

STATE OF NEW YORK

5362

2025-2026 Regular Sessions

IN ASSEMBLY

February 13, 2025

Introduced by M. of A. HYNDMAN -- read once and referred to the Committee on Cities

AN ACT to amend the administrative code of the city of New York, in relation to establishing city community improvement projects

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

Section 1. Title 25 of the administrative code of the city of New York is amended by adding a new chapter 5-A to read as follows:

CHAPTER 5-A

CITY COMMUNITY IMPROVEMENT PROJECTS

§ 25-501 Authorization for the establishment of city community improvement projects. Pursuant to the provisions of this chapter, community improvement projects shall be established and extended as hereinafter provided.

§ 25-502 Definitions. As used in this chapter:

a. "Average full valuation of taxable real property" means the valuation obtained by taking the assessed valuation of taxable real property in the boundaries of the project as it appears upon the last completed and four preceding assessment rolls of the city and dividing each by the applicable state equalization rate as determined by the state board of equalization and assessment pursuant to article twelve of the real property tax law for each of the assessment rolls and dividing the sum of the quotients thus obtained by five.

b. "Project" means a community improvement project established pursuant to this chapter.

c. "Project charge" means a levy imposed on behalf of a project as provided in the project plan.

d. "Project management association" means the association established pursuant to section 25-514 of this chapter.

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

LBD08394-01-5

1 e. "Project plan" or "plan" means a proposal as defined in section
2 25-505 of this chapter.

3 f. "Owner" means homeowner of record.

4 g. "Tenant" means an occupant pursuant to a lease of a dwelling unit,
5 other than an owner.

6 § 25-503 Contents of the project plan. The project plan shall contain
7 the following:

8 a. a map of the project;

9 b. the written report or reports of the city council containing:

10 (1) a description of the boundaries of the project proposed for estab-
11 lishment or extension in a manner sufficient to identify the lands
12 included;

13 (2) a description of the present and proposed uses of such lands;

14 (3) the improvements proposed and the maximum cost thereof;

15 (4) the total annual amount proposed to be expended for improvements,
16 maintenance and operation;

17 (5) the proposed source or sources of financing;

18 (6) the proposed time for implementation and completion of the project
19 plan;

20 (7) any proposed rules and regulations to be applicable to the
21 project;

22 (8) a list of the properties to be benefited, and a statement of the
23 method or methods by which the expenses of a project will be imposed
24 upon benefited real property, in proportion to the benefit received by
25 such property, to defray the cost thereof, including operation and main-
26 tenance. Notwithstanding any inconsistent provision of section 25-507 of
27 this chapter, the plan may provide that all or any class or category of
28 real property which is exempt by law from real property taxation and
29 which would not benefit from the establishment or extension of the
30 project may nevertheless be included within the boundaries of the
31 project, but such property shall not be subject to any project charge;

32 (9) a statement identifying the project management association for the
33 project; and

34 (10) any other item or matter required to be incorporated therein by
35 the city council.

36 § 25-504 Powers of the city council. Upon establishment of a project
37 pursuant to the provisions of this chapter, the city council shall have
38 authority to exercise the following powers with respect to such project,
39 subject to the provisions of this chapter:

40 a. To provide for community improvements located on or within municipi-
41 pally or community owned or leased property within the boundaries of the
42 project, including but not limited to:

43 (1) closing, opening, widening, narrowing, or repair of existing
44 shared driveways;

45 (2) retrofits or repair of private sewers; and

46 (3) rehabilitation or removal of existing structures or infrastructure
47 as required;

48 b. To provide for the operation and maintenance of any community
49 improvement; and

50 c. To provide for additional maintenance or other additional services
51 required for the enjoyment and protection of the property and the
52 enhancement of the community, whether or not in conjunction with
53 improvements authorized by this section, including but not limited to:

54 (1) enhanced sanitation services; and

55 (2) services to enhance the security of persons and property within
56 the boundaries of the project.

1 § 25-505 Project plan. a. The mayor may provide for the preparation of
2 a project plan upon the written petition, signed and acknowledged, of:

3 (1) the owners of at least fifty-one percent of the assessed valuation
4 of all the taxable real property within the boundaries of the project
5 proposed for establishment or extension, as shown upon the latest
6 completed assessment roll of the city; and

7 (2) at least fifty-one percent of the owners of real property within
8 the area included in the project proposed for establishment or exten-
9 sion.

