§ 557. State capital grants. 1. The commissioner may in the name of the state, (a) in the case of agencies which have contracted with the federal government for a capital grant (or for a loan and grant) make or contract to make, within appropriations therefor, a state capital grant to such agency to assist in carrying out one or more programs of urban renewal;

(b) in the case of agencies which have not made application to or entered into a contract with the federal government for advances, loans or grants with respect to a specific urban renewal project, make or contract to make a state capital grant, within appropriations therefor, to such agency to assist in meeting the cost of surveys and plans for such project and the administrative and other related expenditures to be incurred in undertaking and completing such project.

All contracts for such state capital grants shall be subject to approval by the state comptroller, and by the attorney general as to form. The commissioner may make advances or progress payments on account of any state capital grant contracted to be made pursuant to this section and such advances or payments shall not constitute periodic subsidies.

2. Any such state capital grant shall be in such amount, within appropriations therefor, as the commissioner, in his discretion, may deem necessary to assist the agency in discharging its obligations in connection with the programs for which the grant shall be made; provided, however, that no such grant shall exceed one-half of the net cost of such program to the agency, exclusive of any federal aid or assistance, as such net cost shall be certified by the agency and approved by the commissioner. If the agency has not applied to or entered into a contract with the federal government for advances, loans or grants for a specific project, such grant shall not in any event exceed five hundred thousand dollars ($500,000).

3. No agency shall receive any such state capital grant until (a) the urban renewal plan has been approved by the governing body, (b) the program set forth in such plan has been certified as eligible for federal assistance by the appropriate federal agency, or the governing

body has found that such federal financial assistance is not necessary for the undertaking and successful completion of the program set forth in such plan, and (c) the governing body has attached its approval to the grant contract. The commissioner may make temporary advances to such agency in anticipation of any such grant.

4. Notwithstanding anything contained in this section to the contrary, the commissioner may in the name of the state, within appropriations heretofore or hereafter made for state capital grants to assist in carrying out one or more local urban renewal programs, make or contract to make advances of funds to agencies, in anticipation of any such state capital grant, to assist such agencies in preparing preliminary economic and physical plans for relocation housing, regulated by law or contract as to rents, for persons and families to be displaced by the urban renewal program whose housing needs cannot be met by the unaided operations of private enterprise. Upon completion such plans shall be filed with the commissioner.

No such contract or advance shall be made (a) before an urban renewal area, to whose residents such relocation housing relates, has been designated pursuant to section five hundred four of this article; (b) unless the governing body has certified that the preparation of preliminary plans for such relocation housing is necessary to the making of a finding, pursuant to section five hundred five of this article, as to the existence of a feasible method of relocation; and (c) in excess of the lowest of the following amounts:

(i) the actual cost of preparation of such preliminary plans;

(ii) one-half of one per cent of the estimated construction cost of the proposed relocation housing;

(iii) twenty-five thousand dollars;

and every such advance shall be repaid out of any state capital grant which may become payable to the agency for the undertaking of the urban renewal project involved.

5. Notwithstanding anything contained in this article or article fifteen of this chapter to the contrary, the commissioner may in the name of the state, within appropriations heretofore or hereafter made

for state capital grants to assist in carrying out one or more local urban renewal programs make or contract to make state capital grants to such agencies to assist in financing the cost of the preparation and completion of one or more community renewal programs.

Any such state capital grant shall be in such amount, within appropriations therefor, as the commissioner, in his discretion, may deem necessary to assist the agency in discharging its obligations in connection with the program for which the state grant shall be made; provided, however, that no such state capital grant shall exceed one-half of the cost to the agency of undertaking and completing such program, exclusive of any federal or state aid or assistance therefor, as such cost shall be certified by the agency and approved by the commissioner.

No agency shall receive any such state grant until (a) the community renewal program has been approved by the governing body, (b) the program has been certified as eligible for federal assistance by the appropriate federal agency, and (c) the governing body has attached its approval to the state capital grant contract.

All contracts for such state capital grants shall be subject to approval by the state comptroller, and by the attorney general as to form. The commissioner may make advances or progress payments on account of any such state capital grant contract to be made pursuant to this section.

6. (a) Notwithstanding anything to the contrary contained in this section or elsewhere in this chapter, or in any general, special or local law, except as hereinafter provided, the commissioner may, in the name of the state, include in determining the net cost of an urban renewal project for the purpose of computing the amount of state financial assistance to an agency, those expenditures made by a private voluntary hospital and/or by a private college or private university, within, adjacent to, or in the immediate vicinity of such project which are recognized as non-cash grant-in-aid credits under the provisions of section one hundred twelve of title one of the federal housing act of

nineteen hundred forty-nine, as amended and supplemented; provided, however, that such computation shall not apply to any urban renewal project for which a contract has been executed with the federal government for a capital grant (or for a loan and grant) prior to the first day of July, nineteen hundred sixty-six.

(b) Not more than fifteen per centum of the amount appropriated by the state or otherwise available to the commissioner in any year for urban renewal assistance to municipalities and agencies pursuant to this section and section five hundred ten of this chapter shall be available for the purposes of paragraph (a) of this subdivision.

(c) In no instance shall the amount of state assistance to an agency under this subdivision exceed the net project cost, excluding the amount of the non-cash grant-in-aid credits for expenditures made by a private voluntary hospital and/or by a private college or private university allowed in accordance with the provisions of section one hundred twelve of title I of the federal housing act of nineteen hundred forty-nine as amended and supplemented, less any federal capital grant, or loan and grant, for such project; nor shall the aggregate amount of state assistance for any such urban renewal project, including section one hundred twelve grant-in-aid credits as provided by this subdivision, exceed one-half of the total local grant-in-aid requirements necessary to complete such project.

(d) No such section one hundred twelve non-cash grant-in-aid credits shall be included in determining the net cost of an urban renewal project for the purpose of computing the amount of state financial assistance to an agency unless such expenditures were made in conformity with a plan or undertaking for the clearance, replanning and reconstruction or rehabilitation of a substandard or insanitary area or areas.

(e) Such plan or undertaking, for the clearance, replanning and reconstruction or rehabilitation of a substandard insanitary area adjacent to or in the immediate vicinity of an urban renewal project shall conform to the comprehensive community plan for the development of the community as a whole. Every such plan or undertaking shall be submitted to the commission, if any, for approval. The commission after considering the plan or undertaking may: issue a report of unqualified approval; or issue a report of conditional or qualified approval; or

issue a report disapproving same. The plan or undertaking shall be submitted, together with the report of the commission, to the local legislative body for its approval. If the commission shall have issued a report of unqualified approval, the plan or undertaking may be approved in accordance with the report of the commission by a majority vote of the local legislative body. If the commission shall have issued a report disapproving same, or shall have issued a report of conditional or unqualified approval, or shall have failed to make its report within four weeks of the submission of the plan or undertaking to the commission, the local legislative body may, nevertheless, approve the plan or undertaking but only by a three-fourths vote.