A8386 Cunningham Same as S 7791 GOUNARDES General Municipal Law TITLE....Enacts the faith-based affordable housing act

12/13/23 referred to local governments 01/03/24 referred to local governments

CUNNINGHAM, SIMONE, LEVENBERG, MITAYNES, FORREST, GALLAGHER, SIMON, HEVESI, BORES, SHRESTHA, GONZALEZ-ROJAS, BICHOTTE HERMELYN, MAMDANI, L. ROSENTHAL, LEE, DAVILA, THIELE, CRUZ, ZACCARO, GIBBS, JACKSON, MEEKS, FAHY, KELLES, WEPRIN, RAJKUMAR, DARLING, TAYLOR, CLARK, CHANDLER-WATERMAN, RAGA, DAIS, RAMOS, EICHENSTEIN

Add §96-c, Gen Muni L

Enacts the "faith-based affordable housing act" for development on residential land; defines terms; provides that each village, town, and city shall allow the construction and occupation of residential buildings on any covered site up to the specified densities; provides that all residential buildings constructed pursuant to this section in a town, village, or city with fewer than one million inhabitants shall set aside twenty percent of the residential floor area for households earning an average of eighty percent of area median income; outlines the densities for New York city; makes related provisions.

8386

2023-2024 Regular Sessions

IN ASSEMBLY

December 13, 2023

Introduced by M. of A. CUNNINGHAM -- read once and referred to the Committee on Local Governments

AN ACT to amend the general municipal law, in relation to enacting the "faith-based affordable housing act" and residential development on religious land

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- Section 1. Short title. This act shall be known and may be cited as the "faith-based affordable housing act".
- § 2. The general municipal law is amended by adding a new section 96-c 4 to read as follows:

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- 5 § 96-c. Residential development on religious land. 1. For the purposes 6 of this section, the following terms shall have the following meanings:
- (a) "Covered site" shall mean any parcel of land, or group of one or 8 more contiguous parcels of land, that lies within an urban area as defined by the U.S. Census Bureau but does not lie within a locally 10 designated manufacturing or industrial zoning district, where such parcel or group of one or more contiguous parcels of land is owned solely, directly or indirectly (e.g. via a wholly owned limited liability company) by a religious corporation or corporations as of the effective date of this section.
- (b) "Religious corporation" shall have the same meaning as defined in 16 the religious corporations law and shall also include nonprofit corpo-17 rations that include in their purpose worship or the training or conducting of religious rituals or the reading or study of religious 18 19 texts incorporated under the not-for-profit corporation law or foreign 20 corporations subject to such law.
- 21 (c) "Buildings department" shall mean the city, town, or village 22 department, division, or other agency or office having primary super-23 vision of the construction of buildings and issuance of building 24 permits.

EXPLANATION -- Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD13656-04-3

(d) "Commissioner" shall mean the commissioner of the division of housing and community renewal.