10 b. The establishment or extension of a project shall be based upon the
11 project plan filed in the office of the city clerk, except as provided
12 in subdivision c of this section.

13 c. The project plan shall first be submitted to the city planning
14 commission which shall forward a copy within five days to the city coun-
15 cil and to the council member or members representing the council
16 district or districts in which the proposed project is located, to the
17 community board or boards for the community district or districts in
18 which the proposed project is located, and to the respective borough
19 board and borough president, if the plan involves properties located in
20 two or more community districts. Each community board shall notify the
21 public of the proposed plan in accordance with the requirements estab-
22 lished by the city planning commission, and may conduct a public hearing
23 and submit a written recommendation to the city planning commission not
24 later than thirty days after receipt of the plan. The city planning
25 commission shall review the plan and recommendations, and, after a
26 public hearing, prepare a report. The city planning commission shall
27 submit its report to the mayor, to the affected borough president, to
28 the city council and to the council member or members representing the
29 council district or districts in which the proposed district is located,
30 together with copies of any recommendation of a community board, within
31 sixty days from the date of expiration of the community board's period
32 for reviewing the plan and submitting recommendations. This report shall
33 certify the city planning commission's unqualified approval, disapproval
34 or qualified approval with recommendations for modifications of the
35 district plan. A copy of this report together with the original project
36 plan shall be transmitted for filing with the city clerk. In the event
37 the city planning commission shall fail to submit its report within
38 ninety-five days of receipt of the original project plan, it shall be
39 required to immediately transmit the original plan to the city clerk for
40 filing and no report of the city planning commission shall be necessary.

41 d. All project plans shall conform with the requirements of this chap-
42 ter. The mayor may determine that the plan or any part of the plan,
43 shall be prepared by, or under the supervision of city officers and
44 employees to be designated by the mayor, or by persons or firms to be
45 employed for that purpose. Except as otherwise provided in this chapter,
46 the expense incurred for the preparation of the plan or part of the plan
47 shall be a city charge.

48 e. If the city shall thereafter establish or extend the project or
49 provide the improvements or additional services or contract for the
50 required services, the expense incurred by the city for the preparation
51 of the plan or any part of the plan shall be deemed to be part of the
52 cost of the improvement, or the rendering of additional services, and
53 the city shall be reimbursed in the amount paid, or the portion of that
54 amount which the city council, at a public hearing held pursuant to this
55 chapter, shall allocate against the project.

1 § 25-506 Notice and hearing. a. After the filing of the project plan
2 in the office of the city clerk, the city council may adopt a resolution
3 and shall enter the same in the minutes of its proceedings. This resol-
4 ution shall contain a copy of the project plan, any report of the city
5 planning commission or board, the fact that a project plan is on file in
6 the city clerk's office for public inspection and the time when and the
7 place where the city council will meet and hold a public hearing to hear
8 all persons interested in the subject thereof.

9 b. The resolution shall also contain a statement that any owner of
10 real property, deemed benefited and therefore within the boundaries of
11 the project, objecting to the plan must file an objection at the office
12 of the city clerk within thirty days of the conclusion of the hearing on
13 forms made available by the clerk, and, further, that if (1) owners of
14 at least fifty-one percent of the assessed valuation of all the benefit-
15 ed real property situated within the boundaries of the project proposed
16 for establishment or extension, as shown upon the latest completed
17 assessment roll of the city, or (2) at least fifty-one percent of the
18 owners of benefited real property within the area included in the
19 project proposed for establishment or extension, so file their
20 objections, the project will not be established or extended.

21 c. The city council shall cause a copy of the resolution or a summary
22 thereof to be published at least once in the city record or a newspaper
23 in general circulation in the city, the first publication to be not less
24 than ten nor more than thirty days before the day set for the hearing
25 required by this section. In addition, not less than ten nor more than
26 thirty days before the date set for the hearing, the city council shall
27 cause a copy of the resolution or a summary thereof to be mailed to each
28 owner of real property within the boundaries of the proposed project at
29 the address shown on the latest city assessment roll, to such other
30 persons as are registered with the city to receive tax bills concerning
31 real property within the boundaries of the proposed project, and to the
32 tenants of each building within the boundaries of the proposed project.
33 If the city council publishes or mails a summary of the resolution, such
34 summary shall include the business address of the city clerk, a state-
35 ment that copies of the resolution shall be made available free of
36 charge to the public, the improvements proposed and the maximum cost
37 thereof, the total annual amount proposed to be expended for improve-
38 ments, maintenance and operation, and a statement indicating the rights
39 of owners to object pursuant to subdivision b of this section.

