§ 64-k. Peconic Bay region community housing fund. 1. Definitions. As used in this section, the following words and terms shall have the following meanings:

(a) "Peconic Bay region" means the towns of East Hampton, Riverhead, Shelter Island, Southampton, and Southold.

(b) "Community housing" means a primary residential property for an eligible individual that does not exceed one hundred fifty percent of the purchase price limits established by the state of New York mortgage agency low interest rate loan program in non-target categories for Suffolk county in effect on the contract date for the sale of such property.

(c) "Board" means the advisory board created pursuant to subdivision six of this section.

(d) "Fund" means the community housing fund authorized pursuant to subdivision two of this section.

(e) "First-time homebuyer" means an eligible individual who has not owned a primary residential property and is not married to a person who has owned a residential property during the three-year period prior to his or her purchase of the primary residential property, and who does not own a vacation or investment home.

(f) "Primary residential property" means any one or two family house, townhouse, or condominium.

(g) "Eligible individual" means a household with an income that does not exceed one hundred percent of the income limits as established by the state of New York mortgage agency low interest rate loan program in non-target categories for Suffolk county in effect on the contract date for the sale of such property.

2. Fund authorized. The town board of any town in the Peconic Bay region is authorized to establish by local law a community housing fund, pursuant to the provisions of this section. Deposits into the fund may include revenues of the local government from whatever source, including but not limited to: (a) all revenues from the supplemental real estate transfer tax authorized by subdivision two of section fourteen hundred forty-nine-bb of the tax law; (b) all proceeds from any indebtedness or obligations issued pursuant to the local finance law for community housing opportunity purposes as authorized in subdivision three of this

section; (c) general fund balances or surpluses; (d) any proceeds received by the local government from the sale or rental of community housing produced from revenues of the fund; (e) the repayment of any loans issued from proceeds of the fund; (f) any gifts of interests in land or funds; and (g) any state or federal grants received by the town for providing affordable homes.

3. Purposes of the fund. The proceeds of the fund established pursuant to subdivision two of this section shall be utilized for the following purposes:

(a) the provision of financial assistance to first-time homebuyers who are residents of the town for the purchase of a first home. Such financial assistance may be in the form of a grant or a loan.

(1) A town may provide financial assistance for the purchase of a first home to a first-time homebuyer who is a resident of the town or who is employed in the town. A resident of the town shall include a person who is currently a resident of the town or a non-resident who has been a resident within the past five years.

(2) Such financial assistance shall not exceed fifty percent of the purchase price of the home.

(3) If such financial assistance is in the form of a loan, such loan shall be repayable to the town pursuant to the terms agreed to between the recipient and the town, provided that any loan shall be fully repaid by the recipient upon the resale of the home.

(4) For the purposes of calculating town tax liability for such property, only, the dollar amount of any financial assistance for the purchase of a first home made by the town pursuant to this section shall be subtracted from the full equalized assessed value of such property.

(5) All revenues received by the town from the repayment of a loan shall be deposited in the fund.

(6) A town may provide financial assistance for community housing in conjunction with a public/private partnership for employer assisted housing.

(b) the actual production of community housing for sale to eligible individuals by the town;

(c) the actual production of community housing for sale to eligible individuals in conjunction with a public/private partnership, where the

private partner agrees to comply with the profit guidelines of the New York state affordable housing corporation and the provisions of this section;

(d) the actual production and maintenance of community housing for rental to eligible individuals either by the town or the town housing authority; or in conjunction with a public/private partnership, where the private partner agrees to comply with the profit guidelines of the New York state affordable housing corporation and the provisions of this section;

(e) the rehabilitation of existing buildings and structures in the town for the purpose of conversion to community housing for sale or rental to eligible individuals;

(f) the acquisition of interests in real property in existing housing units, which will result in the production of community housing for sale or rental to eligible individuals; and

(g) the provision of housing counseling services by not-for-profit corporations who are authorized by the United States department of housing and urban development to provide such services.

4. Fund management. Interest accrued by monies deposited into the fund shall be credited to the fund. In no event shall monies deposited into the fund be transferred to any other account. Nothing contained in this section shall be construed to prevent the financing in whole or in part, pursuant to the local finance law, of any purpose authorized pursuant to this section. Monies from the fund may be utilized to repay indebtedness or obligations incurred pursuant to the local finance law consistent with effectuating the purposes of this section.

