STATE OF NEW YORK

8494

IN SENATE

February 6, 2024

Introduced by Sens. CLEARE, BRISPORT, GONZALEZ, HOYLMAN-SIGAL, JACKSON, SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT in relation to creating a public benefit corporation for the construction, acquisition, and rehabilitation of permanently affordable housing; and making an appropriation therefor

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

Section 1. Short title. This act shall be known and may be cited as the "permanently affordable social housing for New Yorkers act".

§ 2. Legislative findings and declaration; statement of policy. The legislature hereby finds and declares that safe, sanitary, plentiful and affordable housing accommodations are necessary for the public health, general welfare, and economy of the state. The legislature further finds and declares that a shortage of available affordable housing in communities across New York undermines the economy of the state as a whole and that a state program to leverage private, local, state, and federal funds to build new, high-quality housing for working families is desperately needed in order to cure the shortfall in supply created by the private market. While the private housing market has failed to build enough housing to create affordability across all levels of income in New York, private landlords have also seized upon the opportunity to rapaciously extract rents and profit at the expense of New Yorkers, who have witnessed extraordinary increases in the cost of living in recent years, the largest component of which is the cost of housing, which has increased at annual rates far in excess of gains to wages or income for working-class New Yorkers.

Whereas the legislature has previously authorized the creation of transportation authorities, port authorities, and water and sewer authorities, among others, to manage the construction, operation, financing, and improvement of various forms of state infrastructure and public services, and to insulate the provision of such services to New Yorkers from both the vicissitudes of political administrations and the greed of private ownership; and whereas social housing, being permanent-

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

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ly affordable and democratically controlled, represents a superior and more economical form of housing provision when compared to alternative methods of housing subsidy; and whereas prior forms of social housing sponsored by the legislature, including the creation of limited equity cooperatives and the Mitchell-Lama program, have been successful in creating and preserving high-quality, affordable housing for New York's residents; and whereas many areas of the state suffer from housing in dire need of rehabilitation and retrofitting; and whereas the state continues to present the possibility of freedom and economic livelihood to individuals displaced from distant lands by climate change, geopolitics, and forces of history; the legislature further finds and declares the necessity of creating a durable and scalable program for the ongoing construction, rehabilitation and maintenance of permanently affordable housing statewide through the creation of a new state authority tasked with such purpose.

It shall be the policy of the state to encourage the construction and maintenance of permanently affordable, democratically controlled, high-quality housing statewide through the creation of a new state authority charged with such responsibility. The policy of the state, in creating such an authority and program, shall be to combine all available sources of funding whenever possible and direct subsidies towards both construction and acquisition, in which the authority through its stewardship may hold such subsidy permanently in trust. The policy of the state shall further be to create such authority with a vision for governance that empowers its residents to participate in decision-making, creates a sense of shared responsibility and public stewardship, and generates a positive feedback cycle for the authority in the implementation and modification of policies. Besides the promotion of new construction, the policy of the state shall further be to promote the preservation of existing affordable housing through the conversion of private housing to social housing models, under the stewardship of the authority, through acquisitions made by the authority in partnership with tenants, wherever tenants of a building shall seek to purchase their building at a fair market value from its owner. In creating this authority, the policy of the state shall further be to minimize the number of New Yorkers who suffer to sleep outside or in shelters without a permanent residence through the allocation of vouchers and units to homeless and migrant New Yorkers; to provide high-quality housing at affordable rates to New Yorkers at extremely low, very low, and low income levels who otherwise are unable to find high-quality or affordable housing in the private market; to deepen the role of government in the stabilization of the housing market and the role of government in sponsoring new construction; and to deepen the proactive involvement of the state in urban planning, collaboration with local governments, agencies, and residents, and innovation in housing design and construction.

§ 3. Definitions. For the purposes of this act, unless otherwise expressly stated or the context or subject matter otherwise requires, the following terms shall have the following meanings:

1. "Alternative project delivery contract" means any project delivery method authorized by this act, including construction manager build, construction manager at risk, and design-build, pursuant to which one or more contracts for the provision of design or construction management and construction services are awarded pursuant to an open and competitive method of procurement, as specified in section fifteen of this act.

2. "Best value" means the basis for awarding contracts for services to a proposer that optimizes quality, cost and efficiency, price and performance criteria, and which may include, but is not limited to:

a. the quality of the proposer's performance on previous projects;

b. the timeliness of the proposer's performance on previous projects;

c. the level of customer satisfaction with the proposer's performance on previous projects;

d. the proposer's record of performing previous projects on budget and ability to minimize cost overruns;

e. the proposer's ability to limit change orders;

f. the proposer's ability to prepare appropriate project plans;

g. the proposer's technical capacities;

h. the individual qualifications of the proposer's key personnel;

i. the proposer's ability to assess and manage risk and minimize risk impact;

j. the proposer's financial capability;

k. the proposer's ability to comply with applicable requirements, including the provisions of articles one hundred forty-five, one hundred forty-seven and one hundred forty-eight of the education law;

l. the proposer's past record of compliance with federal laws, state and local laws, rules and regulations, licensing requirements, where applicable, and executive orders, including, but not limited to, section three of the federal housing and urban development act of nineteen hundred sixty-eight, as amended, or any successor provision, chapter seventy-nine of the New York city charter, as applicable, article fifteen-A of the executive law and any other applicable laws concerning minority- and women-owned business enterprise participation, the labor law, and any other applicable labor and prevailing wage laws;

m. the proposer's record of complying with existing labor standards, maintaining harmonious labor relations, protecting the health and safety of workers, and payment of prevailing wages in accordance with article eight of the labor law;

n. a quantitative factor to be used in evaluation of bids or offers for awarding of contracts for bidders or offerors that are certified as minority- or women-owned business enterprises pursuant to article fifteen-A of the executive law or certified pursuant to section thirteen hundred four of the New York city charter as minority- or women-owned business enterprises, or where the bidder is a joint venture including at least one such certified firm. Where the corporation identifies a quantitative factor pursuant to this paragraph, the corporation shall specify that businesses certified as minority- or women-owned business enterprises pursuant to article fifteen-A of the executive law as well as those certified as minority- or women-owned business enterprises pursuant to section thirteen hundred four of the New York city charter, or joint ventures including at least one such certified firm, are eligible to qualify for such factor. Nothing in this paragraph shall be construed to require that such businesses be concurrently certified as minority- or women-owned business enterprises under such article and such section to qualify for such quantitative factor; and

o. a quantitative factor to be used in evaluation of bids or offers for awarding of contracts for bidders or offerors that provide economic opportunities for low and very low-income persons in accordance with section three of the federal housing and urban development act of nineteen hundred sixty-eight, as amended, or chapter seventy-nine of the New York city charter, as applicable, or any successor provision. Such

basis shall reflect, wherever possible, objective and quantifiable analysis.

3. "Board" means the board of the corporation.

4. "Bonds" and "notes" mean the bonds and notes respectively issued by the corporation.

5. "Clearinghouse" means the website and processes created pursuant to section eight of this act.

6. "Civic project" means a project or that portion of a project designated and intended for the purpose of providing facilities for educational, cultural, recreational, community, or other civic purposes.

7. "Comptroller" means the comptroller of the state.

8. "Construction manager build" means a project delivery method whereby a construction manager, following a declaration of a disaster by the governor or state of emergency by the mayor pursuant to article two-B of the executive law or chapter one of title three of the administrative code of the city of New York, or following an independent cost estimate and a concurrence by the corporation that construction work is required at a residential project to remedy defects to bring the residential project into decent, safe, and sanitary condition:

a. serves as part of a team in conjunction with the owner in the design phase of the project;

b. under the oversight of the owner, acts as the single source of responsibility to bid, select and hold construction contracts on behalf of the owner during the construction phase; and

c. manages the construction project on behalf of the owner.

