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2011-2012 Regular Sessions

I N  A S S E M B L Y

January 21, 2011

Introduced by M. of A. WRIGHT -- read once and referred to the Committee on Housing

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:

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

HOUSING NEW YORK PROGRAM ACT FOR THE TWENTY-FIRST CENTURY

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

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

S 2. Legislative findings and purpose. It is hereby found and declared that there exists in the city of New York a seriously inadequate supply

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

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of safe, sanitary and affordable dwelling accommodations for persons and families for whom the ordinary operations of private enterprise cannot provide such accommodations as provided herein and that such shortage is progressively more severe to the degree that the incomes of such persons are lower; that there exists in such city a significant number of one to two unit and multiple dwellings which are deteriorated or vacant; that the existence of such conditions creates a serious threat to the health, safety, welfare, comfort and security of the people of the state and further depletes the supply of safe, sanitary and affordable dwelling accommodations; and that substantial commitments of funds will be required to alleviate the present shortage of safe, sanitary and affordable dwelling accommodations for persons and families of low and moderate income.

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

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

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

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

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

4. "Housing program funds" shall mean those moneys described in subdivision one of section four of this act;

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

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

7. "Minority-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is: (a) at least fifty-one percent owned by one or more minority group members; (b) an enterprise in which such minority ownership is real, substantial and continuing; (c) an enterprise in which such minority ownership has and exercises the authority to control independently the

day-to-day business decisions of the enterprise; and (d) an enterprise authorized to do business in this state and independently owned and operated;

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

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

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

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

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

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

(a) preserve, repair, renovate, upgrade, improve, modernize, rehabilitate or otherwise prolong the useful life of dwelling accommodations;

(b) construct dwelling accommodations and undertake site preparation 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.

S 7. Rent regulation. Notwithstanding the provisions of, or any regulation promulgated pursuant to, the rent stabilization law of nineteen hundred sixty-nine or the emergency tenant protection act of nineteen seventy-four, in the case of a dwelling accommodation in a multiple dwelling operated as rental property, which benefits from housing

program funds, if: (1) such dwelling accommodation at the time construction or rehabilitation work carried out with housing program funds is completed, is not subject to the rent stabilization law of nineteen hundred sixty-nine, the emergency tenant protection act of nineteen seventy-four, the local emergency housing rent control act or local law enacted pursuant thereto, or regulation by the city such dwelling accommodation shall be made subject to the rent stabilization law of nineteen hundred sixty-nine by the provisions of this section for a period which shall be determined by the city and thereafter until the first vacancy which occurs in such dwelling accommodation, or (2) such dwelling accommodation is subject to any of the laws, acts or regulations described in subdivision one of this section at the time construction or rehabilitation work carried out with housing program funds is completed, such dwelling accommodation shall continue to be subject to such laws, acts or regulations to the same extent, in the same manner and for the same period of time provided in any statute which provides coverage for such housing accommodation under such laws, acts or regulations and shall not be affected by the provisions of this section for the duration of such coverage, provided, however, that the city may provide that upon the termination of coverage of such housing accommodations under any of the laws, acts or regulations described in subdivision one of this section such housing accommodations shall be subject to the rent stabilization law of nineteen hundred sixty-nine for a period which shall be determined by the city and thereafter until the first vacancy which occurs in such housing accommodation. The provisions of this act shall not be deemed to provide rent regulation pursuant to the rent stabilization law of nineteen hundred sixty-nine for any period of time subsequent to the expiration or termination of such law.

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

2. Notwithstanding the provisions of subdivision one of this section, in the event housing program funds are provided to the New York city housing development corporation in connection with any loan made by such corporation pursuant to subdivision 23-c of section 654 of the private housing finance law to finance the construction of dwelling accommodations: (a) the period of time such dwelling accommodations shall be subject to the rent stabilization law of nineteen hundred sixty-nine shall be a minimum of fifteen years, or such longer period as may be provided in any law other than this act, and thereafter each such dwelling accommodation shall remain subject to such law until the first vacancy which occurs in such accommodation subsequent to the expiration

of such period; and (b) with regard to newly constructed dwelling accommodations financed by such corporation which are intended to benefit persons and families whose incomes do not exceed eighty percent of the median income for the area in which such dwelling accommodations are located, for a period of fifteen years persons and families who move into such dwelling accommodations shall have incomes which do not exceed eighty percent of such median income and such dwelling accommodations shall remain affordable to such persons and families for a minimum period of fifteen years.

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

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

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

2. In the case of other dwelling accommodations assisted with housing program funds: (a) occupied dwelling accommodations owned by the city, dwelling accommodations occupied by persons and families transferred from emergency shelters for the homeless and dwelling accommodations occupied by persons and families eligible for or receiving public assistance as shall be deemed to be occupied by persons and families whose incomes do not exceed fifty-five percent of median income; and (b) occupied dwelling accommodations not owned by the city and located in an area eligible for mortgage insurance provided by the rehabilitation mortgage insurance corporation which have annual rent levels after the completion of rehabilitation work carried out pursuant to this act, of less than thirty percent of ninety percent of median income shall be deemed to be occupied by persons and families whose incomes are in

excess of fifty-five percent of median income and equal to or less than ninety percent of median income.

