

STATE OF NEW YORK

5793

2017-2018 Regular Sessions

IN ASSEMBLY

February 15, 2017

Introduced by M. of A. CYMBROWITZ -- 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:

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.

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

21 § 2. Legislative findings and purpose. It is hereby found and declared
22 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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1 of safe, sanitary and affordable dwelling accommodations for persons and
2 families for whom the ordinary operations of private enterprise cannot
3 provide such accommodations as provided herein and that such shortage is
4 progressively more severe to the degree that the incomes of such persons
5 are lower; that there exists in such city a significant number of one to
6 two unit and multiple dwellings which are deteriorated or vacant; that
7 the existence of such conditions creates a serious threat to the health,
8 safety, welfare, comfort and security of the people of the state and
9 further depletes the supply of safe, sanitary and affordable dwelling
10 accommodations; and that substantial commitments of funds will be
11 required to alleviate the present shortage of safe, sanitary and afford-
12 able dwelling accommodations for persons and families of low and moder-
13 ate income.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50 (b) construct dwelling accommodations and undertake site preparation
51 related thereto;

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

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

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

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

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

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

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

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

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

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

41 Nothing contained in this section shall be deemed to make less
42 restrictive any inconsistent requirement of state or local law or regu-
43 lation which provides protections against involuntary displacement of
44 occupants of housing accommodations.

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

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

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

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

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

1 of such period; and (b) with regard to newly constructed dwelling accom-
2 modations financed by such corporation which are intended to benefit
3 persons and families whose incomes do not exceed eighty percent of the
4 median income for the area in which such dwelling accommodations are
5 located, for a period of fifteen years persons and families who move
6 into such dwelling accommodations shall have incomes which do not exceed
7 eighty percent of such median income and such dwelling accommodations
8 shall remain affordable to such persons and families for a minimum peri-
9 od of fifteen years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 dations in the previous and present fiscal years in the absence of hous-
2 ing program funds and the percentage change in such amount between the
3 previous and present fiscal year; and

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

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

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

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

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

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

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

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

52 (a) "Housing New York program" shall mean the housing New York program
53 established pursuant to section four of the housing New York program act
54 and the "housing New York program for the twenty-first century" shall
55 mean the housing New York program for the twenty-first century estab-

1 lished pursuant to section four of the housing New York program act for
2 the twenty-first century.

3 2. There is hereby established a public benefit corporation known as
4 the "housing New York corporation" as a subsidiary corporation of the
5 corporation solely for the purpose of borrowing money and granting such
6 moneys to the city for the purposes and in accordance with the
7 provisions of the housing New York program and the housing New York
8 program for the twenty-first century.

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

39 (a) to borrow money by issuing bonds and notes for the purposes of (i)
40 granting such moneys to the city to finance the acquisition,
41 construction, equipping, improvement, enlargement, rehabilitation and
42 renovation of residential housing facilities for the purposes and in
43 accordance with the provisions of the housing New York program and the
44 housing New York program for the twenty-first century and (ii) refunding
45 any bonds or notes of such subsidiary corporation issued pursuant to
46 this section;

47 (b) to grant moneys to the city for the purpose of financing the
48 acquisition, construction, equipping, improvement, enlargement, rehabil-
49 itation and renovation of residential housing facilities for the
50 purposes and in accordance with the provisions of the housing New York
51 program and the housing New York program for the twenty-first century
52 and to enter into any agreement specifying terms and conditions with
53 respect thereto;

54 (c) subject to the provisions of any contract with the holders of any
55 of its bonds or notes, to pledge any revenues or assets of such subsid-
56 iary corporation, including, but not limited to, any excess revenues of

1 the Battery Park city authority as shall be payable to such subsidiary
2 corporation pursuant to an agreement between the Battery Park city
3 authority and such subsidiary corporation as such subsidiary corporation
4 shall deem necessary, to secure any bonds or notes issued or any agree-
5 ments entered into pursuant to this section;

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

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

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

15 (c) the city shall use the moneys granted to it pursuant to this
16 section to finance residential housing facilities in accordance with the
17 provisions of the housing New York program and the housing New York
18 program for the twenty-first century and shall comply with the terms and
19 conditions of the housing New York program act, the housing New York
20 program act for the twenty-first century and this section; and

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

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

41 § 3. This act shall take effect immediately.