

STATE OF NEW YORK

7528

2025-2026 Regular Sessions

IN ASSEMBLY

April 1, 2025

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 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
23 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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1 life within those municipalities is a most effective method of accom-
2 plishing this goal. In addition, declining home values in these munici-
3 palities discourages home ownership by adversely affecting the ability
4 of families of moderate income to build and/or maintain equity in their
5 homes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (a) Acquisition of property - not limited.

30 (b) Demolition of structures - not limited.

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

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

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

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

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

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

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

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

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

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

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

33 § 2. This act shall take effect immediately.