

1242

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I N S E N A T E

(PREFILED)

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Introduced by Sens. PERKINS, BRESLIN, DIAZ, DILAN, HASSELL-THOMPSON, KRUEGER, MONTGOMERY, PARKER, SERRANO, SMITH -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT in relation to enacting the housing New York program act for the twenty-first century and to amend the private housing finance law, in relation to the housing New York corporation

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The housing New York program act for the twenty-first
2 century is hereby enacted to read as follows:

3 HOUSING NEW YORK PROGRAM ACT FOR THE TWENTY-FIRST CENTURY

4 Section 1. Short title.
5 2. Legislative findings and purpose.
6 3. Definitions.
7 4. Housing New York program for the twenty-first century.
8 5. Minimization of displacement.
9 6. Affordability.
10 7. Rent regulation.
11 8. Standards and criteria.
12 9. Allocation of program funds.
13 10. Income determinations.
14 11. Maintenance of effort.
15 12. Contracts.
16 13. Reports.
17 14. Act not to supersede other requirements.
18 15. Severability.

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

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1 Section 1. Short title. This act shall be known and may be cited as
2 the "housing New York program act for the twenty-first century".

3 S 2. Legislative findings and purpose. It is hereby found and declared
4 that there exists in the city of New York a seriously inadequate supply
5 of safe, sanitary and affordable dwelling accommodations for persons and
6 families for whom the ordinary operations of private enterprise cannot
7 provide such accommodations as provided herein and that such shortage is
8 progressively more severe to the degree that the incomes of such persons
9 are lower; that there exists in such city a significant number of one to
10 two unit and multiple dwellings which are deteriorated or vacant; that
11 the existence of such conditions creates a serious threat to the health,
12 safety, welfare, comfort and security of the people of the state and
13 further depletes the supply of safe, sanitary and affordable dwelling
14 accommodations; and that substantial commitments of funds will be
15 required to alleviate the present shortage of safe, sanitary and afford-
16 able dwelling accommodations for persons and families of low and moder-
17 ate income.

18 The legislature further finds that: (1) in order to assure that funds,
19 which are now or may in the future become available from public sources
20 for the provision of dwelling accommodations, are used to benefit
21 persons of low and moderate income, who face the most serious shortage
22 of safe, sanitary and affordable housing; (2) in order to assure that
23 such funds are otherwise used in the most beneficial manner; and (3) in
24 order to provide new funds for such purposes through the Battery Park
25 city authority and the subsidiary corporation of the New York city hous-
26 ing development corporation pursuant to this act, the housing New York
27 program act for the twenty-first century should be established by the
28 legislature.

29 S 3. Definitions. As used in this act, unless a different meaning
30 clearly appears from the context:

31 1. "City" shall mean (a) the city of New York, (b) its agencies and
32 instrumentalities (other than the housing New York corporation), and (c)
33 except for the purposes of section twelve of this act, the New York city
34 housing development corporation;

35 2. "Housing New York corporation" shall mean the subsidiary corpo-
36 ration of the New York city housing development corporation created by
37 section 654-c of the private housing finance law;

38 3. "Housing New York program for the twenty-first century" shall mean
39 the housing New York program for the twenty-first century established
40 pursuant to section four of this act;

41 4. "Housing program funds" shall mean those moneys described in subdi-
42 vision one of section four of this act;

43 5. "Dwelling accommodations" shall mean one or more residential dwell-
44 ing units, which are located in buildings or structures eligible for
45 assistance under the programs and activities set forth in subdivision
46 two of section four of this act;

47 6. "Median income for the area in which dwelling accommodations are
48 located" shall mean median income calculated in accordance with the
49 regulations of the United States department of housing and urban devel-
50 opment governing eligibility for occupancy as a lower income family by a
51 family of four in the metropolitan statistical area which includes the
52 city of New York for purposes of section eight of the United States
53 housing act of nineteen hundred thirty-seven, as such act is amended to
54 the date of enactment of this act;