9. "Construction manager at risk" means a project delivery method whereby a construction manager:

a. serves as part of a team in conjunction with the owner in the design phase of the project;

b. during the construction phase, acts as general contractor for agreed upon compensation as set forth in the construction manager at risk agreement; and

c. assumes the risk of construction costs exceeding an amount specified in the construction manager at risk agreement.

10. "Corporation" means the New York state social housing development authority created by section four of this act.

11. "Cost plus" means compensating a contractor for the cost to complete a contract by reimbursing actual costs for labor, equipment and materials plus an additional amount for overhead and profit.

12. "Design-build" means a project delivery method for the design and construction of a project with a single entity, which may be a team composed of separate entities.

13. "Distressed" means, with respect to an asset that: (i) the obligor thereof is subject to a bankruptcy, insolvency, liquidation, or other similar action or proceeding; (ii) the obligor thereof has failed to make any payment of principal or interest with respect to such asset when due (whether at scheduled maturity or any accelerated date of maturity or any other date fixed for payment or prepayment thereof or otherwise) beyond any period of grace provided with respect thereto; (iii) such asset is classified by the lender as "non-performing" pursuant to generally accepted accounting principles; (iv) such asset is in a physically distressed condition, as shall be defined by the corporation; or (v) such asset is under lien for unpaid municipal arrears.

14. "Energy efficiency and housing quality standards" means standards promulgated by the corporation, which shall specify minimum energy and water efficiency requirements for residential real property under the

control of the corporation, in addition to other health and safety standards identified in this act or by the corporation through subsequent regulation, including without limitation compliance with the state building code.

15. "Environmental hazard and housing quality inspection" means an inspection, conducted in-person and on-site, by an employee or agent of the corporation, which shall identify a property's degree of compliance with the corporation's energy efficiency and housing quality standards and any other applicable building codes, as well as the work necessary to bring such building or property into compliance with such codes and standards.

16. "Environmental hazard and housing quality retrofit" means the process by which the corporation shall bring a building or property into compliance with the corporation's energy efficiency and housing quality standards and any other applicable codes or standards. Environmental hazard and housing quality retrofits shall proceed as expeditiously as necessary to ensure the safety and well-being of occupants, provided that they may occur in stages and upon timelines that the corporation deems convenient. Such retrofit may include, without limitation:

a. Replacing or upgrading, as the case may be, appliances, equipment, and appurtenances thereto, which have reached the end of their useful lives or where such replacement or upgrade would help such property meet the corporation's energy efficiency and housing quality standards;

b. Weatherization;

c. Remediation of any and all environmental hazards present in such building or upon such property, including pests, mold, asbestos, lead, or any other harmful contaminants, as well as brownfield remediation when necessary;

d. Upgrading of a building's accessibility for individuals with disabilities; and

e. Curing of any and all other existing violations of building codes or other applicable health and safety standards.

17. "Excess cash flow" means surplus funds derived from the rents or other income of a project after all annual operating costs of the project have been paid, including its maintenance and operations, management fees, debt service, and reserve contributions.

18. "Ground lease" means the written instrument pursuant to which the corporation transfers to another party its leasehold interest in a project and ancillary personal property.

19. "Housing company" means a company organized pursuant to the provisions of article two, four, or eleven of the private housing finance law.

20. "Land use improvement project" means a plan or undertaking for the clearance, replanning, reconstruction, or rehabilitation or any combination of these and other methods, of an underdeveloped or unsanitary area or property, including sites designated as brownfields or which otherwise may pose environmental risks to public health in need of remediation, for the purpose of creating a permanently affordable residential project.

21. "Local governing body" means the board of supervisors, county legislature, board of aldermen, common council, commission, city council, or other elective governing board or body now or hereafter vested by state statute, charter, or other law with jurisdiction to initiate and adopt other local laws whether or not such local laws or ordinances require the approval of the elective chief executive officer or other official or body to become effective.

22. "Mixed-income" means a designation for a residential project, which shall include a mix of affordability levels for units available in such project such that a proportion of the units in such project are reserved for households with low, very low, or extremely low annual incomes, and another proportion are available to individuals with incomes between eighty percent and one hundred sixty-five percent of the area median income. For the purposes of this act, "low," "very low," and "extremely low" annual incomes and "area median income" shall have the same meanings as such terms are defined by the secretary of the federal department of housing and urban development. The proportions reserved for each income category shall be determined at the discretion of the corporation on a per-project basis, and in making such determination the corporation shall seek to maximize the overall affordability of such residential project in relation to the socio-economic characteristics of the community in which it is sited, considering without limitation factors such as local median incomes, rates of unemployment, and estimated need among various segments of the population, while ensuring such project can operate in a financially solvent manner for the duration of the mortgage or financing securing such project after accounting for expected subsidies and operating revenues. In any mixed-income residential project constructed by the corporation, the quality of any unit shall not materially differ between units affordable at various levels, nor shall access to services and facilities within such project, nor shall units affordable at various levels be segmented apart from one another or be outwardly identifiable according to affordability level.

23. "Mixed-use" means a designation for a project and real property within or upon which a residential project exists in addition to a project designated for commercial purpose or use, which for the purposes of this act shall mean the buying, selling, or other provision of goods and services, or other lawful business or commercial activities.

24. "Municipality" means any county, city, town, or village.

25. "One hundred percent affordable" means a designation for a residential project exclusively intended for households earning below eighty percent of the area median income, as calculated by the secretary of the federal department of housing and urban development.

26. "Permanently affordable" means a designation for a residential project, the affordability of which is preserved through the inclusion of an affordability covenant in the deed to such land and, where applicable, any ground lease to the improvements on such land. Such affordability covenant shall limit the profit that may be taken on the sale or resale of leasehold interests to such residential project or any part thereof or dwelling unit therein and the shares, stock, or equity of any corporations holding a leasehold interest in such project, where such shares include or represent a possessory interest to a dwelling unit in such project, to a rate of two percent per annum compounded annually. Increases to rents or fees charged to residents within a permanently affordable unit shall be limited to no more than two percent per year.

27. "Project" means a specific work or improvement including lands, buildings, improvements, real and personal properties or any interest therein, acquired, owned, constructed, reconstructed, rehabilitated or improved by the corporation or any subsidiary thereof, including a residential project, a land use improvement project, or a civil project, or any combination thereof. The term "project" or any variation thereof as used herein shall include entire projects, or any portion of a project.

28. "Project cost" means the sum total of all costs incurred by the corporation in carrying out all works and undertakings, which the corpo-

ration deems reasonable and necessary for the development of a project. Project costs shall include, but are not necessarily limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of land and any buildings thereon, site preparation and development, construction, reconstruction, rehabilitation, improvement and the acquisition of such machinery and equipment as may be deemed necessary in connection therewith (other than raw materials, work in process or stock in trade); the necessary expenses incurred in connection with the initial occupancy of the project, an allocable portion of the administrative and operating expenses of the corporation, the cost of financing the project, including interest on bonds and notes issued by the corporation to finance the project from the date thereof to the date when the corporation shall determine that the project be deemed substantially occupied, and the cost of such other items, including any indemnity and surety bonds and payments on insurance, legal fees, fees and expenses of trustees, depositories and paying agents for the bonds and notes issued by the corporation, and relocation costs, all as the corporation shall deem necessary.

29. "Project labor agreement" shall have the same meaning as described in section two hundred twenty-two of the labor law.

30. "Real property" means lands, structures, franchises and interests in land, including lands under water and riparian rights, space rights and air rights and any and all other things and rights usually included within such term. Real property shall also mean and include any and all interests in such property less than full title, such as easements, incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages or otherwise, and also all claims for damages for such real estate.