- (e) "Residential building" shall mean any structure used in part or entirely for full-time, non-transient residential occupation that contains at least four residential units; that is connected to community or public water and sewerage systems, including sewage treatment works, upon date of initial occupancy; and in which no more than thirty-five percent of the floor area is devoted to religious or educational use or charitable or community facility use, provided that any existing religious, educational, charitable, or community facility floor area shall not be counted toward such thirty-five percent in the case that the residential building is an addition or an enlargement of an existing building.
- (f) "Affordable unit" shall mean a housing unit affordable to a specific percentage of the applicable area median income, as defined annually by the U.S. Department of Housing and Urban Development. Such units may either be homeownership or rental units.
- 18 <u>(g) "Affordability percentage" shall mean the percentage of a residen-</u>
 19 <u>tial building's gross floor area required to be set aside as affordable</u>
 20 <u>housing.</u>
 - (h) "Affordable floor area" shall mean the amount of a residential building's floor area to be set aside for affordable units.
 - 2. Notwithstanding the provisions of any local law, ordinance, resolution or regulation, each village, town, and city shall allow the construction and occupation of residential buildings on any covered site up to the specified densities provided in this subdivision. Each village, town, and city shall allow such construction and occupation on an as-of-right, ministerial basis, without site plan review. Additionally, this section shall not reduce or disallow development rights or options provided under local zoning laws.
 - (a) On any covered site located within a village, town, or city with fewer than fifty thousand inhabitants, residential buildings shall be allowed up to a height of thirty-five feet or the height of the tallest existing building on the covered site, whichever is taller, and up to a density of thirty residential units per acre or such proportion thereof.
 - (b) On any covered site located within a village, town or city with fifty thousand or more inhabitants but fewer than one million inhabitants, residential buildings shall be allowed up to a height of fiftyfive feet or the height of the tallest existing building on the covered site, whichever is taller, and up to a density of fifty residential units per acre, provided, however, that if the covered site is located in a city with fifty thousand or more inhabitants but fewer than one million inhabitants and within eight hundred feet of a zoning district that permits a height or density for residential use greater than what is otherwise provided for in this paragraph, then such city shall allow residential buildings on the covered site up to the maximum height and density permitted in such zoning district, or allow such residential buildings to utilize any other optional rules or regulations regulating residential bulk and height in such zoning district, provided, however the residential building shall not have to comply with any other regulations provided for in such zoning district other than bulk and height regulations.
- (c) On any covered site located within a city with one million or more
 inhabitants, residential buildings shall be allowed up to a height of
 fifty-five feet or the height of the tallest existing building on the
 covered site, whichever is taller, and a density of a floor area ratio

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of 2.2 square feet, as defined by such city's zoning ordinances, provided, however, that if the covered site is located within eight hundred feet of a zoning district that permits a height or density for residential use greater than what is otherwise provided for in this paragraph, then the city shall allow residential buildings on the covered site up to the maximum height and density permitted in such zoning district, or allow such residential buildings to utilize any other optional rules or regulations regulating residential building shall not have to comply with any other regulations provided for in such zoning district other than bulk and height regulations.

- 3. If a religious corporation disposes of land via sale or lease for development of a residential building pursuant to this section, an officer or key person, as defined in section one hundred two of the not-forprofit corporation law, of such religious corporation who will be involved in such sale or lease on behalf of the religious corporation must have attended and received a certificate of completion of a training course on real estate development and affordable housing. Such training course must include content regarding the development process, timeline and funding sources for affordable and mixed-income housing, the types and selection of vendors and consultants related to such development, a review of the statutory requirements for such sale or lease by a religious corporation and other information relevant to housing development as determined by the commissioner. Pursuant to the process required by section twelve of the religious corporations law and/or section five hundred ten of the not-for-profit corporation law, as applicable, the religious corporation shall submit to the court or to the attorney general a copy of such certificate of completion for such training as a condition of a sale or lease of land for housing development pursuant to this section. Such training may be conducted by any governmental entity, religious corporation, or nonprofit, or any number or combination of the foregoing, approved by the commissioner.
- 4. For buildings constructed pursuant to this section, a village, town, or city may regulate the following, provided the regulation is reasonable and applied equally to all residential developments and shall not impede the full development of the floor area and height provided in subdivision two of this section:
- (a) the construction of sidewalks up to five feet in width and up to five feet of street lawn or road verge along the parcel's street frontage, including up to one street tree per twenty-five feet of frontage, with standards to conform to the standard specifications for construction and materials promulgated by the department of transportation;
- (b) up to twenty feet of rear yard and up to ten feet of side yards at the boundaries of the covered site; and
- 46 (c) appropriate placement of curb cuts for accessory parking or load-47 ing that ensure public safety while also allowing reasonable access to 48 the parcel and the residential building.
- 5. For residential buildings constructed pursuant to this section, a village, town, or city shall not require any development standards or conditions of approval, other than state law, building, and fire codes, or in the case of a city with one million or more inhabitants, local fire and building codes. No village, town, or city shall require the following and any such requirements shall be void:
 - (a) the provision of accessory off-street parking;
 - (b) minimum, maximum, or average unit sizes;

1 (c) the regulation of the number of allowable housing units based on
2 lot size or any other criteria, other than the densities prescribed in
3 subdivision two of this section;