55 7. "Minority-owned business enterprise" shall mean a business enter-
56 prise, including a sole proprietorship, partnership or corporation that

1 is: (a) at least fifty-one percent owned by one or more minority group
2 members; (b) an enterprise in which such minority ownership is real,
3 substantial and continuing; (c) an enterprise in which such minority
4 ownership has and exercises the authority to control independently the
5 day-to-day business decisions of the enterprise; and (d) an enterprise
6 authorized to do business in this state and independently owned and
7 operated;

8 8. "Minority group member" shall mean a United States citizen or
9 permanent resident alien who is and can demonstrate membership in one of
10 the following groups: (a) Black persons having origins in any of the
11 Black African racial groups; (b) Hispanic persons of Mexican, Puerto
12 Rican, Dominican, Cuban, Central or South American of either Indian or
13 Hispanic origin, regardless of race; (c) Native American or Alaskan
14 native persons having origins in any of the original peoples of North
15 America; and (d) Asian and Pacific Islander persons having origins in
16 any of the Far East countries, South East Asia, the Indian subcontinent
17 or the Pacific Islands; and

18 9. "Utilization plan" shall mean a plan prepared by a contractor and
19 submitted in connection with a proposed state contract. The utilization
20 plan shall identify certified minority-owned or women-owned business
21 enterprises, if known, that have committed to perform work in connection
22 with the proposed state contract as well as any such enterprises, if
23 known, which the contractor intends to use in connection with the
24 contractor's performance of the proposed state contract. The plan shall
25 specifically contain a list, including the name, address and telephone
26 number, of each certified enterprise with which the contractor intends
27 to subcontract.

28 S 4. Housing New York program for the twenty-first century. 1. There
29 is hereby established a program to be known as the "housing New York
30 program for the twenty-first century" pursuant to which the city of New
31 York, its agencies and instrumentalities (other than the housing New
32 York corporation) and the New York city housing development corporation
33 shall acquire, rehabilitate, construct, enlarge, improve and renovate
34 dwelling accommodations and provide assistance in order to have such
35 activities performed, subject to the terms and conditions of this act.
36 Such program shall be financed with the total amount of funds which are
37 made available from the following sources during the twenty year period
38 commencing July first, next succeeding the date on which this act shall
39 have taken effect:

40 (a) moneys provided to the city by the housing New York corporation
41 pursuant to section 654-c of the private housing finance law; and

42 (b) moneys committed to the housing New York program for the twenty-
43 first century by the city.

44 2. Housing program funds shall only be utilized in programs and activ-
45 ities of the city for the provision of dwelling accommodations, and the
46 real and personal property acquired, owned, constructed, equipped,
47 improved, enlarged, rehabilitated or renovated to provide such accommo-
48 dations and incidental and appurtenant commercial, social, recreational
49 or communal facilities, which programs and activities may include those
50 under articles 8, 8-A, 11 and 15 of the private housing finance law and
51 those programs and activities designed to:

52 (a) preserve, repair, renovate, upgrade, improve, modernize, rehabili-
53 tate or otherwise prolong the useful life of dwelling accommodations;

54 (b) construct dwelling accommodations and undertake site preparation
55 related thereto;

(c) restore abandoned, vacant or occupied city or privately-owned dwelling accommodations to habitable condition;

(d) assist in the acquisition of buildings which contain or are expected to contain dwelling accommodations;

(e) facilitate the disposition of city-owned buildings which contain or are expected to contain dwelling accommodations; and

(f) provide infrastructure improvements related to and undertaken as part of programs and activities for owner-occupied buildings which contain no more than four dwelling accommodations; provided, however, that no more than ten percent of the amount of housing program funds shall be utilized for the purposes of this paragraph.

The city is hereby authorized to carry out, by loans or otherwise, programs and activities designed to achieve the purposes described in paragraphs (a) through (f) of this subdivision, all in accordance with any applicable provisions of law.