40 d. The resolution may further state the place, other than the city
41 clerk's office, where the project plan may be inspected in advance of
42 the hearing, if the city council determines that, in the public inter-
43 est, any additional place of inspection is necessary or desirable.

44 § 25-507 Establishment or extension of the project. a. Not earlier
45 than thirty days after the conclusion of the last day of the public
46 hearing held pursuant to section 25-506 of this chapter, the city coun-
47 cil shall determine:

48 (1) whether the notice of hearing for all hearings required to be held
49 was published and mailed as required by law and is otherwise sufficient;

50 (2) except as otherwise provided in section 25-503 of this chapter,
51 whether all the real property within the boundaries of the proposed
52 project or extension will benefit from the establishment or extension of
53 the project;

54 (3) whether all the real property benefited is included within the
55 limits of the proposed project or extension; and

1 (4) whether the establishment or extension of the project is in the
2 public interest.

3 b. (1) If the city council shall determine the question of paragraph
4 four of subdivision a of this section in the negative, or if the requi-
5 site number of owners shall have filed their objections as provided in
6 section 25-506 of this chapter, the city council shall adopt a resol-
7 ution disapproving the establishment or extension of the project, stat-
8 ing the reasons for its determination and enter the same in the minutes
9 of its proceedings. Thereafter no plan for the establishment or exten-
10 sion of a project to include any part of the property proposed to be
11 included in the disapproved project may be prepared as provided in
12 section 25-505 of this chapter until the expiration of at least one year
13 from the date of disapproval.

14 (2) If the city council shall find that notice was incorrectly or
15 insufficiently given or that, except as otherwise provided in section
16 25-506 of this chapter, any part or portion of the real property within
17 the boundaries of the proposed project or extension is not benefited
18 thereby or that certain property benefited thereby has not been included
19 therein, it shall call a further hearing at a definite place and time
20 not less than ten nor more than thirty days after this determination. In
21 the resolution calling such hearing, it shall specify the necessary
22 changes, if any, to the boundaries of the proposed project or extension
23 to be made in order that, except as otherwise provided in section 25-503
24 of this chapter, all of the real property and only that real property as
25 is deemed benefited shall be included within the boundaries of the
26 proposed project or extension. Such a further hearing shall also be
27 required in the event that the city council proposes to amend the
28 project plan to reduce improvements or services or provide additional
29 improvements or services not included in the original plan prior to the
30 establishment of the project. Notice of the further hearing shall be
31 published and mailed in the manner provided in section 25-506 of this
32 chapter, except that, where boundaries are to be altered, this notice
33 shall also specify the manner in which it is proposed to alter the boun-
34 daries of the proposed project or extension. The further hearing shall
35 be conducted in the same manner as the original hearing.

36 c. If and when the city council shall determine in the affirmative all
37 of the questions set forth in subdivision a of this section, and
38 provided that the requisite number of owners shall not have objected as
39 provided in section 25-506 of this chapter, it may adopt a local law
40 approving the establishment or extension of the project as the bounda-
41 ries shall be finally determined and the construction of the improvement
42 or providing of the service in the project area. Such local law shall
43 become effective only upon compliance with section 25-508 of this chap-
44 ter.

45 d. Upon the recommendation of the project management association and
46 after a public hearing, the city council may adopt a local law at any
47 time prior to or after the establishment of a project to change the
48 method of assessment as set forth in the plan. Notice of such public
49 hearing and a description of the proposed change shall be given in the
50 manner set forth in section 25-506 of this chapter.

51 § 25-508 Review by the state comptroller. a. The state comptroller
52 shall review as provided in this section: (1) the establishment or
53 extension of a project; and (2) the amendment of a project plan pursuant
54 to subdivision c of section 25-510 of this chapter.