31. "Resident" means a person whose lawful primary residence is a dwelling unit in any residential project or real property owned, leased, or managed by the corporation.

32. "Residential project" means a project or that portion thereof designed and intended for the purpose of providing housing accommodations and such facilities as may be incidental or appurtenant thereto.

33. "Short-sale" means a sale of a residential real property that is subject to a mortgage, deed, trust, or other security interest that secures a residential mortgage loan that: (i) will result in proceeds in an amount that is less than the remaining amount due under the mortgage loan; and (ii) requires authorization by any securitization vehicle or other investment vehicle or holder of the mortgage loan, or the servicer acting on behalf of such a vehicle or holder.

34. "Special purpose housing" means a residential project constructed for the purpose of providing affordable or subsidized housing accommodations on an expedited schedule at the request of a state agency, local government, or the governor. Special purpose housing projects shall utilize modular housing solutions, or any other available and comparable means, to deliver housing accommodations in a rapid and efficient manner. The delivery of special purpose housing may be exempted at the discretion of the board from certain community feedback processes established by the corporation for the construction or approval of other residential projects. The delivery of a special purpose housing project shall be contingent upon the negotiation of partial or total funding and financing agreements with local, state, or federal authorities.

35. "State" means the state of New York.

36. "State agency" means any office, department, board, commission, bureau, division, public corporation, agency, or instrumentality of the state.

37. "Subsidiary" means a corporation created in accordance with section twenty of this act.

38. "Underdeveloped" means a real property or part thereof whose highest and best use, as determined at the sole discretion of the corporation, is as a permanently affordable residential project or civic project which, after a comprehensive review of any relevant factors undertaken by the corporation, the corporation finds is not currently employed in its highest and best use and can feasibly be converted to such use by the corporation.

39. "Voting process" means the democratic process whereby residents of a residential project shall make decisions affecting the governance or management of such residential project through a popular election facilitated and certified by the corporation, which process shall be determined as a matter of regulation by the corporation.

40. "Weatherization" means without limitation all improvements necessary to protect a home from the elements and improve the energy efficiency of heating and cooling systems, such as: sealing bypasses and air ducts; installing or replacing dampers in exhaust ducts; protecting pipes from corrosion and freezing; installing footing drains, foundation waterproofing membranes, interior perimeter drains, sump pumps, gutters, downspout extensions, downward-sloping grading, French drains, swales, and other appurtenances to protect a building from both surface water and groundwater; providing proper ventilation to unconditioned spaces to protect a building from the effects of condensation; installing, replacing, or upgrading roofing, building wrap, siding, flashing, skylights or solar tubes; installing, upgrading, or replacing insulation; installing storm doors and storm windows; replacing drafty doors with tightly sealing, foam-core doors; retrofitting older windows with a stop or parting bead across the sill; or replacing older windows with low-energy, double-glazed windows.

§ 4. New York State social housing development authority. 1. There is hereby created the New York state social housing development authority. The authority shall be a corporate governmental agency of the state, constituting a political subdivision and public benefit corporation.

2. The corporation shall have a duty to increase the supply of affordable housing in the state through the acquisition of land and renovation or rehabilitation of existing real property, and through the construction of new, permanently affordable housing. The residential projects under the management or control of the corporation or its subsidiaries shall be and forever remain permanently affordable. The corporation shall take all actions necessary or convenient to ensure the high quality of residential real property under its management or control as well as the maintenance and improvement of conditions or abatement of nuisances therein.

3. The membership of the corporation shall consist of a board with a size of nineteen members. The corporation shall be governed and its powers shall be exercised by such board. The board shall establish rules and requirements relative to the attendance and participation of members in its meetings, regular or special, and shall meet in regular session according to a schedule adopted by the board, at a frequency no less often than once per month, and also may meet in special session as convened by the chairman or upon written notice signed by a majority of the sitting members. The board shall elect annually from among its

members a chairman, vice-chairman, treasurer, and other officers as the board may determine and shall establish their duties as may be regulated by the rules of the board.

a. The first eleven members shall be appointed in the following manner. Three members shall be appointed by the governor, three members shall be appointed by the speaker of the assembly, and three members shall be appointed by the temporary president of the senate. The commissioner of the department of housing and community renewal and the comptroller shall have ex officio seats on the board. The remaining eight members of the board shall be elected by the residents of residential projects owned or managed by the corporation. Appointments and membership shall be subject to the following restrictions:

(i) One of each of the three members appointed by the speaker of the assembly, governor, and temporary president of the senate respectively shall represent the interests of employee organizations in the state;

(ii) One of each of the three members appointed by the speaker of the assembly, governor, and temporary president of the senate respectively shall represent the interests of affordable housing advocates, community land trusts, and homeless New Yorkers in the state;

(iii) One of each of the three members appointed by the speaker of the assembly, governor, and temporary president of the senate respectively professional or technical expertise in architecture, affordable housing construction and financing, urban planning, or engineering; and

(iv) The remaining eight members shall be residents of residential projects owned or managed by the corporation.

b. The members of the board shall receive no compensation for their services but shall be entitled to receive their actual and necessary expenses incurred in the performance of their duties. Except for ex officio board members, any member of the board may be removed by the governor for cause, after an opportunity to be heard in their defense. A majority of the members of the board, not including vacancies, shall constitute a quorum for the transaction of any business or the exercise of any power or function of the corporation. The corporation may delegate to one or more of its members, or its officers, agents and employees, such powers and duties as it may deem proper.

c. Except for the ex officio board members, no member of the board, besides possession of a primary residence or a share representing possession in part or whole thereof, may own, nor profit from, any real property or share thereof, directly or indirectly; provided, however, that beneficial ownership in any real property besides a primary residence may be placed in a blind trust for the duration of a member's tenure on the board. A member's term on the board may not begin until such member's economic or legal interests, if any, in real property located in New York state besides a primary residence shall have been placed in a blind trust. Legal expenses incurred by the creation or administration of a blind trust for a member of the board necessary to comply with the requirements of this subdivision may be reimbursed by the corporation upon the submission of receipts associated with such expenses to the board and the board's approval of such reimbursement request, which shall be made in writing and subject to disclosure pursuant to article six of the public officers law.

d. The chairman of the board, or the president of the corporation, may request and receive from any department, division, board, bureau, commission or other agency of the state or any political subdivision thereof or any public authority such assistance, information and data as

shall enable the corporation or the board properly to carry out its functions, powers and duties.

e. The board shall appoint the president of the corporation, who shall be its executive officer, upon advice and consent of the senate, and may also appoint a secretary, counsel and legal staff, technical experts, and such other agents and employees, permanent or temporary, as it may determine necessary, prescribe their powers and duties, fix their compensation and provide for reimbursement of their expenses within amounts appropriated therefor. The board may, from time to time, create, abolish, transfer and consolidate bureaus and other units within the corporation or the board not expressly established by law as it may determine necessary for the efficient operation of the corporation or the board.

f. The corporation and its corporate existence shall continue until terminated by law, consistent with the requirements of section twenty-four of this act; provided, however, that no such law shall take effect so long as the corporation shall have bonds, notes and other obligations outstanding, unless adequate provision has been made for the payment thereof in the documents securing the same.

g. Upon termination of the existence of the corporation, its rights and properties shall pass to and be vested in the state.

h. Except for the ex officio board members, members of the board shall hold office for terms of five years; provided that of the nine members first appointed, three shall serve for a term of two years, three shall serve for a term of three years and three shall serve for a term of five years commencing January first next succeeding their appointment. No member shall serve for more than ten years. Any member chosen to fill a vacancy created other than by expiration of term shall be appointed for the unexpired term of the member whom they are to succeed. Vacancies caused by expiration of term or otherwise shall be filled in the same manner as original appointments. With the exception of any seat belonging to residents, if a seat on the board is vacant for a period exceeding ninety days, the members of the board may temporarily fill such seat with a person chosen by a majority of the board.

i. Any public officer shall be eligible to serve as a board member and the acceptance of the appointment shall neither terminate nor impair such public office.

j. Meetings of the board shall be subject to the requirements of article seven of the public officers law. Each member of the board shall be considered a public officer for the purposes of sections seventy-three and seventy-four of the public officers law and shall file financial disclosures and oaths of office pursuant to such law.

k. Members of the board shall not be personally liable on the bonds or other obligations of the corporation and the rights of creditors shall be solely against the corporation.

l. The corporation shall hold elections at its residential projects to fill the eight seats on the board belonging to residents commencing four years after the establishment of voting processes applicable to residential projects owned by the corporation.