3. All expenditures by the city of housing program funds shall be appropriated by the city council of the city of New York.

S 5. Minimization of displacement. Within nine months following the effective date of this act, the city shall issue and promulgate, in accordance with the New York city charter, rules and regulations which describe the procedures pursuant to which the city shall meet the following goals:

1. The city shall use its best efforts to ensure that programs and activities carried out pursuant to the housing New York program for the twenty-first century are structured so as to minimize the likelihood of any involuntary physical or economic displacement of tenants and owners who reside in dwelling accommodations which are the subject of such programs and activities other than temporarily, as a direct result of rehabilitation work which is performed in such tenant's or owner's building or dwelling accommodations, in which case suitable temporary relocation arrangements shall be provided.

2. In assembling sites for new construction projects which will utilize housing program funds, and undertaking any demolition work necessary to prepare such sites, the city shall avoid the displacement of any existing tenants and owners of structurally sound dwelling accommodations to the greatest extent feasible and in addition, give a priority in occupying the project constructed with housing program funds to any tenant or owner so displaced, if they are income eligible to do so.

3. The city shall keep a record of all tenants and owners who are involuntarily physically displaced by virtue of rehabilitation work carried out with housing program funds or work necessary to prepare new construction sites which utilize housing program funds and take reasonable steps to determine the number of tenants economically displaced by virtue of such work.

Nothing contained in this section shall be deemed to make less restrictive any inconsistent requirement of state or local law or regulation which provides protections against involuntary displacement of occupants of housing accommodations.

S 6. Affordability. In structuring programs and activities pursuant to the housing New York program for the twenty-first century, the city shall take reasonable steps to assure that dwelling accommodations assisted by housing program funds remain affordable to the income groups occupying such accommodations for a substantially long period of time, such periods to be determined by the city in accordance with section eight of this act.

1 S 7. Rent regulation. Notwithstanding the provisions of, or any regu-
2 lation promulgated pursuant to, the rent stabilization law of nineteen
3 hundred sixty-nine or the emergency tenant protection act of nineteen
4 seventy-four, in the case of a dwelling accommodation in a multiple
5 dwelling operated as rental property, which benefits from housing
6 program funds, if: (1) such dwelling accommodation at the time
7 construction or rehabilitation work carried out with housing program
8 funds is completed, is not subject to the rent stabilization law of
9 nineteen hundred sixty-nine, the emergency tenant protection act of
10 nineteen seventy-four, the local emergency housing rent control act or
11 local law enacted pursuant thereto, or regulation by the city such
12 dwelling accommodation shall be made subject to the rent stabilization
13 law of nineteen hundred sixty-nine by the provisions of this section for
14 a period which shall be determined by the city and thereafter until the
15 first vacancy which occurs in such dwelling accommodation, or (2) such
16 dwelling accommodation is subject to any of the laws, acts or regu-
17 lations described in subdivision one of this section at the time
18 construction or rehabilitation work carried out with housing program
19 funds is completed, such dwelling accommodation shall continue to be
20 subject to such laws, acts or regulations to the same extent, in the
21 same manner and for the same period of time provided in any statute
22 which provides coverage for such housing accommodation under such laws,
23 acts or regulations and shall not be affected by the provisions of this
24 section for the duration of such coverage, provided, however, that the
25 city may provide that upon the termination of coverage of such housing
26 accommodations under any of the laws, acts or regulations described in
27 subdivision one of this section such housing accommodations shall be
28 subject to the rent stabilization law of nineteen hundred sixty-nine for
29 a period which shall be determined by the city and thereafter until the
30 first vacancy which occurs in such housing accommodation. The provisions
31 of this act shall not be deemed to provide rent regulation pursuant to
32 the rent stabilization law of nineteen hundred sixty-nine for any period
33 of time subsequent to the expiration or termination of such law.

