

## TOWN OF NORTH CASTLE

### Local Law No. 16 For the Year 2008 (Adopted September 10, 2008)

#### **A local law to amend Section 213-22I(6)[1](b)[c] of the Town Code to provide additional regulation regarding fixed improvements within Town-regulated Middle Income Units (MIUs)**

**Section 1.** Replace Section 213-22I(6)[1](b)[c] with the following text:

[c] The value of any eligible fixed improvements, as permitted below, and not included with Subsection I(6)(b)[1][a] or [b] above:

Eligible Fixed Improvements for Homeowners of Middle Income Units.

- [i] In order to qualify as an Eligible Fixed Improvement, each expenditure shall be approved conditionally in advance by the Town Housing Board.
- [ii] The Homeowner shall submit in advance to the Town Housing Board detailed plans for each proposed Eligible Fixed Improvement and an itemization of the expected costs.
- [iii] The Town Housing Board shall review the proposal and conditionally approve Eligible Fixed Improvements within thirty (30) days or shall indicate the reasons denying the proposal.
- [iv] If an item wears out prior to the determined life expectancy as indicated in Section 213-22I(6)[1](b)[c][xi], approval from the Town Housing Board shall be obtained prior to the replacement of the item. Within thirty (30) days after review of the Fixed Improvement request the Town Housing Board shall notify the Homeowner in writing whether or not the proposed expenditure is approved conditionally as an Eligible Fixed Improvement.
- [v] Within sixty (60) days after a proposed Eligible Fixed Improvement has been completed, the Homeowner shall apply for final approval by the Town Housing Board for the Eligible Fixed Improvement. Complete documentation demonstrating all costs of the improvement shall be submitted to the satisfaction of the Housing Board and include the following information:
  - [a] Written request for fixed improvement credit
  - [b] Itemized original receipt or original bill of sale, complete with the sellers name, address, phone number and cancelled check.
- [vi] Within sixty (60) days after the review of the Fixed Improvement request the Town Housing Board shall notify the Homeowner in writing about the eligibility of the Fixed Improvement credit.

- [vii] If bartered goods or services were included in the cost, the Homeowner shall submit an independent valuation of the value of those goods or services to the satisfaction of the Town Housing Board. If labor of the Homeowner, the Homeowners spouse, children or parents for construction work is included within the cost, a detailed account of the work and time spent on the work shall be submitted along with two current estimates of the value of that work by at least two construction contractors licensed by Westchester County to the satisfaction of the Town Housing Board.
- [viii] The Town shall have the right to inspect the Property at times that are mutually convenient to the Town and the Homeowner to confirm that the Eligible Fixed Improvements have been completed in a workmanlike manner and the reasonable value of the improvement. If the Town, in its reasonable discretion, is unsatisfied with the documentation provided by the Homeowner, it may base its determination of the value of the Improvements upon an estimation provided by an objective third party professional.
- [ix] At the conclusion of this process the Town Housing Board shall send a written statement of determination regarding the Fixed Improvement status to the Homeowner.
- [x] Eligible Fixed Improvements shall not exceed a total of 0.5% of the original purchase price for the first complete calendar year during which the Homeowner possessed the Property if the homeowner purchased the property after **September 10, 2008**. Thereafter, the yearly limit shall be 1.0% of the original purchase price for each subsequent year of homeownership. The Owner may include within the limit for Eligible Capital Improvements an amount up to the total produced by adding together all of the yearly limits for each completed calendar year during which the Owner has owned the Property.

For properties purchased prior to **September 10, 2008**, Fixed Improvements authorized pursuant to Section 213-22I(6)[1](b)[c][xiv] shall be permitted. All other fixed improvements shall not exceed a total of 0.5% of the original purchase price for the first complete calendar year after **September 10, 2008**. Thereafter, the yearly limit shall be 1.0% of the original purchase price for each subsequent year of homeownership. The Owner may include within the limit for Eligible Capital Improvements an amount up to the total produced by adding together all of the yearly limits for each completed calendar year subsequent to **September 10, 2008**.

- [xi] Improvements eligible for fixed improvement credit are those items which:
  - [a] Add habitable rooms
  - [b] Significantly reduce energy consumption
  - [c] Replace old and deteriorated building components, such as the roof or furnace
  - [d] Renovate a kitchen or bathroom to address health and safety issues