§ 5. Powers of the corporation. 1. To sue and be sued.

2. To have a seal and alter the same at its pleasure.

3. To make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this act.

4. To make and alter by-laws for its organization and internal management and, subject to agreements with noteholders or bondholders, to make

rules and regulations with respect to its projects, operations, properties and facilities, which rules and regulations shall be filed with the department of state in the manner provided by section one hundred two of the executive law.

5. To acquire, hold and dispose of personal property for its corporate purposes.

6. To appoint officers, agents and employees, prescribe their duties and qualifications and fix their compensation.

7. To acquire or contract to acquire from any person, firm, corporation, municipality, federal or state agency, by grant, purchase, condemnation or otherwise, leaseholds, real, personal or mixed property or any interest therein; to own, hold, clear, improve and rehabilitate, and to sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber the same.

8. To exercise the power of eminent domain for the acquisition of any vacant property whose acquisition shall be reasonably related to the completion of a project approved by the corporation.

9. To acquire, construct, reconstruct, rehabilitate, improve, alter or repair or provide for the construction, reconstruction, improvement, alteration or repair of any project.

10. To arrange or contract with a municipality for the planning, replanning, opening, grading or closing of streets, roads, roadways, alleys or other places, or for the furnishing of facilities or for the acquisition by a municipality of property or property rights or for the furnishing of property or services in connection with a project.

11. To sell, lease, assign, transfer, convey, exchange, mortgage, or otherwise dispose of or encumber any project, and in the case of the sale of any project, to accept a purchase money mortgage in connection therewith; and to lease, repurchase or otherwise acquire and hold any project which the corporation has theretofore sold, leased or otherwise conveyed, transferred or disposed of.

12. To grant options to purchase any project or to renew any leases entered into by it in connection with any of its projects, on such terms and conditions as it may deem advisable.

13. To prepare or cause to be prepared plans, specifications, designs and estimates of cost for the construction, reconstruction, rehabilitation, improvement, alteration or repair of any project, and from time to time to modify such plans, specifications, designs or estimates.

14. To manage any project, whether then owned or leased by the corporation, and to enter into agreements with the state or any municipality or any agency or instrumentality thereof, or with any person, firm, partnership or corporation, either public or private, for the purpose of causing any project to be managed.

15. To provide advisory, consultative, training and educational services, technical assistance and advice to any person, firm, partnership or corporation, either public or private, in order to carry out the purposes of this act.

16. To lend or donate monies, whether secured or unsecured, to any subsidiary corporation, and to purchase, sell or pledge the shares, bonds or other obligations or securities thereof, on such terms and conditions as the corporation may deem advisable.

17. To make mortgage loans, secured by a first mortgage lien, including temporary loans or advances, to any subsidiary corporation which is a housing company, and to undertake commitments therefor. Any such commitment, mortgage or bonds or notes secured thereby may contain such terms and conditions not inconsistent with the provisions of this act as

the corporation may deem necessary or desirable to secure repayment of its loan, the interest, if any, thereon and other charges in connection therewith.

18. Subject to the provisions of any contract with noteholders or bondholders to consent to the modification, with respect to rate of interest, time of payments of any installment of principal or interest, security, or any other term, of any mortgage, mortgage loan, mortgage loan commitment, contract or agreement of any kind to which the corporation is a party.

19. In connection with any property on which it has made a mortgage loan, to foreclose on any such property or commence any action to protect or enforce any right conferred upon it by any law, mortgage, contract or other agreement, and to bid for and purchase such property at any foreclosure or at any other sale, or acquire or take possession of any such property; and in such event the corporation may complete, administer, pay the principal of and interest on any obligations incurred in connection with such property, dispose of, and otherwise deal with such property, in such manner as may be necessary or desirable to protect the interests of the corporation therein.

20. To borrow money and to issue its negotiable bonds and notes and to provide for the rights of the holders thereof.

21. As security for the payment of the principal of and interest on any bonds so issued and any agreements made in connection therewith, to mortgage and pledge any or all of its projects, whether then owned or thereafter acquired, and to pledge the revenues and receipts therefrom or from any thereof, and to assign or pledge the lease or leases on any portion or all of said projects and to assign or pledge the income received by virtue of said lease or leases.

22. To invest any funds of the corporation including funds held in reserve or sinking funds, or any monies (including proceeds from the sale of any bonds or notes of the corporation) not required for immediate use or disbursement, at the discretion of the corporation, in: (i) obligations of the state or of the United States government; (ii) obligations the principal and interest of which are guaranteed by the state or the United States government; (iii) obligations of agencies and instrumentalities of the state or of the United States; or (iv) certificates of deposit of banks or trust companies in this state, secured by any obligations described in this subdivision.

23. To procure insurance against any loss in connection with its property and other assets and operations in such amounts and from such insurers as it deems desirable.

24. To engage the services of consultants on a contract basis for rendering professional and technical assistance and advice.

25. To contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality thereof, or from the state or any agency or instrumentality thereof, or from any other source and to comply, subject to the provisions of this act, with the terms and conditions thereof.

26. To make loans, whether secured or unsecured, in connection with the corporation's participation in a project, to any person or entity, whether public or private, and to issue commitments for such loans, provided that such loans and commitments are made or issued in compliance with guidelines established by the board of directors of the corporation; to provide for the repayment of such loans on terms and conditions that the directors of the corporation deem advisable and to

receive and hold real property or personal property as security for the repayment of such loans.

27. Subject to any agreement with noteholders or bondholders, to enter into agreements to pay annual sums in lieu of taxes to any municipality or political subdivision of the state, in respect of any real property which is owned by the corporation or any subsidiary thereof and is located in such municipality or political subdivision.

28. To issue and enforce a subpoena and a subpoena duces tecum, administer oaths and examine persons under oath, in accordance with and pursuant to the civil practice law and rules, in relation to matters relevant to projects or activities of the corporation, including the acquisition of property.

29. To form subsidiary legal or corporate entities pursuant to section twenty of this act.

30. To provide for the administration and oversight of elections by residents concerning matters internal to the corporation or affecting residents.

31. To authorize, create, supervise, augment, consolidate, or, upon the resolution of the corporation, dissolve internal governance bodies composed of residents; and to certify and effectuate, to the best of the corporation's ability, the decisions or elections of such bodies.

32. To do all things necessary or helpful for the promotion of democracy and democratic participation in internal governance structures among residents.

33. To visit and cause to be inspected any real property in the state in order to carry out the functions, powers, and duties of the corporation, provided that entry onto such real property shall be conditioned upon the permission of the owner or tenants, as applicable.

34. To do any and all things necessary or convenient to carry out its corporate purposes and for exercise of the powers given and granted to it in this act.

§ 6. Rules and regulations. 1. The corporation shall promulgate rules and regulations in accordance with the state administrative procedure act in order to implement the provisions of this act.