3. In the case where (a) an entire building or structure is assisted under the housing New York program for the twenty-first century; (b) such building or structure contains more than one dwelling accommodation; and (c) the categories of income of the occupants of such building or structure are not uniform throughout, the city shall determine the amount of housing program funds which benefit each particular dwelling accommodation by dividing the amount of such funds provided to benefit the building or structure by the number of rental rooms in such building or structure and multiplying the quotient derived therefrom by the number of rental rooms for each particular dwelling accommodation.

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

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

S 13. Reports. On or before January thirty-first, next succeeding the date on which this act shall have taken effect and on or before January thirty-first of every calendar year thereafter during which housing program funds are expended by the city, the city shall submit a report to the governor, the temporary president of the senate, the speaker of

the assembly, the minority leader of the senate and the minority leader of the assembly. Such report shall:

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

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

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

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

(d) the number of units, and the amount of housing program funds used to assist those units, and, as a subcategory, the number of units and the amount of housing program funds used to assist those units which funds have been received by the city from the housing New York corporation pursuant to section 654-c of the private housing finance law, for units which have been and are expected to be occupied by persons and families whose incomes do not exceed fifty-five percent of the median income, for persons and families whose incomes exceed fifty-five percent but do not exceed ninety percent of median income and for persons and families whose incomes exceed ninety percent but do not exceed one hundred seventy-five percent of median income and the methods and calculations which the city has used pursuant to section ten of this act in determining that these units have been or are expected to be occupied by such persons; and

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

(i) a statement of the aggregate amount of locally funded operating and capital expenditures the city utilized to provide dwelling accommodations, including, but not limited to, housing program funds, during the previous and present city fiscal years and the sources of such funds;

(ii) the aggregate amount, or an estimate of such amount, whichever the case may be, of locally funded operating and capital expenditures which were or would have been utilized to provide dwelling accommo-

dations in the previous and present fiscal years in the absence of housing program funds and the percentage change in such amount between the previous and present fiscal year; and

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

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

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

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

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

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

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

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

(a) "Housing New York program" shall mean the housing New York program established pursuant to section four of the housing New York program act AND THE "HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY" SHALL MEAN THE HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY ESTAB-

LISHED PURSUANT TO SECTION FOUR OF THE HOUSING NEW YORK PROGRAM ACT FOR THE TWENTY-FIRST CENTURY.

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

3. It is hereby found and declared that the legislature, pursuant to the housing New York program act AND THE HOUSING NEW YORK PROGRAM ACT FOR THE TWENTY-FIRST CENTURY, has established [a] THE housing New York program AND THE HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY under which the city will cause the acquisition, construction, equipping, improving, rehabilitation and renovation of dwelling accommodations within the city of New York for persons and families for whom the ordinary operations of private enterprise cannot supply such accommodations; that such [program is] PROGRAMS ARE necessary in order to increase the presently inadequate supply of dwelling accommodations in such city for such persons and families; that such [program shall] PROGRAMS require a substantial commitment of funds from public sources; and that the need for such moneys necessitates that the subsidiary corporation created by this section be granted the powers and be made subject to the requirements of this section. The legislature therefore finds that such subsidiary corporation, subject to the terms and conditions specified herein, should be given the power to borrow funds and grant such moneys to the city of New York, and any agency or instrumentality thereof (other than such subsidiary corporation) or the corporation for use by such entity in the housing New York program AND THE HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY; that the financing of residential housing facilities in accordance with the housing New York program AND THE HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY is a public purpose for which moneys may be granted, and exemptions from taxation on the income of bonds or notes of such subsidiary corporation and on such subsidiary corporation's income and property granted, as specified herein; and that the powers and duties of such subsidiary corporation as recited in this section are necessary and proper for achieving the ends herein recited. Therefore such subsidiary corporation is hereby authorized and empowered:

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

(b) to grant moneys to the city for the purpose of financing the acquisition, construction, equipping, improvement, enlargement, rehabilitation and renovation of residential housing facilities for the purposes and in accordance with the provisions of the housing New York program AND THE HOUSING NEW YORK PROGRAM FOR THE TWENTY-FIRST CENTURY and to enter into any agreement specifying terms and conditions with respect thereto;

(c) subject to the provisions of any contract with the holders of any of its bonds or notes, to pledge any revenues or assets of such subsidiary corporation, including, but not limited to, any excess revenues of

the Battery Park city authority as shall be payable to such subsidiary corporation pursuant to an agreement between the Battery Park city authority and such subsidiary corporation as such subsidiary corporation shall deem necessary, to secure any bonds or notes issued or any agreements entered into pursuant to this section;

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

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

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

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

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

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

S 3. This act shall take effect immediately.