- (d) the prioritization of housing units to residents of certain neighborhoods or jurisdictions;
 - (e) the prioritization of housing units for any age group;
- (f) the imposition of any mandatory affordability requirements or minimum income or asset standards other than what is otherwise provided for in subdivision six of this section;
 - (g) minimum purchase price for any homeownership units;
- (h) the adherence to any local building or fire code beyond the standards specified by the New York State Uniform Fire Prevention and Building Code Act, except in a city with one million or more inhabitants; and
- (i) any other requirement that is determined by a court, pursuant to proceedings brought under subdivision nine of this section, to impede the full development of permissible residential buildings on a covered site.
- 6. (a) Notwithstanding the provisions of any local law, ordinance, resolution or regulation, the building department shall ministerially and without discretionary review or a hearing approve an application for a building permit within sixty days of receipt of an application pursuant to this section.
- (b) A village, town, or city shall not impose any substantial burden on buildings constructed pursuant to this section, as compared with new single-family residential buildings, including the provision of municipal services and utility access.
- (c) Nothing in this section shall be construed to restrict the use or size of buildings permitted by local laws, regulations, or resolutions.
- (d) The approval by the building department shall only take into consideration conformance with this section and applicable state laws and state building, fire, and energy codes. No other local law, policy, regulation, or resolution shall be the basis for the denial of a permit, except in a city of one million or more inhabitants, where adherence to local building and fire codes may be required.
- (e) No payment greater than one quarter dollar per square foot of floor area shall be required in total for building and other permits issued for residential developments constructed pursuant to this section. A town, village, or city shall not charge impact fees, recreation fees, or any other fees beyond the amount provided in this paragraph.
- (f) Notwithstanding article eight of the environmental conservation law and its implementing regulations, no review or study of the environmental impact of the residential building shall be required if it conforms to the provisions of this section, provided the following studies and certifications are completed and submitted to the building department and any state or local agencies as designated by the commissioner: a Phase I Environmental Site Assessment (ESA) pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Chapter 103); soil and water testing consistent with standards promulgated by the commissioner of environmental conservation; and a certification from a qualified environmental professional, where such term shall be defined by the commissioner of environmental conservation pursuant to regulation, that such action, as proposed, will not violate any state wetland laws or drinking water laws under article eleven of the public health law, or any rules or regulations promulgated thereto.

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(g) For the purposes of fees and building permits, for buildings constructed pursuant to this section, a village, town, or city shall not discriminate between rental units and condominium or cooperative units. No permit or additional fee shall be required as a condition for use as a rental apartment building.

- 7. (a) All residential buildings constructed pursuant to this section in a town, village, or city with fewer than one million inhabitants shall set aside twenty percent of the residential floor area for households earning an average of eighty percent of the area median income. In a city with one million or more inhabitants, a residential building shall provide affordable housing by complying with one of the following options:
- (i) the residential building shall set aside twenty-five percent of its residential floor area for households earning an average of sixty percent of the area median income provided that a minimum of five percent of units are affordable to households at forty percent of the area median income;
- (ii) the residential building shall set aside thirty percent of its residential floor area for households earning an average of eighty percent of the area median income; or
- (iii) the residential building shall set aside twenty percent of its residential floor area for households earning an average of forty percent of the area median income.
- (b) The amount of affordable floor area shall be calculated by multiplying gross residential floor area by the percentage of the floor area that must be affordable pursuant to this paragraph. The resulting floor area must be devoted to affordable housing, less the applicable proportion of the building devoted to residential circulation and common space, not to exceed twenty-five percent of the affordable floor area. The number of required affordable units shall be the affordability percentage multiplied by the total number of residential units in the development, with the product rounded to the nearest whole number. To achieve the affordability levels specified in this paragraph, buildings may contain units affordable to a variety of incomes, provided that on average the affordability levels meet the requirements of this paragraph and no affordable unit shall be rented to any household with an income greater than one hundred percent of the area median income.
- (c) A property containing any affordable units must be restricted using a mechanism such as a declaration of restrictive covenants or a regulatory agreement with a local or state agency that shall ensure that the affordable units shall remain subject to affordable regulations for the life of the building. Such covenants shall require that the unit be the primary residence of the household selected to occupy the unit. Upon approval, such declaration or regulatory agreement shall be recorded against the property containing the affordable unit prior to the issuance of a certificate of occupancy for the development.
- (d) The affordable units shall be physically integrated into the design of the development and shall be distributed among various sizes (efficiency, one-, two-, three- and four-bedroom units) in the same proportion as all other units in the development. The minimum gross floor area per affordable unit shall not be less than ninety percent of the average floor area of non-restricted housing units of equivalent size (efficiency, one-, two-, three- and four-bedroom units) in the development. Affordable units shall be distributed evenly among floors.
- 55 <u>(e) The affordable units shall not be distinguishable from other units</u> 56 <u>from the outside or building exteriors. Interior finishes and</u>

