§ 519. Division of housing as agent of smaller municipalities. For all of the purposes of section one hundred one-b of the housing act of nineteen hundred forty-nine and all federal laws amendatory and supplementary thereto, the division of housing of the state of New York is hereby designated as the local agency established by the state and operating on a state-wide basis in behalf of smaller municipalities undertaking or proposing to undertake a federal program of urban renewal. Designation of the division of housing as such agency shall be subject to approval by resolution or ordinance of the governing body of the municipality in whose behalf the designation is made. The term "smaller municipalities" as used in this section shall be deemed to apply to cities and villages with a population of less than twenty-five thousand and to towns with a population, excluding the incorporated areas thereof, of less than thirty thousand.