34 S 8. Standards and criteria. 1. In determining how long a period of
35 time the city will seek to retain dwelling accommodations as affordable
36 to the income groups occupying them, pursuant to section six of this
37 act, and, where applicable, how long a period of time such dwelling
38 accommodations shall be subject to the rent stabilization law of nine-
39 teen hundred sixty-nine, pursuant to section seven of this act, the city
40 shall be bound by any minimum period required by any federal, state or
41 local law, and shall also take into consideration the term of any loan
42 provided to benefit the housing accommodation through such program or
43 activity. The city may also consider the cost and useful life of the
44 works or improvements provided for the dwelling accommodation, the city
45 program or activity through which the dwelling accommodation is
46 assisted, the category of income of the occupants of such dwelling
47 accommodation and the area or areas in which such dwelling accommodation
48 is located. The city shall issue and promulgate, in accordance with the
49 New York city charter, rules and regulations which outline the criteria
50 and procedures it shall use to meet the requirements of this section.

51 2. Notwithstanding the provisions of subdivision one of this section,
52 in the event housing program funds are provided to the New York city
53 housing development corporation in connection with any loan made by such
54 corporation pursuant to subdivision 23-c of section 654 of the private
55 housing finance law to finance the construction of dwelling accommo-
56 dations: (a) the period of time such dwelling accommodations shall be

1 subject to the rent stabilization law of nineteen hundred sixty-nine
2 shall be a minimum of fifteen years, or such longer period as may be
3 provided in any law other than this act, and thereafter each such dwell-
4 ing accommodation shall remain subject to such law until the first
5 vacancy which occurs in such accommodation subsequent to the expiration
6 of such period; and (b) with regard to newly constructed dwelling accom-
7 modations financed by such corporation which are intended to benefit
8 persons and families whose incomes do not exceed eighty percent of the
9 median income for the area in which such dwelling accommodations are
10 located, for a period of fifteen years persons and families who move
11 into such dwelling accommodations shall have incomes which do not exceed
12 eighty percent of such median income and such dwelling accommodations
13 shall remain affordable to such persons and families for a minimum peri-
14 od of fifteen years.

15 S 9. Allocation of program funds. At least forty percent of the funds
16 committed to the housing New York program for the twenty-first century
17 shall be utilized to supply dwelling accommodations for persons and
18 families whose incomes do not exceed fifty-five percent of the median
19 income for the area in which such dwelling accommodations are located
20 and in addition, no more than twenty-five percent of such funds may be
21 utilized to supply dwelling accommodations for persons and families
22 whose incomes exceed ninety percent of such median income, but in no
23 event shall any housing program funds be utilized to provide dwelling
24 accommodations for persons and families whose incomes are greater than
25 one hundred seventy-five percent of the median income for the area in
26 which such dwelling accommodations are located. In addition, the city
27 shall use its best efforts to achieve by the end of each consecutive
28 five-year period during which the housing New York program remains in
29 effect beginning with a five-year period commencing July first, next
30 succeeding the date on which this act shall have taken effect, the allo-
31 cation of housing program funds described in the preceding sentence of
32 this section.

33 S 10. Income determinations. In determining which income groups are
34 being served by housing program funds for the purposes of section nine
35 of this act, the city shall utilize and may rely on the following
36 certifications, assumptions and calculations:

37 1. In the case of vacant dwelling accommodations assisted with housing
38 program funds or dwelling accommodations newly constructed with housing
39 program funds, the city shall require that the owners thereof: (a)
40 certify that each intended occupant has submitted an income affidavit,
41 in a form prescribed by the city, (b) certify the category of income in
42 which the occupant belongs, and (c) continue to certify compliance with
43 respect to the income eligibility of new tenants or purchasers for the
44 period of affordability established for such dwelling accommodation
45 pursuant to section eight of this act. The city shall periodically audit
46 selected certifications provided pursuant to this section to determine
47 the accuracy of the representations contained therein.