5. Eligible expenses. For the purposes of this section, eligible expenses relating to the production of community housing and the rehabilitation of existing buildings and structures under the fund shall include but not be limited to land acquisition, planning, engineering, construction costs, and other hard and soft costs directly related to the construction, rehabilitation, purchase or rental of housing pursuant to this section. All revenues received by the town from the sale or rental of community homes, or the repayment of loans shall be deposited in the fund.

6. Advisory board established. The town board of any town in the Peconic Bay region which has established a community housing fund pursuant to this section shall create an advisory board to review and make recommendations regarding the town's community housing plan required by subdivision seven of this section. Such board shall consist of not less than seven nor more than fifteen legal residents of the municipality who shall serve without compensation. No member of the local legislative body shall serve on the board. The board shall include a representative of: (a) the construction industry; (b) the real estate industry; (c) the banking industry; and three representatives of local housing advocacy or human services organizations. Where a village or villages, located within the town, have elected to participate in the fund, as provided in subdivision seven of this section, the board shall include at least one resident of a participating village or villages. Where an Indian nation is located within the boundaries of a town, the board shall include at least one member from such nation. The board shall act in an advisory capacity to the town board.

7. Adoption of housing plan. (a) Before a town in the Peconic Bay region may expend any funds pursuant to this section, the town board shall first adopt a town housing plan which establishes an implementation plan for the provision of community housing opportunities by the fund. Said plan shall be adopted by local law. Such plan shall adhere to the following smart growth principles:

(1) Public investment. To account for and minimize social, economic, and environmental costs of new development, including infrastructure costs such as transportation, sewers, and wastewater treatment, water, schools, recreation, and loss of open space and agricultural land;

(2) Development. To encourage development in areas where transportation, water, and sewage infrastructure are available or practical;

(3) Conservation. To protect, preserve, and enhance the state's resources, including agricultural land, forests, surface waters, groundwater, recreation and open space, scenic areas, and significant historic and archeological sites;

(4) Coordination. To promote coordination of state and local

government decisions and cooperation among communities to work toward the most efficient, planned and cost-effective delivery of government services by, among other means, facilitating cooperative agreements among adjacent communities, and to coordinate planning to ensure compatibility of one's community development with development of neighboring communities;

(5) Community design. To strengthen communities through development and redevelopment strategies that include integration of all income and age groups, mixed land uses, and compact development, traditional neighborhood development, planned unit development, open space districts, downtown revitalization, brownfield redevelopment, enhanced beauty in public spaces, and diverse and community housing in close proximity to places of employment, recreation, and commercial development;

(6) Transportation. To provide transportation choices, including increasing public transit and alternative modes of transportation, in order to reduce automobile dependency, traffic congestion, and automobile pollution;

(7) Consistency. To ensure predictability in building and land use codes; and

(8) Community collaboration. To provide for and encourage local governments to develop, through a collaborative community-based effort, smart growth plans that include long term land use and permit predictability and coordination, efficient decision making and planning implementation.

(b) Such plan may include the establishment of a map or maps that delineate the housing implementation recommendations proposed by the town.

(c) Such plan shall be updated at least once every five years.

(d) The town housing plan shall be an element of the town's comprehensive plan.

(e) Such plan shall ensure that all community housing created pursuant to this section remains affordable. Subsequent purchasers of such community housing shall have at the time of purchase, pursuant to the definition "eligible individual", an income that does not exceed one hundred percent of the income limits as established by the state of New York mortgage agency low interest rate loan program in non-target

categories for Suffolk county.

(f) Such plan shall provide for the equitable distribution of community housing opportunities among all the communities of the town. The plan shall ensure that no community has an undue concentration of community housing opportunities that would substantially alter the character of the community. In determining equitable distribution of community housing opportunities, existing community housing opportunities in a community shall be considered.

8. Village participation. (a) The participation of any village in the production of community housing authorized by this section shall be at the option of the village. In order to participate, a village shall pass a resolution opting into the program and shall submit said resolution to the town board.

(b) Where a village opts to participate pursuant to this subdivision, an intergovernmental agreement shall be executed pursuant to article five-G of the general municipal law or other applicable legal authority, in order to establish the rights and responsibilities of each government regarding community housing opportunities.

(c) Regardless of whether a village participates in the program authorized by this section, properties in the village shall be subject to the supplemental real estate transfer tax authorized by subdivision two of section fourteen hundred forty-nine-bb of the tax law.