2. Such rules and regulations shall be first promulgated no later than one year after the effective date of this act, and thereafter may from time to time be amended, modified, or repealed.

3. The announcement of any amendment, modification, or repeal of rules and regulations shall be conspicuously posted in any residential projects owned, leased or managed by the corporation. Residents of such residential projects shall be notified of the time, places and modes by which residents may submit comments or testimony in relation to such proposed changes to the rules and regulations of the corporation.

§ 7. Acquisition of real property. 1. The corporation shall acquire real property for rehabilitation and conversion to, or construction of, residential projects through whatever lawful means are necessary or convenient for such purposes upon a determination by the corporation that such real property is necessary for its present or future corporate purposes. The corporation may acquire the same in the name of the state by dedication, by agreement, or by eminent domain, and payment therefor shall be made by the corporation from the proceeds of sale of its bonds, notes or other obligations, or from other available moneys therefor. The authority shall hold such property in the name of the state and shall have the right to possess and use such property for its corporate purposes so long as its corporate existence shall continue. Any property

held by the corporation shall not be converted or seized for other public use without the prior consent of the corporation.

2. Upon a request by the corporation, signed by the president of the corporation, a municipality in the state shall identify each vacant, tax-foreclosed property, or distressed property held by such municipality and submit to the corporation a list of such properties. Such a list shall be certified by counsel for the municipality. State agencies shall comply in an identical manner.

3. The corporation may acquire property from the state, a municipality, or a state agency, notwithstanding if such property may already be devoted to public use. Such governmental entity may offer such real property to the corporation, or the corporation may request the transfer of property after having identified such property as useful, necessary, or convenient to its purposes, which shall be certified in the form of a written request by the president of the corporation. Notwithstanding any law to the contrary, a governmental entity may sell, convey, or otherwise dispose of such property and appurtenances thereto or any interest therein to the corporation without public auction, sealed bids, or public notice. Notwithstanding any local law or charter, any governmental entity, by resolution of its governing body, is hereby empowered, without referendum, public auction, or sealed bids to sell, convey, or otherwise dispose of any property and appurtenances thereto or any interest therein to the corporation. Any such sale, grant or conveyance shall be made with or without consideration and upon terms and conditions as may be agreed upon between the governmental entity and corporation.

4. a. Upon identifying a vacant or underdeveloped property on the private market or at public auction, which property is necessary for the corporation's purposes, the corporation may make an offer for the purchase of such property at a fair market value.

b. If such property is not for sale or auction but is necessary for the corporation's purposes, the president shall certify the same to the board in writing and the board may authorize the acquisition of such property by means of eminent domain. Prior to the commencement of condemnation proceedings, the corporation shall cause a survey and map to be made of the property to be condemned and file the same in its office. There shall be annexed thereto a certificate, executed by such officer or employee as the corporation may designate, stating that the property described in such survey and map is necessary for corporate purposes.

5. The corporation shall prioritize the acquisition of real property for construction or conversion into a residential project based on a rubric, to be promulgated by the corporation, containing criteria that include the regional housing needs of such community, as determined by the corporation in coordination with the department of housing and community renewal. In prioritizing the acquisition of any individual site or property, the corporation may further consider: the potential number of permanently affordable housing units that could be created by such acquisition or through any project on such site; the feasibility of any potential project on such site, which for the purposes of this act shall mean an assessment of the comparative and holistic project costs, challenges, objectives, and timeline associated with the development of a project or part thereof; associated greenhouse gas emissions; and proximity to forms of public or multi-modal transit.

6. The corporation shall develop policies and procedures for engaging with local community members, elected officials, and other leaders in

the determination of project sites and the evaluation of development proposals and shall incorporate community feedback into the development of project proposals.

7. The corporation shall perform an environmental hazard and housing quality inspection at the site of any proposed acquisition, prior to the closing of any sale or conveyance of title to the corporation, to establish the property's conditions, rehabilitation needs, and decarbonization potential. Such inspection shall further identify the property's level of occupancy, potential suitability for redevelopment, and a review, where applicable, of documented code violations and recent construction, upgrades, or modifications. At the corporation's discretion, such inspections may be performed by any agent or employee of the corporation or one of its subsidiaries, including any private firm contracted by the corporation for the purposes of such inspection and review.

8. Notwithstanding any law to the contrary, the corporation shall qualify as, and may act in the capacity of, a qualified purchaser or fiscal sponsor on behalf of tenants of any building, or any tenant organization representing such tenants, who seek to purchase such building from its current owner, through exercising a right of first refusal or by any other lawful means, and shall create a process therefor; provided, however, that such a purchase on behalf of tenants or a tenant organization representing such tenants shall occur on the condition that such building enters into the corporation's portfolio of permanently affordable residential projects, with all conditions applicable thereto.

9. Notwithstanding any state or local law to the contrary, the corporation shall have priority in the acquisition of properties from a land bank created pursuant to article sixteen of the not-for-profit corporation law for the purposes of any project.

10. The corporation shall have the authority to purchase or receive tax liens on any real property sold by any governmental entity or political subdivision of the state, with or without consideration. Upon receipt of tax liens from such entity, the corporation shall take all steps necessary to prevent the involuntary displacement of any existing residents of the property under lien.

11. The corporation may acquire distressed properties in accordance with the terms and provisions of section nine of this act.

§ 8. Clearinghouse. The corporation shall establish a clearinghouse to facilitate the execution of its mandate pursuant to this act. The clearinghouse shall aggregate and make publicly available information related to real estate assets held by the corporation, including without limitation residential projects available to the public for occupancy and opportunities for contractors, housing companies, and other interested parties to submit bids for projects or pre-qualify for future projects, and for the submission of offers of sale pursuant to section nine of this act. Prospective tenants shall be able to submit relevant documentation on the clearinghouse in order to apply for occupancy of an available or soon-to-be-available dwelling unit in any residential project owned by the corporation. The clearinghouse shall be accessible by means of a public website and on such website the corporation shall maintain a portal for use by residents and publish other information as may be useful, convenient or in the public interest.

§ 9. Authority opportunity to purchase. 1. Definitions. For the purposes of this section, the following terms shall have the following meanings, unless otherwise expressly stated or the context or subject matter otherwise requires:

a. "Sale" shall mean, but not be limited to:

(i) the execution of any agreement pursuant to which the owner of the property agrees to some, but not all, of the following:

(1) Relinquishing possession of the property;

(2) Extending an option to purchase the property for a sum certain at the end of the assignment, lease, or encumbrance and providing that a portion of the payments received pursuant to the agreement is to be applied to the purchase price;

(3) Assigning all rights and interests in all contracts that relate to the property;

(4) Requiring that the costs of all taxes and other government charges assessed and levied against the property during the term of the agreement are to be paid by the lessee either directly or through a surcharge paid to the owner;

(5) Extending an option to purchase an ownership interest in the property, which may be exercised at any time after execution of the agreement but which shall be exercised before the expiration of the agreement; or

(6) Requiring the assignee or lessee to maintain personal injury and property damage liability insurance on the property that names the owner as the additional insured.