48 2. In the case of other dwelling accommodations assisted with housing
49 program funds: (a) occupied dwelling accommodations owned by the city,
50 dwelling accommodations occupied by persons and families transferred
51 from emergency shelters for the homeless and dwelling accommodations
52 occupied by persons and families eligible for or receiving public
53 assistance as shall be deemed to be occupied by persons and families
54 whose incomes do not exceed fifty-five percent of median income; and (b)
55 occupied dwelling accommodations not owned by the city and located in an
56 area eligible for mortgage insurance provided by the rehabilitation

1 mortgage insurance corporation which have annual rent levels after the
2 completion of rehabilitation work carried out pursuant to this act, of
3 less than thirty percent of ninety percent of median income shall be
4 deemed to be occupied by persons and families whose incomes are in
5 excess of fifty-five percent of median income and equal to or less than
6 ninety percent of median income.

7 3. In the case where (a) an entire building or structure is assisted
8 under the housing New York program for the twenty-first century; (b)
9 such building or structure contains more than one dwelling accommo-
10 dation; and (c) the categories of income of the occupants of such build-
11 ing or structure are not uniform throughout, the city shall determine
12 the amount of housing program funds which benefit each particular dwell-
13 ing accommodation by dividing the amount of such funds provided to bene-
14 fit the building or structure by the number of rental rooms in such
15 building or structure and multiplying the quotient derived therefrom by
16 the number of rental rooms for each particular dwelling accommodation.

17 S 11. Maintenance of effort. The city shall not use any housing
18 program funds to substitute for locally funded operating or capital
19 expenditures which the city would have allocated to programs to provide
20 dwelling accommodations through its normal budgetary process in the
21 absence of the housing New York program for the twenty-first century.
22 All housing program funds shall be utilized by the city to increase
23 locally funded operating or capital expenditures to provide dwelling
24 accommodations to a level which is greater than the level which would
25 have existed if housing program funds had not been available. Nothing in
26 this section shall require the city to allocate funds for housing
27 purposes if in the city's judgment such allocation would require an
28 increase in taxation or reduction in other city services.

29 S 12. Contracts. In connection with development and construction
30 contracts for dwelling accommodations funded with housing program funds,
31 minority-owned and women-owned business enterprises and minority group
32 members and women shall be given the opportunity for meaningful partic-
33 ipation. The city shall establish measures and procedures to secure
34 meaningful participation by minority-owned and women-owned business
35 enterprises on contracts for dwelling accommodations funded with housing
36 program funds, including requiring submission of a utilization plan by
37 the contractor. Such measures and procedures shall also promote the
38 employment of minority group members and women on such contracts. The
39 provisions of this section shall not be construed to limit the ability
40 of any minority-owned or women-owned business enterprise to bid on any
41 contract. In order to implement the requirements and objectives of this
42 section in connection with such dwellings accommodations, the city shall
43 be responsible for monitoring compliance with the provisions hereof,
44 providing advice on the availability of competitive qualified minority-
45 owned and women-owned business enterprises to perform contracts proposed
46 to be awarded, and making recommendations to improve the access of
47 minority-owned and women-owned business enterprises to these contracts.
48 On or before April first, two years after this act shall have taken
49 effect, and on or before the end of each three month period thereafter
50 during which housing program funds are expended by the city, the city
51 shall prepare and make available to the public a report detailing the
52 measures and procedures established by the city in accordance with this
53 section, the dollar value of all contracts awarded to such enterprises
54 and employees and the number of such enterprises and employees which
55 benefit from such contracts.

