant to the project management association the right to undertake or permit commercial activities or other private uses of the streets or other parts of the project area in which the city has any real property interest.

§ 25-515 Dissolution. a. Any project established or extended pursuant to the provisions of this chapter, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the project, may be dissolved by local law of the city council upon its own motion or upon the written petition of (1) the owners of at least fifty-one percent or more of the total assessed valuation of all benefited real property included in the boundaries of the district and (2) at least fifty-one percent of the owners of benefited real property within the area included in the project. The city council shall request and consider the recommendations of the project management association concerning any proposed dissolution; provided that if the association has not submitted recommendations to the city council within sixty days after request therefor, the city council may adopt any such proposed dissolution without considering such recommendations. In the event of dissolution, all assets of the project shall revert to the city.

b. A certified copy of the order of dissolution shall be filed with the state comptroller at Albany, New York.

§ 25-516 Severability. If any provision of any section of this chapter or the application thereof to any person or circumstance shall be adjudged invalid by any court of competent jurisdiction, such order or judgment shall be confined in its operation to the controversy in which it was rendered and shall not affect or invalidate the remainder of any provisions of any section of this chapter or the application of any part thereof to any other person or circumstance and to this end the provisions of each section of this chapter are hereby declared to be severable.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law.