Chapter 34 Southold Housing Fund

GENERAL REFERENCES

Subdivision of land — See Ch. **240**.
Zoning — See Ch. **280**.

§ 34-1 Purpose.

The Town of Southold Housing Fund, hereinafter referred to as the "Fund", will provide the Town with an additional mechanism to obtain funding and create programs that will increase housing opportunities for families and individuals who cannot procure affordable housing within the Town.

§ 34-2 Findings.

This Fund was created prior to the Community Housing Fund described in Chapter 17, and is being maintained separately due to statutory requirements.

A. The lack of affordable housing creates many adverse effects for the Town. Regional employers grapple with the task of hiring and retaining employees due to the limited availability of affordable housing. Recruiting and retaining essential personnel (police officers, firefighters, teachers, nurses, etc.) has become increasingly a challenge due to the lack of affordable housing. Volunteer emergency services are also impacted by the lack of affordable housing, prompting the possible necessity of replacing volunteer services with paid employees. While the Town has benefited from increased tourism and second homeownership, it must also sustain a population who can afford to live and work in Town. ~~Therefore, preference will be given to candidates of affordable housing engaged in volunteer services as firefighters and/or other first responders, provided that such housing is located within the boundaries of the area served by the firefighter/first responder. As used in this subsection, "firefighter" shall mean a person who is duly certified and trained to engage in firematic services and has performed such services in the County of Suffolk in good standing for the three-year period immediately prior to qualification; "first responder" shall mean a person who is licensed and trained to provide emergency medical services and who has actively provided such services in the County of Suffolk in good standing for the three-year period immediately prior to qualification. Any such firefighter/first responder must maintain good standing at all times to maintain minimal qualifications for such housing status.~~

B. To address this housing shortage, the Town of Southold must create a myriad of housing initiatives that lead to the creation of affordable housing. The talented and vibrant energy that was and is invested in community land preservation must be replicated to create affordable housing for a sizable number of individuals and families who lack the financial means to rent and/or purchase housing within the Town.

C. Efforts in the past to create affordable housing have failed in their ability to keep the housing stock affordable upon resale. Therefore, ~~to promote~~ **the Town requires all community housing be subject to** perpetual affordability. ~~within the Town, all recipients of said housing will be legally bound to sell their properties to the Town's Housing Fund. Resale price formulas for homes purchased from the Fund will be as follows: Homes sold after purchase will realize profits that are the equivalent percentage of the Consumer Price Index (CPI) as compiled by the United States Department of Labor. The percentage will be calculated from the date of sale from the Fund to the date of resale to the Fund. In addition, the Fund will compensate the seller for major capital improvements that ·are approved in advance by the Housing Advisory Commission. Depreciation may be applied to capital improvements.~~

§ 34-3 Definitions.

Terminology in this chapter shall be as defined in Chapter 112 Community Housing Administration. ~~As used in this chapter, the following words and terms shall have the following meanings:~~

~~**FUND**~~ – ~~The Town of Southold Housing Fund authorized pursuant to this chapter.~~

~~**HOUSING**~~ – ~~Housing for households whose incomes are not sufficient, pursuant to banking industry standards, to induce private lenders to finance the costs of acquisition of a home with a value at or less than median value as determined by the Town's assessment rolls, without benefit of subsidies or special financing programs from the Town in the case of owner-occupied housing, or in the case of rental housing, as housing for households whose income is insufficient to pay the monthly costs for such housing and maintain such costs within the required percentages of the household's income based upon banking industry standards.~~

~~**INCOME ELIGIBLE INDIVIDUALS/FAMILIES**~~ – ~~Those individuals/families whose incomes are below the designated percentage of the HUD median income for the County of Suffolk, as determined by the Southold Town Board. In addition, individuals/families seeking grant assistance and loans from other public funding sources may be limited to household incomes less than the HUD median income for the County of Suffolk.~~

~~[Amended 11-20-2018 by L.L. No. 13-2018]~~

~~**TOWN**~~ – ~~The Town of Southold~~.

§ 34-4 Fund established.