furnishings shall be indistinguishable from the other units in the building. Affordable units shall not have a separate entrance or differing access to common amenities. Buildings constructed pursuant to this section may not charge residents of affordable units additional fees for access to common amenities, if such charges would mean that total housing costs for such units would exceed thirty percent of the specified percentage of the area median income.

- (f) For affordable homeownership units, the title to said property shall be restricted so that in the event of any resale by the home buyer or any successor, the resale price shall not exceed an amount affordable to a household at the specified percentage of the area median income.
- 8. Nothing in this section shall be interpreted to override the New York State Uniform Fire Prevention and Building Code Act, the Freshwater Wetlands Act, the public health law, or regulations promulgated in accordance with any such act or law, nor require the alteration or demolition of buildings designated as historical sites or landmarks as of the effective date of this section pursuant to the New York State Historic Preservation Act of 1980, as amended, or the National Historic Preservation Act of 1966, as amended, or the New York City Landmarks Law of 1965, as amended.
- 9. (a) Upon a failure of a local government to timely act upon an application to construct or occupy residences in accordance with this section, or denial of such application in violation of this section, any party aggrieved by any such failure or denial may commence a special proceeding against the subject local government and the officer pursuant to article seventy-eight of the civil practice law and rules, in the supreme court within the judicial district in which the local government or the greater portion of the territory is located, to compel compliance with the provisions of this section.
- (b) If, upon commencement of such proceeding, it shall appear to the court that testimony is necessary for the proper disposition of the matter, the court may take evidence and determine the matter. Alternatively, the court may appoint a hearing officer pursuant to article forty-three of the civil practice law and rules to take such evidence as it may direct and report the same to the court with the hearing officer's findings of fact and conclusions of law, which shall constitute a part of the proceedings upon which the determination of the court shall be made. The court may reverse or affirm, wholly or partly, or may modify any decision brought to the court for review.
- 40 <u>(c) Attorneys' fees and costs shall be allowed against the local</u>
 41 government whose failure or refusal gave rise to the special proceeding
 42 <u>in cases in which the denial of building permits is overturned by the</u>
 43 <u>court.</u>
 - 10. Notwithstanding the provisions of subdivision five of this section, a city, state, or federal housing agency may regulate the design, construction, occupancy, marketing, and leasing of affordable housing developed pursuant to this section when such agency is subsidizing the operations, development, or preservation of the housing and entering into a regulatory agreement with the owner thereof.
 - 11. The division of housing and community renewal, the attorney general, and the department of environmental conservation shall have the authority to promulgate any rules and regulations necessary to implement the provisions of this section. No later than one year from the effective date of this section, the division of housing and community renewal shall promulgate rules and regulations including but not limited to the following:

(a) the percentage of a household's income that may be devoted to housing costs when initially occupying an affordable unit and which expenses shall be included in the calculation of housing costs;

- (b) occupancy standards for affordable units;
- (c) enforcement mechanisms to ensure permanent affordability of affordable units developed pursuant to this section;
- (d) marketing standards for affordable units constructed pursuant to this section, however, notwithstanding the provisions of this section, a city of one million of more inhabitants may regulate the marketing and leasing of such affordable units according to the standard marketing guidelines promulgated by such city's department of housing preservation and development; and
- (e) the content of training that must be received by the religious corporation as a condition of the sale or lease of land for the development of a residential building pursuant to this section.
- 16 12. The division of housing and community renewal shall provide tech17 nical assistance to municipal governments to aid in the adherence to the
 18 provisions of this section and with the applicable revisions to local
 19 land use regulations and plans.
- § 3. This act shall take effect immediately.