55 b. Within twenty days after the adoption of a local law by the city
56 council pursuant to section 25-507 or subdivision c of section 25-510 of

1 this chapter, the mayor shall forward the following information to the
2 state comptroller at Albany, New York:

3 (1) an itemized statement of the then outstanding indebtedness of the
4 city for all purposes, as evidenced by bonds, bond anticipation notes,
5 capital notes, deferred payment notes and budget notes; the amount of
6 budgetary appropriations for the payment of any outstanding indebt-
7 edness, whether or not appropriations have been realized as cash; the
8 amount of indebtedness proposed to be contracted for the improvement,
9 and the amounts, purposes and probable date of issuance of any bonds,
10 bond anticipation notes, capital notes, deferred payment notes and budg-
11 et notes which the city has authorized to be issued but which in fact
12 have not been issued to date;

13 (2) a statement of the total assessed valuation of the taxable real
14 property situated in the proposed project or extension of a project, as
15 shown on the latest completed and four preceding assessment rolls of the
16 city and of the amount of city real property taxes levied against such
17 property in the preceding fiscal year;

18 (3) a statement of the average full valuation of the taxable real
19 property of the city determined in accordance with the provisions of
20 paragraph seven-a of section 2.00 of the local finance law; and

21 (4) a statement, the form of which shall be determined by the state
22 comptroller, attesting that the provisions of this chapter have been
23 met, signed and verified by the mayor.

24 c. The state comptroller shall review the information submitted pursu-
25 ant to paragraphs one, two and three of subdivision b of this section to
26 determine that the tax and debt limitations provided in section 25-512
27 of this chapter will not be exceeded by the establishment or extension
28 of the project.

29 d. The state comptroller shall notify the city of such state comp-
30 troller's determination within sixty days of the receipt of the items
31 specified in subdivision b of this section. Unless the state comptroller
32 determines within such time that the tax and debt limitations provided
33 in section 25-512 of this chapter will be exceeded by the establishment
34 or extension of the project or that the statement required by paragraph
35 four of subdivision b of this section does not comply with the
36 provisions of such paragraph, the city may proceed with the establish-
37 ment or extension of the project upon receipt of the notice from the
38 state comptroller of such state comptroller's determination.

39 e. Upon the city's compliance with any other requirements established
40 by law, the local law adopted pursuant to section 25-507 of this chapter
41 shall become effective.

42 § 25-509 Publication; filing; judicial review. a. The city clerk shall
43 cause a certified copy of the local law adopted pursuant to the
44 provisions of this chapter establishing or extending any project, or
45 increasing the maximum total amount proposed to be expended for the
46 improvement in any project or extension, or changing the method of
47 assessment, or authorizing the project to incur debt to provide for
48 additional improvements or services within the boundaries of the
49 project, to be duly recorded in the city clerk's office within ten days
50 after such local law becomes effective. When so recorded this local law
51 shall be presumptive evidence of the regularity of the proceedings for
52 the establishment or extension of the project, of the proceedings insti-
53 tuted for the construction of any improvement and of all other actions
54 taken in relation to it.

55 b. Within ten days after the local law becomes effective, the city
56 clerk shall, in addition to any other filing required by law, cause a

1 certified copy thereof to be filed in the office of the state comp-
2 troller at Albany, New York, and within two weeks thereafter shall cause
3 a copy of the local law or a summary thereof to be published at least
4 once in the city record or a newspaper of general circulation in the
5 city.

6 c. This local law shall be final and conclusive unless a proceeding to
7 review is commenced in accordance with this subdivision. Any person
8 aggrieved by any local law adopted pursuant to this chapter may seek
9 judicial review of the local law in the manner provided by article
10 seventy-eight of the civil practice law and rules, provided the proceed-
11 ing is commenced within thirty days from the date of the publication of
12 the copy or summary of the local law pursuant to subdivision b of this
13 section. No review shall be had unless the petitioner shall give an
14 undertaking approved by the supreme court, or a justice thereof, as to
15 form, amount and sufficiency of sureties, that, in the event of failure
16 to modify the local law, such petitioner will pay to the city all costs
17 and expenses as are incurred by it on account of the proceedings, as
18 shall be determined by the court. In the event that upon this review
19 there shall be any modification by the court of the local law, the court
20 shall direct the modification by judgment which shall be final and
21 conclusive, and the city clerk shall cause the judgment to be recorded
22 and filed in the same places and manner as was the local law which was
23 modified.