A. The Town Board hereby establishes a Housing Fund. Deposits into the Fund may include revenues of the Town from whatever source, including but not limited to:

(1) All revenues from a bond approved pursuant to the local finance law for the purpose of increasing affordable community housing opportunities;
(2) General fund balances, or surpluses, in accordance with the Town's surplus policy;
(3) Any proceeds received by the local government from the sale or rental of community housing produced from revenues of the Fund;
(4) The repayment of any loans issued from proceeds of the Fund;
(5) Any gifts of interests in land or funds;
(6) Any County, state or federal grants received by the Town for providing community housing;
(7) Any future applicable transfer tax which may be enacted subsequent to the enactment of this legislation;
(8) Recaptured funds from previous Town housing initiatives.

B. 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.

C. 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 project or purpose authorized pursuant to this chapter. 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 chapter.

D. No interest or right in real property shall be acquired pursuant to this chapter until a public hearing has been held before the Town Board, and a resolution has been passed approving the acquisition. However, nothing shall prevent the Town Board from entering into a conditional purchase agreement before a public hearing is held.

E. No expenditure shall be made pursuant to this chapter until a public hearing has been held before the Town Board, and a resolution has been passed approving the expenditure.
F. Any acquisition or expenditure made pursuant to this chapter shall include a finding that it is being authorized in furtherance of the goals set forth in this chapter.

§ 34-5 Purposes of fund.

A. The proceeds of the Fund established pursuant to § 34-4 shall be utilized in accordance with law for the following purposes:

(1) The provision of no-interest or low-interest loans to income-eligible individuals or families for the purchase of a first home;
(2) The actual production of community housing for sale and resale to income-eligible individuals or families;

(3) The actual production of community housing for sale to income-eligible individuals or families in conjunction with other public/private partnerships. ~~such as the North Fork Housing Alliance and the Community Land Trust of Southold~~;

(4) The actual production and maintenance of rental housing for rent to income-eligible individuals or families or in conjunction with public/private partnerships who agree with the stated profit guidelines;

(5) The provision of no-interest or low-interest loans to developers for the production of community housing for sale to income-eligible individuals or families for the purchase of a first home or for rent to income-eligible residents.

(6) The rehabilitation of existing buildings and structures in the Town for the purpose of conversion to community housing for sale or rental to income-eligible individuals or families;

(7) The provision of housing counseling services by not-for-profit corporations that are authorized by the U.S. Department of Housing and Urban Development to provide said services;

~~(8) The Fund will ensure the perpetual affordability of housing through determining resale prices of any home purchased through the Fund. This will be accomplished through the following: The Town of Southold reserves the right to require that all housing units purchased through the Fund remain affordable in perpetuity. All properties purchased through the Fund must be sold back to the Fund for resale to income-eligible individuals/families who meet the qualifications of defined priority populations. After purchase, homes may be resold to the Fund to potentially realize a profit. Sale prices will be calculated at the original purchase price (base price) and shall be adjusted by a percentage which is the same as the percentage by which the Consumer Price Index (CPI) increased between the date that the buyer took title to the property and the date that a letter of intent is submitted to the Fund to resell the property. Costs for capital improvements approved by the Fund's regulations may also be compensated. Capital improvements are additions that provide value to the property above and beyond repairs to maintain the property in good condition. The Housing Advisory Commission must approve in advance all capital improvements. The Commission must be given information regarding the scope of work and estimate of capital costs. If capital improvements are approved, the Commission will determine if the capital improvement may be recouped in the event of resale.~~

(9) Housing created using the Fund will remain affordable in perpetuity, pursuant to Town Code Chapter 112 Community Housing Administration.