NEW YORK STATE ASSEMBLY MEMORANDUM IN SUPPORT OF LEGISLATION submitted in accordance with Assembly Rule III, Sec 1(f)

BILL NUMBER: A8386

SPONSOR: Cunningham

TITLE OF BILL:

An act to amend the general municipal law, in relation to enacting the "faith-based affordable housing act" and residential development on religious land

PURPOSE OR GENERAL IDEA OF BILL:

To allow religious corporations to bypass restrictive zoning barriers in order to build affordable housing on their land

SUMMARY OF PROVISIONS:

Section one of this bill names it the "Faith-Based Affordable Housing Act."

Section two adds a new section 96-c to the General Municipal Law which stipulates that places of worship such as temples, churches, mosques; and synagogues are allowed to bypass local zoning laws that restrict their ability to develop their land, so long as they meet the following requirements:

The organization must be building mixed-income or 100% affordable housing, which can be either rental or coop units. Inside New York City, the building must conform to the City's Mandatory Inclusionary Housing (MIN) affordability standards:

Option 1: 25% of units are set aside for households earning 60% area median income (AMI), with 5% set aside for 40% AMI

Option 2: 30% of units set aside for 80% AMI

Option 3: 20% of units set aside for 40% AM Outside of New York City, where market rate property cannot cross-subsidize as much affordable housing, the building would need to set aside 20% of units for 80% AMI.

The property must be solely owned by the religious organization. The housing must contain at least four units. The construction is primarily residential. New buildings, for example, cannot dedicate more than 35% of floor area to non-residential purposes (such as religious, educational, charitable, or community facility use).

The housing adheres to the following density limits:

- In villages, towns, and cities with fewer than 50,000 inhabitants, 35 feet or the height of another existing building on the lot, if one is taller, and no more than 30 units per acre
- In villages, towns, and cities with more than 50,000 inhabitants but less than one million, 55 feet or or the height of another existing building on the lot, if one is taller, and no more than 50 units per acre. In cities in this category, landowners can also cite a higher density within 800 feet (approximately one block) of the parcel.

- In New York City, 55 feet or the the height of an existing building on the lot, if one is taller, with overall density limited 2.2 floor area ratio (FAR). Landowners can also cite a higher density within 800 feet (approximately one block) of the parcel.

Affordable units must be physically integrated into the design of the development and distributed among various sizes (studio, one-, two-, three-and four-bedroom units) in the same proportion as other units. Affordable units must be distributed evenly among floors and cannot have less than 90% of the floor area of market rate units.

Affordable units should not be distinguishable from market rate units from the building exterior and should have the same interior furnishings. Affordable units should not have a separate entrance to common amenities or charge additional fees for access to common areas.

If a religious organization is selling or leasing land, they must undergo a Division of Housing and Community Renewal (DHCR)-approved training on real estate development, funding sources for affordable housing, types and selection of vendors, and a review of the statutory requirements for such sale or lease Localities can reasonably regulate the construction of sidewalks, rear yards, side yards, and curb cuts for accessory parking or loading so long as it does not impede the full development of the building. They cannot otherwise impose requirements such as the provision of off-street parking, minimum, maximum, or average unit sizes, the prioritization of units to residents of certain neighborhoods, the prioritization of housing units for any age group, minimum purchase prices for coops, the adherence to any local building or fire code beyond the standard, the provision of municipal services or utility access, density or affordability requirements other than what is otherwise prescribed in the bill, or any other requirement deemed by a court to impede the full development of affordable housing on their land. Localities also cannot demand more than \$0.25 per square foot for permits and may not charge other fees.