1 S 13. Reports. On or before January thirty-first, next succeeding the
2 date on which this act shall have taken effect and on or before January
3 thirty-first of every calendar year thereafter during which housing
4 program funds are expended by the city, the city shall submit a report
5 to the governor, the temporary president of the senate, the speaker of
6 the assembly, the minority leader of the senate and the minority leader
7 of the assembly. Such report shall:

8 1. Describe the housing New York program for the twenty-first century
9 activities carried out during the prior calendar year and the housing
10 New York program for the twenty-first century activities which the city
11 plans to carry out during the upcoming calendar year. Such report shall
12 include, but not be limited to:

13 (a) (i) a description of the specific rehabilitation and construction
14 work undertaken and anticipated to be undertaken pursuant to the program
15 including the addresses of all buildings assisted, and for each such
16 building: the type of rehabilitation or construction work performed, the
17 status of such work as of the date the report is prepared, the eligibil-
18 ity and program criteria utilized therefor and the city agency or
19 instrumentality responsible for the administration and disbursement of
20 housing program funds; and (ii) for the previous year, the number of
21 units and the amount of funds utilized to provide such units in each
22 such building or structure which are occupied by each of the categories
23 of income described in paragraph (d) of this subdivision and the methods
24 and calculations used pursuant to section ten of this act to determine
25 such categories of income;

26 (b) a breakdown of the amount of program funds obligated and disbursed
27 and anticipated to be obligated and disbursed to add new units to the
28 city's housing stock, either by substantial rehabilitation or new
29 construction and the number of units so added or anticipated to be
30 added, and the amount obligated and disbursed and anticipated to be
31 obligated and disbursed to rehabilitate existing occupied units and the
32 number of such units;

33 (c) the source and amount of total funds available for the housing New
34 York program for the twenty-first century and the amount of such funds
35 obligated and disbursed and anticipated to be obligated and disbursed
36 during the previous calendar year and the upcoming calendar year;

37 (d) the number of units, and the amount of housing program funds used
38 to assist those units, and, as a subcategory, the number of units and
39 the amount of housing program funds used to assist those units which
40 funds have been received by the city from the housing New York corpo-
41 ration pursuant to section 654-c of the private housing finance law, for
42 units which have been and are expected to be occupied by persons and
43 families whose incomes do not exceed fifty-five percent of the median
44 income, for persons and families whose incomes exceed fifty-five percent
45 but do not exceed ninety percent of median income and for persons and
46 families whose incomes exceed ninety percent but do not exceed one
47 hundred seventy-five percent of median income and the methods and calcu-
48 lations which the city has used pursuant to section ten of this act in
49 determining that these units have been or are expected to be occupied by
50 such persons; and

51 (e) a description of how the city has fulfilled the requirements of
52 section eleven of this act. Such description shall include, but not be
53 limited to:

54 (i) a statement of the aggregate amount of locally funded operating
55 and capital expenditures the city utilized to provide dwelling accommo-
56 dations, including, but not limited to, housing program funds, during

1 the previous and present city fiscal years and the sources of such
2 funds;

3 (ii) the aggregate amount, or an estimate of such amount, whichever
4 the case may be, of locally funded operating and capital expenditures
5 which were or would have been utilized to provide dwelling accommo-
6 dations in the previous and present fiscal years in the absence of hous-
7 ing program funds and the percentage change in such amount between the
8 previous and present fiscal year; and

9 (iii) in the event the aggregate amount of locally funded expenditures
10 on housing (exclusive of housing program funds) appropriated in the
11 expense and capital budgets as adopted in accordance with the charter of
12 the city of New York is less than the aggregate amount of locally funded
13 expenditures on housing (exclusive of housing program funds) appropri-
14 ated in the expense and capital budgets as adopted in accordance with
15 the charter of the city of New York for the previous fiscal year, the
16 report shall set forth the reasons for such decline;

17 (f) a listing, pursuant to the requirements of section five of this
18 act, of all those cases where tenants and owners have been involuntarily
19 displaced from their homes by virtue of rehabilitation work carried out
20 with housing program funds, or demolition work undertaken in order to
21 construct buildings with housing program funds, and a statement, in each
22 case as to why such displacement was necessary; and

23 (g) a summary, prepared on an annual basis of the reports which the
24 city is required to make available to the public pursuant to section
25 twelve of this act.