(ii) (1) A master lease which meets some, but not all, of the criteria described in subparagraph (i) of this paragraph or which is similar in effect; and

(2) The transfer of an ownership interest in a corporation, partnership, limited liability company, association, trust, or other entity which owns a property as its sole or principal asset, which, in effect, results in the transfer of the property pursuant to subparagraph (i) of this paragraph. For the purposes of this clause, the term "principal asset" means the value of the accommodation relative to the entity's other holdings.

b. Notwithstanding anything herein to the contrary, "sell" or "sale" shall not include:

(i) A transfer, even though for consideration, by a decedent's estate to members of the decedent's family if the consideration arising from the transfer will pass from the decedent's estate to, or solely for the benefit of, charity. For purposes of this subparagraph, "members of the decedent's family" means:

(1) A surviving spouse or domestic partner of the decedent, lineal descendants of the decedent, or spouses of lineal descendants of the decedent;

(2) A trust for the primary benefit of the persons listed in clause (1) of this subparagraph; and

(3) A partnership, corporation, or other entity controlled by the individuals listed in clause (1) of this subparagraph or the trust described in clause (2) of this subparagraph;

(ii) An inter-vivos transfer, even though for consideration, between spouses, parent and child, siblings, grandparent and grandchild, or domestic partners;

(iii) A transfer of legal title or an interest in an entity holding legal title to a property pursuant to a bona fide deed of trust or mortgage, and thereafter any transfer by foreclosure sale or deed in lieu of foreclosure pursuant to a bona fide deed of trust or mortgage;

(iv) Any transfer of a property directly caused by a change in the form of the entity owning the property, provided that the transfer is without consideration;

(v) The transfer of interests in a partnership or limited liability company that owns the property as its sole or principal asset; provided, that the sole purpose of the transfer is to admit one or more limited partners or investor members who will make capital contributions and receive tax benefits pursuant to 26 U.S.C. § 42, or a comparable program.

c. "Bona fide offer of sale" means an offer of sale for a property or interest therein that is either for a price and other material terms that are at least as favorable as those accepted by a purchaser in an arm's length third-party contract, or in the absence of an arm's length third-party contract, an offer of sale with a price and other material terms comparable to that at which a willing seller and a willing buyer would sell and purchase the property, or the appraised value.

d. "Matter-of-right" means a land use, development density, or structural dimension to which a property owner is entitled by current zoning regulations or law.

e. "Highest and best use" means the reasonably probable legal use of a property that is physically possible, appropriately supported, and financially feasible and that results in the highest value of the property.

2. Notwithstanding any law to the contrary, with respect to a distressed property containing three or more dwelling units that is not owned or managed by a federal, state, or local government or tribal authority, before the owner may sell the property, or issue a notice to vacate for purposes of demolition or discontinuance of use as a housing accommodation, and before a mortgagee or obligee may foreclose on such property or the mortgage, lien, or encumbrance on such property, and before a tax district may commence an in rem proceeding against such property, the owner, mortgagee, obligee, tax district, or other foreclosing party shall provide the corporation an opportunity to purchase the property or the debt securing such property, along with rights and title related thereto, at a price and upon terms that represent a bona fide offer of sale. The corporation shall have a right of first refusal on such sale or conveyance. An offer of sale submitted pursuant to this section shall be submitted on a form to be promulgated by the corporation and shall contain all information as therein may be required. The corporation shall issue written acknowledgement of receipt of an offer of sale.

a. In order to exercise its right of first refusal, upon a determination by the corporation that a property may be useful for the corporation's purposes, the corporation shall notify the owner with a written statement of interest certified by the president of the corporation within thirty days of receipt of the offer of sale.

b. The corporation shall have not less than one hundred twenty days from receipt of the offer of sale to negotiate a contract for sale. Both parties shall bargain in good faith. For every day of delay in receiving relevant information as required by this section, the negotiation period shall be extended by one day. The following constitute prima facie evidence of bargaining without good faith:

(i) The failure to offer a price or term to the corporation that is at least as favorable as that offered to a third-party within the periods of time specified by this section without a reasonable justification for such failure;

(ii) The failure to make a contract with the corporation which substantially conforms with the price and terms of a third-party

contract within the periods of time specified by this section without a reasonable justification for such failure; or

(iii) The intentional failure of either party to comply with the provisions of this act.

(iv) In the event of a transfer of interest in a partnership or corporation or in the event of a master lease or agreement that is considered a sale within the meaning of this section, but which does not involve a transfer of record title to the real property, the owner shall be bargaining in good faith if the owner offers the corporation the opportunity to acquire record title to the real property or offers the corporation the opportunity to match the type of transfer or agreement entered into with the third-party. With respect to either type of offer, all provisions of this section apply;

(v) The owner shall not require the corporation to pay a deposit of more than five percent of the contract sales price in order to make a contract.

c. If the owner sells or contracts to sell the property to a third-party for a price equal to or greater than ten percent less than the price offered to the corporation or for other terms which would constitute bargaining without good faith, the owner shall comply anew with all requirements of this section.

d. Upon the execution of a contract for sale, the corporation shall have sixty days to complete settlement.

3. Whenever an offer of sale is made pursuant to this section, the following terms shall apply:

a. The sales price contained in the offer of sale shall be less than or equal to a price and other material terms comparable to that at which a willing seller and a willing buyer would sell and purchase the property, or the appraised value of the property as determined pursuant to this subdivision.

b. An appraised value shall only be based on rights an owner has as a matter-of-right as of the date of the offer, including any existing right an owner may have to convert the property to another use; provided, however, that an appraised value may take into consideration the highest and best use of the property.

c. The owner of the property shall have the burden of proof to establish that an offer of sale is a bona fide offer of sale.

d. The corporation may challenge the offer presented by an owner as not being a bona fide offer of sale and request a determination of the appraised value of the property. The owner and the corporation shall thereafter have fourteen days to jointly select an appraiser for such property. If the owner and corporation are unable to jointly agree on an appraiser, the corporation may appoint an independent third-party appraiser from a list of pre-qualified entities within seven days, which appraiser shall be a state certified real estate appraiser or state licensed real estate appraiser with a certificate or license sufficient to appraise the property in question. The owner and the corporation shall pay one-third and two-thirds of the cost of the appraisal, respectively. The owner shall give such appraiser unfettered access to the property for the purposes of such appraisal and shall provide all information requested by the appraiser for the valuation and appraisal of the property within seven days, upon a request for information by the appraiser. The appraisal shall be conducted expeditiously in accordance with standard industry practices. Beginning with the day upon which an appraisal is requested pursuant to this paragraph, for each day until such appraisal is complete, the period of negotiation established by

paragraph b of subdivision one of this section shall be extended by one day.

e. The determination of the appraised value of the property made by any appraiser pursuant to paragraph d of this subdivision shall become the sale price of the bona fide offer of sale for the property unless:

(i) the owner or foreclosing party and the corporation agree upon a different sale price of the property;

(ii) the owner or foreclosing party withdraws the offer of sale or discontinues the action or proceeding to foreclose on such property, vacate or demolish such property, or any other action triggering the corporation's right of first refusal pursuant to subdivision one of this section; provided, however, that the owner or foreclosing property shall reimburse the corporation for the corporation's share of the cost of an appraisal conducted pursuant to paragraph d of this subdivision.

§ 10. Tenants rights and protections. 1. In any municipality or county with a rent guidelines board created pursuant to the emergency tenant protection act of nineteen seventy-four, residential projects owned by the corporation and operated as rentals shall be placed under the jurisdiction of the rent stabilization law and all local laws and codes applicable thereto. Such residential projects shall be registered with relevant agencies as rent stabilized and residents of such residential projects shall be proffered rent stabilized leases and entitled to all the rights and protections thereof. Notwithstanding any other provision of this act, increases in rents charged for a dwelling unit in a residential project owned by the corporation and subject to rent stabilization shall not exceed increases permitted by the applicable rent guidelines board for that year.

2. In any municipality or county that does not have a rent guidelines board created pursuant to the emergency tenant protection act of nineteen seventy-four, the board of the corporation shall promulgate, through regulation, a list of rights and protections applicable to tenants of residential projects owned by the corporation and operated as rentals, which list shall be substantially similar to rights and protections afforded to residents of housing units subject to rent stabilization pursuant to the emergency tenant protection act of nineteen seventy-four, namely including the right to lease renewal on terms of one or two years at the tenant's discretion, protection from eviction without just cause, and the right to receive timely repairs and services. Such rights and protections shall be enumerated in plain language in residential leases to any units entitled to such rights and protections.