- [xii] The following improvements are normally considered to be of a fixed nature and may be added to the resale price (when they were not included in the original purchase price). The standard life expectancy is indicated in parenthesis:
- [a] Home Owners Association Costs - Home Owners Association (HOA) dues are not an eligible fixed improvement, however, eligible repairs or improvements made by the HOA to the housing unit may be eligible for fixed improvement credit. If the Home Owners Association pays for an improvement, such as a worn out roof over the Middle Income Unit, the total cost of the project may be prorated to determine the cost attributable to the roof over the Middle Income Unit. A receipt, with a written request shall be submitted, as explained in Section 213-221(6)(1)(b)(c)(v), for review and approval.
  - [b] Room additions, completion of unfinished areas into living areas
  - [c] Insulation
  - [d] Upgraded replacement of single-pane and failed thermo-pane windows (15 years)
  - [e] Modifications needed to accommodate a person with a disability
  - [f] Central air conditioning (20 years)
  - [g] Ceiling fan
  - [h] Kitchen Appliances (10 years)
  - [i] Permanent storage sheds
  - [j] Replacement of worn bathroom vanities, built-in cabinets (20 years)
  - [k] Replacement of worn kitchen cabinets, built-in permanent cabinets (20 years)
  - [l] Repair of existing patios, porches and decks (20 years)
  - [m] Replacement of worn floor coverings (10 years)
  - [n] Siding replacement (20 years)
  - [o] Roof replacement (20 years)
  - [p] Furnace replacement (20 years)
  - [q] Water heaters (10 years)
- [xiii] Improvements considered to be non-fixed or cosmetic are not eligible. Additionally, luxury and high-end items chosen over standard grades will not be

eligible for fixed improvement credits as determined by the Town Housing Board.

[xiv] In order for an MIU owner to receive credit for any fixed improvement installed prior to **September 10, 2008**, the following items shall apply:

[a] Written request for fixed improvement credit shall be submitted by **October 31, 2008**.

[b] Itemized original receipt or original bill of sale, complete with the seller's name, address, phone number and cancelled check. If bartered goods or services were included in the cost, the Homeowner shall submit an independent valuation of the value of those goods or services to the satisfaction of the Town Housing Board. If labor of the Homeowner, the Homeowner's spouse, children or parents for construction work is included within the cost, a detailed account of the work and time spent on the work shall be submitted along with two current estimates of the value of that work by at least two construction contractors licensed by Westchester County to the satisfaction of the Town Housing Board.

[c] The Town shall have the right to inspect the Property at times that are mutually convenient to the Town and the Homeowner to confirm that the Eligible Fixed Improvements have been completed in a workmanlike manner and the reasonable value of the improvement. If the Town, in its reasonable discretion, is unsatisfied with the documentation provided by the Homeowner, it may base its determination of the value of the Improvements upon an estimation provided by an objective third party professional.

[d] At the conclusion of this process the Town Housing Board shall send a written statement of determination regarding the Fixed Improvement status to the Homeowner.

**Section 2.** Revise Section 213-22I(6)(a) of the Town Code to state:

(a) Rental. Applicants for middle-income rental units referred to in this section shall, if eligible and if selected for occupancy by the owner or manager of the development, sign leases for a term of no more than two years. As long as a resident remains eligible and has complied with the terms of the lease, said resident shall be offered a two-year renewal of the lease. If a resident's annual gross income should subsequently exceed by more than 20% the maximum then allowable, as defined in § 213-3 of this chapter and if there is at that time an otherwise eligible applicant within one of the categories in Subsection I(5) above, said resident may complete his current lease term and shall be offered a non-middle-income rental unit available in the development at the termination of such lease term, if available. If no such dwelling unit shall be available at said time, the resident may be allowed to sign one additional one-year lease for the middle-income dwelling unit he occupies but shall not be offered a renewal of the lease beyond the expiration of said term. An MIU owner shall provide the Housing Board with a letter stating the owner's intent to make an MIU unit available for re-rental. Upon receipt of the letter, the Housing Board shall make an appointment to inspect the unit prior to the unit being advertised for rent. The purpose of the inspection shall be to evaluate and document the condition of

the unit. In the event an MIU is not habitable or not in resale condition, the Housing Board reserves the right to require the MIU owner to make any necessary repairs.

**Section 3.** Add a new Section 213-22I(6)(b)[3] to the Town Code:

- [3] An MIU owner shall provide the Housing Board with a letter stating the owner's intent to make an MIU unit available for resale. Upon receipt of the letter, the Housing Board shall make an appointment to inspect the unit prior to the unit being advertised for sale. The purpose of the inspection shall be to evaluate and document the condition of the unit. In the event an MIU is not habitable or not in resale condition, the Housing Board reserves the right to reduce the unit's selling price.

**Section 4.** Revise Section 213-22I(4)(b) of the Town Code to state the following:

- (b) Sales. The maximum gross sales price for a middle-income unit shall not exceed two times the maximum aggregate family income for a middle-income family as defined in § 213-3 of this chapter for the maximum size of family eligible for such unit as set forth in Subsection I(3) above. In addition, a 1% inflation rate per year of ownership (not compounded) may be added to original purchase price contingent upon the owner(s) demonstrating to the Housing Board that the MIU has been maintained in excellent condition. Application of the annual percentage increase shall be subject to the discretion of the Housing Board based solely upon the condition of the MIU.

**Section 5.** Conflicting Standards.

Where the requirements of this Local Law impose a different restriction or requirement than imposed by other sections of the Code of the Town of North Castle, the Town Law of the State of New York or other applicable rules or regulations, the requirements of this Local Law shall prevail.

**Section 6.** Severability.

The invalidity of any word, section, clause, paragraph, sentence, part or provision of this local law shall not affect the validity of any other part of this local law that can be given effect without such invalid part or parts.

**Section 7.** Effective Date.

This Local Law shall take effect immediately upon its adoption and filing with the Secretary of State.

Dated: September 10, 2008