Building departments shall ministerially and without discretionary review or a hearing approve applications for building permits under the bill within sixty days of an application. Full environmental reviews under the State Environmental Quality Review Act (SEQRA) would not be required so long as the landowner submits the following certifications: that a Phase I Environmental Site Assessment (ESA) has been completed, that soil and water testing has been completed pursuant to Department of Environmental Conservation (DEC) standards, and that a qualified environmental professional attests that the building will not violate state wetland or drinking water laws.

In the event that a coop building is resold, the units must be similarly restricted by the AMI levels set above for new shareholders. The bill does not require the alteration or demolition of any buildings designated as historical sites or landmarks, which would maintain such designation under the bill.

Parties that do not receive a timely processing of their application, or are unfairly denied, have recourse under Article 78 of the Civil Practice Law and Rules. Attorneys fees against a local government who does not prevail in an Article 78 proceeding are permitted. DHCR, the NYS Attorney General, and DEC would promulgate regulations within a year on enforcement mechanisms to ensure permanent affordability, occupancy standards, marketing and leasing standards, and the content of the training that must be undertaken by a religious organization in the event of a sale or lease. DHCR shall provide technical assistance to localities as necessary.

Section three of the bill sets the effective date.

JUSTIFICATION:

New York State faces a dire housing affordability crisis, leading to nation-leading homelessness rates and median rents and coop prices that

are out of reach for the majority of low- and middle-income renters and shareholders. In August 2023, the average monthly rent for an apartment in New York City jumped to a record-high- \$5,600 - despite the fact that, according to the city's most recent Housing and Vacancy Survey, the median renter household in NYC makes only \$50,000 a year. A recent study from the Regional Plan Association shows that the state needs to build 817,000 more homes over the next decade just to meet expected population and job growth - yet restrictive and outdated zoning rules in municipalities across the state stand in our way.

Following the recent precedent of other states who have enacted as-of-right development laws for religious organizations, such as Washington and California, this bill recognizes the unique role that houses of worship play as pillars of the communities they serve. In addition to acting as spiritual and emotional havens for their congregations, houses of worship frequently take on the role of food pantry, job training center, clothing distribution center, direct aid provider, and safe haven for adults and families experiencing homelessness. They produce economic halo effects, creating on average over \$140,000 of value per year through the contribution of volunteer time, space at below market rates, and cash and in-kind donations to community-serving programs. Four out of five individuals who visit a house of worship are beneficiaries of the organization's programming rather than members, and houses of worship attract millions of visitors a year while raising the property values of those around them.

Yet, despite the many benefits they provide, religious organizations often find themselves in precarious financial positions due to the expensive upkeep of their historic properties. They are land-rich but cash-poor, often subsisting off of fixed or slow-growing income supports while their expenses rise. When they seek to redevelop their property with affordable housing, providing a sorely needed public good while shoring up revenue, they run into zoning barriers that prevent them from doing so.

This bill, the Faith-Based Affordable Housing Act, would dramatically accelerate the timeline on which affordable housing on religious property can be built while reducing bureaucratic hurdles. It allows houses of worship such as temples, synagogues, mosques, and churches to bypass local zoning rules so long as they are building affordable housing that complies with reasonable density standards (generally 30 units per acre for small municipalities with less than 50,000 people, 50 units per acre for localities with more than 50,000 people, and 2.2 FAR for New York City). Localities would not be able to impose burdensome regulations on affordable developments such as the provision of off-street parking or adherence to new building codes that render such development impractical or prohibitively expensive to pursue. Building departments would ministerially review applications, and congregations would be able to bypass full environmental impact assessments required under SEQRA in favor of simpler certifications more appropriately curtailed to the size and scope of the development.

This bill represents a thoughtful approach to our state's housing crisis by allowing those organizations which have always served as pillars of their community to provide the public good of affordable housing. It provides a means through which religious organizations can realize the full value of their land, ensuring that they are able to retain their properties for years to come while respecting the local context and history of the neighborhoods they serve. In creating a simpler, more streamlined approach to building permitting for churches with parking lots and other land that is not zoned for residential use, New York will be helping maintain some of our most celebrated community nexuses while creating badly needed affordable housing.

PRIOR LEGISLATIVE HISTORY:

FISCAL IMPLICATION:

None

EFFECTIVE DATE:

Immediate