(10) ~~The Housing Fund will strive to build housing and sell~~ ~~h~~Housing created using the Fund shall ~~that~~ reflect~~s~~ the diverse needs of those seeking affordable housing.~~,~~ ~~that includes household income, bedroom size, etc.~~

B. For the purposes of this chapter, eligible expenses relating to the production of community housing and the rehabilitation of existing housing stock and structures under the Fund shall include, but not be limited to, land acquisition, planning, engineering, construction costs and other hard and soft costs associated with construction, rehabilitation, purchase or rental of housing pursuant to this section.~~, provided that these costs do not exceed 15% of the projected project costs. Litigation expenses may not be covered by this Fund.~~ All revenues received by the Town from the sale or rental of community housing ~~homes~~ created by the Fund, or the repayment of loans originating from this Fund shall be deposited back into this Fund.

§ 34-6 Dissolution of the Housing Advisory Commission ~~established.~~; Role of the Community Housing Advisory Board.

Dissolution of Housing Advisory Commission.

The Housing Advisory Commission previously established by the Town of Southold is hereby dissolved and terminated.

~~A. The Town Board hereby formally establishes a Housing Advisory Commission to review and make recommendations regarding the Town of Southold Housing Fund. This Commission would supplant the efforts of the former Affordable Housing Committee that no longer meets as a working group. This Board will consist of 7 residents of the Town who shall serve without compensation. No member of the Town Board shall serve on the Commission. The Commission shall reflect a diverse membership, with individuals from various geographic locations. In addition, membership will include a broad representation from the community, such as landowners, persons with skill and knowledge about the environment, real estate, banking, building and farming. The Commission may also seek members who were/are recipients of housing assistance.~~

Community Housing Advisory Board.

Southold Town, pursuant to NYS Town Law §64-k and Chapter 17 of the Town Code, established the Community Housing Advisory Board. Upon the effective date of this provision, all functions, responsibilities and duties of the former Housing Advisory Commission, the details of which are determined by the Town Board, shall now be the responsibility of the Community Housing Advisory Board.

~~B. The Government Liaison Officer for affordable housing will assist the Commission with administrative tasks, such as scheduling meetings, transcribing minutes, etc. The Commission should meet at a minimum of once a month. The primary functions of the Commission are to:~~

~~(1) Ensure that an efficient, cost effective and expedient production of affordable housing is created and maintained.~~

~~(2) Serve as a liaison for community members within their respective hamlets/villages regarding affordable housing.~~
~~(3) Identify appropriate sites for the development of affordable housing within respective hamlets/villages.~~
~~(4) Approve capital improvement requests from residents living in housing units.~~
~~(5) Make recommendations to the Town Board relating to affordable housing.~~

~~C. The Housing Advisory Commission shall assist the Town Board in the development of a Housing Implementation Plan. The Housing Implementation Plan is:~~
~~(1) Public investment: to account for and minimize social, economic, cultural and environmental costs of new development, including infrastructure costs and loss of open space and agricultural land.~~
~~(2) Development: to encourage development in areas where infrastructure exists (i.e., parking, public water, etc.), primarily within defined hamlet and halo zones.~~
~~(3) Conservation: to protect, preserve and enhance the Town's natural resources including farmland, forests, surface water, groundwater, recreation and open space.~~
~~(4) Coordination: to promote coordination of state and local governments to facilitate cooperative agreements amongst adjacent communities in the interest of ensuring compatibility of community development.~~
~~(5) Community design: to strengthen communities through the utilization of all income and age groups, mixed land use, compact development, open space districts, planned unit development, and diverse and community housing in close proximity to places of employment, transportation, recreation and commercial development.~~
~~(6) Consistency: to insure predictability in building and land use codes.~~
~~(7) Community collaboration: to encourage a collaborative community-based effort for implementation of community housing that includes long-term land use.~~

~~**D.** Such plan may include the creation of maps that define the Housing Implementation Plan's recommendations proposed by the Town.~~

~~**E.** The plan will not be adopted until after the Town Board has held a public hearing. The plan shall be updated at least every five years. The plan shall be adopted before monies may be expended from the fund.~~

~~**F.** The Housing Implementation Plan shall also assist with guidance in establishing income and other eligibility requirements for community housing, including any eligibility preference that may be given based upon residency or other criteria (e.g., those persons who provide volunteer emergency/life saving services for residents of the Town). The sale and resale of community housing to the general public for other than income eligible priority populations is prohibited.~~