24 § 25-510 Amendments to the project plan. a. At any time after the
25 establishment or extension of a project pursuant to the provisions of
26 this chapter, the project plan upon which the establishment or extension
27 was based, may, upon the recommendation of the project management asso-
28 ciation, be amended by the city council after compliance with the proce-
29 dures set forth in this section.

30 b. Amendments to the project plan which provide for additional
31 improvements or services or any change in the method of assessment upon
32 which the project charge is based, or an increase only in the amount to
33 be expended annually for improvements, services, maintenance and opera-
34 tion may be adopted by local law, provided that the city council shall,
35 after a public hearing, determine that it is in the public interest to
36 authorize the additional improvements, services or increase in the maxi-
37 mum annual amount and that the tax and debt limits prescribed in section
38 25-512 of this chapter will not be exceeded. The city council shall give
39 notice of the hearing by publication of a notice in at least one newspa-
40 per having general circulation in the district specifying the time when
41 and the place where the hearing will be held and stating the increase
42 proposed in the maximum amount to be expended annually. This notice
43 shall be published once at least ten days prior to the date specified
44 for the hearing.

45 c. Amendments to the project plan which provide for the project to
46 incur indebtedness in order to provide for additional improvements or
47 which provide for an increase in the total maximum amount to be expended
48 for improvements in the district, may be adopted by local law, provided
49 that the city council shall, after a public hearing, determine that it
50 is in the public interest to authorize the project to incur indebtedness
51 to provide for additional improvements or to increase the maximum total
52 amount to be expended for improvements in the project area and that the
53 tax and debt limits prescribed in section 25-512 of this chapter will
54 not be exceeded. Notice of the hearing shall be published and mailed in
55 the manner provided in section 25-506 of this chapter. The local law
56 adopted pursuant to this subdivision shall not be effective until

1 reviewed by the state comptroller in accordance with section 25-508 of
2 this chapter.

3 § 25-511 Expense of the project. a. The expense incurred in the
4 construction or operation of any improvement or provision of additional
5 services in a project area pursuant to this chapter shall be financed in
6 accordance with the project plan upon which the establishment or exten-
7 sion of the project was based. Services for which property owners within
8 the boundaries of the project are charged pursuant to the plan must be
9 in addition to or an enhancement of those provided by the city prior to
10 the project's establishment. The expense and cost apportioned to bene-
11 fited real property in accordance with the plan shall be a charge upon
12 each benefited parcel of real property within the boundaries of the
13 project.

14 b. The charge upon benefited real property pursuant to this chapter
15 shall be imposed as provided in the project plan. If the formula
16 includes an ad valorem component, this component shall be determined by
17 the assessed value of each parcel as entered on the latest completed
18 assessment roll used by the city for the levy of general city taxes. The
19 charge shall be determined, levied and collected in the same manner, at
20 the same time and by the same officers, as general city taxes are levied
21 and collected.

22 c. When a project has been established pursuant to this chapter, the
23 city may, for the purpose of providing funds for making capital improve-
24 ments within the boundaries of such project, issue and sell bonds or
25 other municipal obligations as provided in the local finance law and
26 other applicable laws and statutes. Principal and interest payments on
27 these bonds or other municipal obligations may be made in whole or in
28 part from the proceeds of charges imposed upon benefited real property
29 within the boundaries of the project.

30 § 25-512 Tax and debt limitations. a. The aggregate amount of
31 outstanding indebtedness that is incurred to provide funds for capital
32 improvements pursuant to this chapter shall be chargeable against the
33 city's constitutional debt limit and may not exceed ten percent of the
34 amount allowable under that limit. The aggregate amount of outstanding
35 indebtedness that is incurred to provide funds for capital improvements
36 pursuant to this chapter and that is chargeable against the property
37 within the district may not exceed seven percent of the average full
38 valuation of taxable real property in the district.

39 b. The project charge, exclusive of debt service, levied in a given
40 year against real property in a project area may not exceed twenty
41 percent of the total general city taxes levied in that year against the
42 taxable real property in the project area. The project charge so levied
43 shall be included in the total amount, if any, that the city is permit-
44 ted by law to raise in that year by a tax on real property.