3. In any dwelling unit or residential project designated as permanently affordable, any increase in annual rents or fees greater than two percent per year shall be reviewed and approved by the corporation, which shall reject any application for an annual increase greater than two percent if such increase is not necessary to meet present or anticipated maintenance and operating expenses for such project and such expenses are deemed superfluous.

4. In a permanently affordable unit, the initial annual rent or sum of fees charged to a household shall be set at twenty-five percent of such household's annual income.

5. The corporation shall neither demand nor permit any requirement that the income of residents be recertified after residents have occupied a unit; provided, however, that the addition of any new resident to a unit shall require the certification of the income of such resident.

6. Residents shall be afforded the opportunity to correct, clarify, supplement, or defend any documents or information submitted in relation to income certification, residency applications, or other requirements, if the accuracy or validity of such documents or information comes into question.

7. The corporation shall create an internal bureau for the administrative filing and resolution of resident complaints and petitions. Such complaints or petitions shall be shared with and reviewed by any elected resident body representing residents in the residential project whence such complaint or petition originated, and such body shall issue a recommendation and opinion thereupon. Such complaint or petition shall then be transmitted to an examiner employed by the corporation who shall consider the recommendation received by the elected resident body and render an initial decision upon such recommendation, the facts, and the rules and regulations of the corporation. A tenant may appeal an unsatisfactory decision received in response to such complaint or petition to a supervisor of the bureau who may adjudicate such appeal on advice of counsel. A final appeal may be taken to an administrative law judge employed by the corporation, whereupon any further challenge to a decision rendered by the corporation shall be made in a court of competent jurisdiction pursuant to article seventy-eight of the civil practice law and rules. Copies of any decisions rendered by the corporation shall be transmitted to the complainant or petitioner as well as to the elected resident body of the residential project whence such complaint or petition originated.

a. The corporation shall promulgate, through regulation, a process for the receipt and timely resolution of such complaints or petitions, and the corporation shall utilize information gained through complaints and petitions to improve its own rules and regulations as well as relevant operations within its residential projects, both through a holistic review of complaints and petitions received and in direct response to specific complaints or petitions where such improvements are feasible.

b. The corporation may proscribe certain matters from adjudication through the bureau where such matters are not a subject governed by the corporation's rules and regulations, are deemed irrelevant to the corporation's operations, or where such matters are governed or controlled by statutes outside the scope of this act or inapplicable to the corporation.

c. The subjects of complaints shall be limited to allegations against the corporation, its subsidiaries, or any of its employees, agents, or contractors for any violation of the corporation's own rules and regulations, agreements, or codes of conduct.

d. The subjects of petitions shall be limited to requests for improvements or interventions in any residential project by the corporation, requests to change contractors and the basis thereupon for such change, and suggestions for the improvement of any service or operation by the corporation. The denial of any petition in whole or part shall not be with prejudice against any suggestion or request included in such petition.

8. The corporation shall biannually survey residents of projects owned by the corporation regarding its performance, residents' quality of life, and other subjects relevant to the corporation's operations; provided, however, that responses to such surveys shall be voluntary and anonymous. The aggregated data and findings of such surveys shall be made publicly accessible on the corporation's website.

§ 11. New and converted residential housing. 1. The corporation shall create programs for the construction of new high-quality, permanently affordable residential projects, the acquisition, rehabilitation, and conversion of existing real property into high-quality permanently affordable residential projects, and the construction of special purpose housing projects. The corporation shall affix permanently binding affordability covenants into deeds to all properties it acquires and shall retain title to such real properties for the duration of its corporate existence. Such affordability covenants shall regulate permissible rental increases and the conditions upon which equity may be taken in a sale of an interest in such property and shall limit the taking of equity in such circumstances. All new and converted residential projects shall be designated as permanently affordable.

2. Within these programs, the corporation shall, at its discretion and in its best judgment, designate some projects to be leased by qualified housing companies and others to be leased as rentals by the corporation or one of its subsidiaries. For any project selected to be operated by a housing company, the corporation may partner with local financial institutions to originate affordable financing for the mortgage of shares to prospective residents of such residential project. The corporation shall sell renewable ninety-nine year leasehold interests to qualified housing companies and shall contract property management services for residential projects operated as rentals and leased directly by the corporation or its subsidiaries.

3. The corporation may designate new projects as mixed-income or one hundred percent affordable. For residential projects acquired by the corporation that are occupied at the point of sale or transfer, the corporation may elect not to impose mixed-income or one hundred percent affordable designations where the imposition of such requirements would conflict with rents charged and paid by tenants already occupying such project or otherwise risk the financial viability of such acquisition.

4. For real properties acquired by the corporation that do not meet the corporation's energy efficiency and housing quality standards, the corporation shall create a plan to bring such property into compliance by means of an environmental hazard and housing quality retrofit. If such property is occupied at the point of sale or conveyance, the corporation shall create such plan in consultation with tenants currently occupying such building or any elected resident body representing such tenants.

5. In soliciting bids for construction and rehabilitation contracts, and in awarding such contracts, the corporation shall consider, without limitation: community needs and demands; architectural and historical congruity and sensitivity of design with the neighborhood in which such structure will be situated; innovation in design; the inclusion of civic projects in such design; the number of permanently affordable units created; greenhouse gas emissions; and any other factors warranted by the type of project or contract delivery utilized.

6. Across the portfolio of the corporation, no more than one-third of the corporation's units shall be designated for households earning more than one hundred percent of the area median income, and no less than twenty-five percent may be designated for households earning thirty percent or less of the area median income.

7. Projects undertaken by the corporation may be financed with:

a. The proceeds of bonds or notes issued by the corporation, provided to each project in the form of a repayable loan at an interest rate sufficient to repay creditors. The loan shall be sized to ensure a debt

service coverage ratio of no less than one and fifteen hundredths from the project's underwritten cash flow, including the anticipated payments from any vouchers issued by the corporation to such project or received by any other source.

b. A subordinate grant from the corporation sized to fill the gap between the project's cost and the bond-financed loan authorized pursuant to paragraph a of this subdivision. Such grant shall be considered a permanent contribution by the corporation to such project.

c. Additional financing from outside of the corporation's budget, provided that:

(i) Such financing does not place a lien on title to the property;

(ii) Such financing does not place financial obligations on the property that would unduly burden the corporation; and

(iii) Such financing does not place a regulatory burden on the property inconsistent with the corporation's rules, regulations, by-laws, or related provisions of this act.

d. Any other financing from the corporation's budget necessary to ensure the successful completion of the project.

8. The corporation shall consult with the state department of housing and community renewal and the New York state energy research and development authority in the development of the corporation's energy efficiency and housing quality standards, processes for completing environmental hazard and housing quality retrofits, and the identification of projects that may be eligible for grants or assistance from either or both agencies. The department of economic development shall consult with the corporation to anticipate housing needs created by projects sponsored by the department or its subsidiaries and to create plans to meet such needs where necessary.

9. It shall be unlawful to knowingly submit false documents or information to the corporation for any purpose, and the corporation may refer fraud to appropriate authorities at its discretion. It shall also be unlawful to use any dwelling unit or project belonging to the corporation for the purposes of short-term rentals.

§ 12. Compliance with building codes and local ordinances. 1. The corporation's projects shall conform to building codes and standards of the state and to the corporation's energy efficiency and housing quality standards. A list of applicable standards shall be issued by the corporation and updated regularly.