26 2. Such report shall also include the percentage of total housing
27 program funds which have been utilized, up to the date of preparation of
28 the report, to provide dwelling accommodations to persons and families
29 in each of the categories of income described in paragraph (d) of subdivi-
30 sion one of this section and, if such percentages differ from that
31 required by section nine of this act, a description of how the city
32 plans to meet the requirements of such section.

33 3. On or before July first, two years after this act shall have taken
34 effect, and on or before the termination of each three year period ther-
35 eafter during which housing program funds are expended by the city, the
36 city shall submit, to the governor, the temporary president of the
37 senate, the speaker of the assembly, the minority leader of the senate
38 and the minority leader of the assembly a projected plan for how the
39 total amount of housing program funds will be spent over the life of the
40 housing New York program for the twenty-first century. Such plan shall
41 include, but not be limited to, all of the information, to the extent
42 known, required by this section.

43 S 14. Act not to supersede other requirements. Nothing in this act
44 shall be deemed to make less restrictive any inconsistent requirement of
45 state law or regulation relating to the financing, construction or reno-
46 vation of dwelling accommodations assisted with housing program funds.

47 S 15. Severability. If any clause, sentence, paragraph, section, or
48 part of this act shall be adjudged by any court of competent jurisdic-
49 tion to be invalid such judgment shall not affect, impair, or invalidate
50 the remainder thereof, but shall be confined in its operation to the
51 clause, sentence, paragraph, section or part thereof directly involved
52 in the controversy in which such judgment shall have been rendered.

53 S 2. Paragraph (a) of subdivision 1, subdivisions 2 and 3, paragraph
54 (c) of subdivision 12 and subdivision 14 of section 654-c of the private
55 housing finance law, as added by chapter 32 of the laws of 1986, are
56 amended to read as follows:

1 (a) "Housing New York program" shall mean the housing New York program
2 established pursuant to section four of the housing New York program act
3 AND THE "HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY" SHALL
4 MEAN THE HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY ESTAB-
5 LISHED PURSUANT TO SECTION FOUR OF THE HOUSING NEW YORK PROGRAM ACT FOR
6 THE TWENTY-FIRST CENTURY.

7 2. There is hereby established a public benefit corporation known as
8 the "housing New York corporation" as a subsidiary corporation of the
9 corporation solely for the purpose of borrowing money and granting such
10 moneys to the city for the purposes and in accordance with the
11 provisions of the housing New York program AND THE HOUSING NEW YORK
12 PROGRAM FOR THE TWENTY-FIRST CENTURY.

13 3. It is hereby found and declared that the legislature, pursuant to
14 the housing New York program act AND THE HOUSING NEW YORK PROGRAM ACT
15 FOR THE TWENTY-FIRST CENTURY, has established [a] THE housing New York
16 program AND THE HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY
17 under which the city will cause the acquisition, construction, equip-
18 ping, improving, rehabilitation and renovation of dwelling accommo-
19 dations within the city of New York for persons and families for whom
20 the ordinary operations of private enterprise cannot supply such accom-
21 modations; that such [program is] PROGRAMS ARE necessary in order to
22 increase the presently inadequate supply of dwelling accommodations in
23 such city for such persons and families; that such [program shall]
24 PROGRAMS require a substantial commitment of funds from public sources;
25 and that the need for such moneys necessitates that the subsidiary
26 corporation created by this section be granted the powers and be made
27 subject to the requirements of this section. The legislature therefore
28 finds that such subsidiary corporation, subject to the terms and condi-
29 tions specified herein, should be given the power to borrow funds and
30 grant such moneys to the city of New York, and any agency or instrumen-
31 tality thereof (other than such subsidiary corporation) or the corpo-
32 ration for use by such entity in the housing New York program AND THE
33 HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY; that the financ-
34 ing of residential housing facilities in accordance with the housing New
35 York program AND THE HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST
36 CENTURY is a public purpose for which moneys may be granted, and
37 exemptions from taxation on the income of bonds or notes of such subsid-
38 iary corporation and on such subsidiary corporation's income and proper-
39 ty granted, as specified herein; and that the powers and duties of such
40 subsidiary corporation as recited in this section are necessary and
41 proper for achieving the ends herein recited. Therefore such subsidiary
42 corporation is hereby authorized and empowered:

43 (a) to borrow money by issuing bonds and notes for the purposes of (i)
44 granting such moneys to the city to finance the acquisition,
45 construction, equipping, improvement, enlargement, rehabilitation and
46 renovation of residential housing facilities for the purposes and in
47 accordance with the provisions of the housing New York program AND THE
48 HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY and (ii) refunding
49 any bonds or notes of such subsidiary corporation issued pursuant to
50 this section;

51 (b) to grant moneys to the city for the purpose of financing the
52 acquisition, construction, equipping, improvement, enlargement, rehabil-
53 itation and renovation of residential housing facilities for the
54 purposes and in accordance with the provisions of the housing New York
55 program AND THE HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY

1 and to enter into any agreement specifying terms and conditions with
2 respect thereto;

3 (c) subject to the provisions of any contract with the holders of any
4 of its bonds or notes, to pledge any revenues or assets of such subsid-
5 iary corporation, including, but not limited to, any excess revenues of
6 the Battery Park city authority as shall be payable to such subsidiary
7 corporation pursuant to an agreement between the Battery Park city
8 authority and such subsidiary corporation as such subsidiary corporation
9 shall deem necessary, to secure any bonds or notes issued or any agree-
10 ments entered into pursuant to this section;

11 (d) to procure insurance, letters of credit or other credit enhance-
12 ments with respect to its bonds or notes issued pursuant to this section
13 and to pay the premiums and fees therefor;

14 (e) to adopt, amend or rescind rules and regulations appropriate to
15 carry out its corporate purposes and to establish such requirements and
16 enter into such agreements to achieve the objectives of this section;
17 and

18 (f) to exercise any and all other powers authorized by this section
19 and not inconsistent with the provisions of this section.

20 (c) the city shall use the moneys granted to it pursuant to this
21 section to finance residential housing facilities in accordance with the
22 provisions of the housing New York program AND THE HOUSING NEW YORK
23 PROGRAM FOR THE TWENTY-FIRST CENTURY and shall comply with the terms and
24 conditions of the housing New York program act, THE HOUSING NEW YORK
25 PROGRAM ACT FOR THE TWENTY-FIRST CENTURY and this section; and

26 14. For the purposes of financing the acquisition, construction,
27 equipping, improvement, enlargement, rehabilitation and renovation of
28 residential housing facilities pursuant to this section, such subsidiary
29 corporation may borrow money by issuing bonds or notes in an aggregate
30 principal amount not exceeding [four] EIGHT hundred million dollars plus
31 a principal amount of bonds or notes issued (i) to fund any related debt
32 service reserve fund, (ii) to provide capitalized interest, and (iii) to
33 provide fees and other charges and expenses, including underwriters'
34 discount, related to the issuance of such bonds or notes and the mainte-
35 nance of such reserves, all as determined by such subsidiary corpo-
36 ration, excluding bonds or notes issued to refund outstanding bonds or
37 notes issued pursuant to this section. Any bonds or notes of such
38 subsidiary corporation shall not be or be deemed to be obligations of
39 the corporation or subject to or included in any authorization of or
40 limitation on indebtedness of the corporation.

41 In computing the total principal amount of bonds or notes that may at
42 any time be issued for any purpose under this section, the amount of the
43 outstanding bonds or notes that constitutes interest under the United
44 States Internal Revenue Code of nineteen hundred fifty-four, as amended
45 to the effective date of this section, shall be excluded.

46 S 3. This act shall take effect immediately.