45 § 25-513 Expenditure of project funds. a. The proceeds of any charge
46 imposed pursuant to this chapter shall be held by the comptroller and
47 shall be separately accounted for in the books and records of the city.
48 None of the proceeds collected pursuant to this chapter shall be used
49 for any purposes other than those set forth in the project plan. These
50 funds may be paid out for project purposes in accordance with the gener-
51 al procedures for payment of other city expenditures.

52 b. All contracts for improvements, goods or services to be provided
53 for the project shall be subject to all applicable provisions of the law
54 relating to the letting of contracts by the city.

55 § 25-514 Project management association. a. There shall be a project
56 management association for each project established pursuant to the

1 provisions of this chapter (which shall pursuant to the not-for-profit
2 corporation law have one or more classes of membership, voting or
3 nonvoting) for the purpose of carrying out such activities as may be
4 prescribed in the plan. Notwithstanding any inconsistent provision of
5 paragraph (e) of section six hundred eleven of the not-for-profit corpo-
6 ration law, the certificate of incorporation or by-laws of such associ-
7 ation shall provide for voting representation of owners of property and
8 tenants within the boundaries of the project, and may provide that the
9 votes of members who are property owners be weighted in proportion to
10 the assessment levied or to be levied against the properties within the
11 boundaries of the project, provided that in no case shall the total
12 number of votes assigned to any one such member or to any number of such
13 members under common ownership or control exceed thirty-three and one-
14 third percent of the total number of votes which may be cast.

15 b. The board of directors of the association shall be composed of
16 representatives of owners and tenants within the boundaries of the
17 project, provided, however, that not less than a majority of its members
18 shall represent owners, and provided further that tenants of commercial
19 space and dwelling units within the boundaries of the project shall also
20 be represented on the board. The board shall include, in addition, four
21 members, one member appointed by each of the following: the mayor, the
22 comptroller, the borough president of the borough in which the project
23 is located and the council member representing the council district in
24 which the proposed project is located, or if the proposed project is
25 located in more than one council district, by the speaker of the city
26 council after consultation with the council members representing the
27 council districts in which the proposed project is located. The addi-
28 tional four members shall serve as the incorporators of the association
29 pursuant to the not-for-profit corporation law. The association may be
30 incorporated prior to the effective date of any project established
31 pursuant to this chapter.

32 c. In addition to such other powers as are conferred on it by law, the
33 project management association may make recommendations to the city
34 council with respect to any matter involving or relating to the project.

35 d. For such consideration as it may deem appropriate and consistent
36 with the powers granted pursuant to section 25-504 of this chapter, the
37 city council may license or grant to the project management association
38 the right to undertake or permit commercial activities or other private
39 uses of the streets or other parts of the project area in which the city
40 has any real property interest.

41 § 25-515 Dissolution. a. Any project established or extended pursuant
42 to the provisions of this chapter, where there is no indebtedness,
43 outstanding and unpaid, incurred to accomplish any of the purposes of
44 the project, may be dissolved by local law of the city council upon its
45 own motion or upon the written petition of (1) the owners of at least
46 fifty-one percent or more of the total assessed valuation of all bene-
47 fited real property included in the boundaries of the district and (2)
48 at least fifty-one percent of the owners of benefited real property
49 within the area included in the project. The city council shall request
50 and consider the recommendations of the project management association
51 concerning any proposed dissolution; provided that if the association
52 has not submitted recommendations to the city council within sixty days
53 after request therefor, the city council may adopt any such proposed
54 dissolution without considering such recommendations. In the event of
55 dissolution, all assets of the project shall revert to the city.

1 b. A certified copy of the order of dissolution shall be filed with
2 the state comptroller at Albany, New York.

3 § 25-516 Severability. If any provision of any section of this chapter
4 or the application thereof to any person or circumstance shall be
5 adjudged invalid by any court of competent jurisdiction, such order or
6 judgment shall be confined in its operation to the controversy in which
7 it was rendered and shall not affect or invalidate the remainder of any
8 provisions of any section of this chapter or the application of any part
9 thereof to any other person or circumstance and to this end the
10 provisions of each section of this chapter are hereby declared to be
11 severable.

12 § 2. This act shall take effect on the ninetieth day after it shall
13 have become a law.