2. Any local law, resolution, or ordinance regulating height, bulk, floor to area ratio, setback, lot size, parking regulations, building codes, permitting, land use, or other related matters shall not apply to any project of the corporation that is designated as permanently affordable, mixed-income, one hundred percent affordable, or as special purpose housing; provided, however, that any local law, resolution, or ordinance designating land for manufacturing purposes shall not be abridged by the corporation.

3. Any local law, resolution, or ordinance prohibiting or regulating mixed-use development or construction shall not apply to any project of the corporation that is designated as permanently affordable, mixed-income, one hundred percent affordable, or as special purpose housing.

§ 13. Resident democracy. 1. Residents of every residential project owned by the corporation shall elect a body of representatives from among the residents of the residential project pursuant to the corporation's voting process, by-laws, and rules and regulations promulgated and maintained by the corporation for the creation of elected resident bodies. Each adult member of each household in such residential project

shall be guaranteed exactly one vote. The corporation, through regulation, shall determine what proportion of eligible adults in residential projects must cast a vote in order for the results of such election to be valid.

2. An elected resident body representing tenants in any residential project shall reserve the right to terminate the contract for any property management service at such residential project through approval of a written resolution by a majority of a quorum of such elected resident body. Such elected resident body may hire another property management service from a list of qualified contractors promulgated by the corporation through an identical process upon terms the corporation deems acceptable.

3. The corporation shall create a process whereby residents of any residential project owned by the corporation may apply to be elected to an open resident position on the corporation's board. Candidates shall be elected at-large by all eligible residents within residential projects belonging to the corporation's portfolio.

§ 14. Contracts with the corporation. 1. No member, officer, employee or agent of the corporation shall profit from contracts entered into by the corporation, and potential conflicts of interest between any member, officer, employee or agent of the corporation shall be reported, in a form to be promulgated by the corporation, to its board and counsel.

2. Construction performed under a contract entered into by the corporation, a subsidiary of the corporation, or any third-party acting on behalf of the corporation or a subsidiary of the corporation pursuant to this act shall be deemed a public work to be performed in accordance with the provisions of article eight of the labor law, including without limitation the prevailing wage requirements set forth in section two hundred twenty of the labor law and the reporting, monitoring, and enforcement provisions of article eight of the labor law, except for any projects receiving federal aid which are already required to pay prevailing wages pursuant to federal requirements.

3. Any contract entered into through a competitive sealed bidding process or pursuant to any form of contract delivery enumerated in this section, and undertaken pursuant to a project labor agreement, shall include a clause requiring the selected alternative project delivery contractor or the contractor selected on the basis of its sealed bid to obligate every tier of contractor working on the public work to comply with the project labor agreement required pursuant to this subdivision and shall include project labor agreement compliance monitoring and enforcement provisions consistent with any such project labor agreement.

4. Construction or building services performed under a contract entered into by the corporation, a subsidiary of the corporation, or a third-party acting on behalf of the corporation or a subsidiary of the corporation pursuant to this act may be exempted by the corporation from the prevailing wage requirements of article eight of the labor law through the use of a project labor agreement. Any project with a project cost of ten million dollars or more shall require compliance by the corporation with section two hundred twenty-two of the labor law.

5. a. In each contract for construction, reconstruction, alteration, repair, improvement or maintenance of a project undertaken pursuant to this act, the corporation shall ensure that such contract contains a provision that the structural iron and structural steel used or supplied in the performance of the contract or any subcontract thereto and that is permanently incorporated into the public work, shall be produced or made in whole or substantial part in the United States, its territories

or possessions. In the case of a structural iron or structural steel product, all manufacturing shall take place in the United States, from the initial melting stage through the application of coatings, except metallurgical processes involving the refinement of steel additives. For the purposes of this subdivision, "permanently incorporated" shall mean an iron or steel product that is required to remain in place at the end of the project contract, in a fixed location, affixed to the public work to which it was incorporated. Iron and steel products that are capable of being moved from one location to another are not permanently incorporated into a public work.

b. The provisions of paragraph a of this subdivision shall not apply if the corporation determines, in its sole discretion, that the provisions would not be in the public interest, would result in unreasonable costs, or that obtaining such steel or iron in the United States would increase the cost of the contract by an unreasonable amount, or such iron or steel, including without limitation structural iron and structural steel, cannot be produced or made in the United States in sufficient and reasonably available quantities and of satisfactory quality.

6. The corporation shall establish and maintain procurement policies that shall set forth the methods and procedures by which the corporation shall procure contracts for goods and services, including but not limited to services for design, development, construction, reconstruction, improvement, modernization, rehabilitation, repair, maintenance, building services, and operations related to property owned or leased by the corporation, in a manner consistent with the provisions of this act. Such policies shall specifically include:

a. A competitive sealed bidding process for the award of contracts in which sealed bids are publicly solicited or solicited from a list of prequalified bidders and opened and a contract is awarded to the lowest responsive, responsible bidder;

b. Processes for awarding contracts for goods and services using alternatives to competitive sealed bidding where competitive sealed bidding is not practicable or not advantageous, in which case the corporation shall use the most competitive method of procurement that is appropriate under the circumstances to select the proposer offering the best value to the corporation and the residents of the project;

c. A process for prequalifying bidders and proposers based on criteria, which may include an entity's experience, past performance, ability to undertake work, financial capability, responsibility, reliability and status as a certified minority- or women-owned business enterprise pursuant to article fifteen-A of the executive law or section thirteen hundred four of the New York city charter;

d. Reasonable procedures to secure the meaningful participation of minority- and women-owned business enterprises in the corporation's procurement process. The corporation may use the same measures to enhance minority- and women-owned business enterprise participation as are available pursuant to applicable local law, including section 6-129 of the administrative code of the city of New York;

e. Processes for awarding alternative project delivery contracts, in a manner consistent with the terms of section fifteen of this act;

f. Procedures for the fair and equitable resolution of contract disputes, for appeals of responsiveness and responsibility determinations by the corporation, and for appeals of prequalification determinations;

g. A process for making purchases off contracts procured by public agencies and public entities, provided that such contract exists between a vendor and (i) the United States General Services Administration, (ii) the state of New York or any of its political subdivisions, (iii) another public authority or public corporation of the state, (iv) another public housing agency or public housing authority, or (v) any purchasing cooperative where the lead purchasing entity is any of the foregoing, provided that in any case when the corporation under this paragraph determines that obtaining such item thereby would be in the public interest and provide for greater economy and efficiency and sets forth the reasons for such determination. Such rationale shall include, but not be limited to, a determination of need, a consideration of the procurement method by which the contract was awarded, an explanation why a competitive procurement or the use of a centralized contract let by the commissioner of the office of general services is not in the best interest of the corporation, and the reasonableness of cost; and

h. A mechanism for procurements without a formal competitive process where:

(i) The existence of an emergency involving danger to life, safety or property requires immediate action and cannot await a competitive process for goods or services to be purchased, including, but not limited to, services for construction, reconstruction, rehabilitation, alteration, renovation, maintenance or repairs, which are essential to efficient operation or the adequate provision of service by the corporation and as a consequence of unforeseen circumstance such purchase cannot await a competitive process;

(ii) A procurement's value does not exceed fifty thousand dollars;

(iii) The corporation receives no responsive bids or only a single responsive bid in response to a solicitation for competitive bids or proposals;

(iv) A procurement's value does not exceed five hundred thousand dollars and is made from a business certified as a minority- or women-owned business enterprise pursuant to article fifteen-A of the executive law and section thirteen hundred four of the New York city charter. Nothing in this paragraph shall be construed to require that such business be concurrently certified as minority- or women-owned business enterprises under article fifteen-A of the executive law and section thirteen hundred four of the New York city charter to be awarded such a contract;

(v) A duly appointed representative of the corporation determines in writing that, based on a market analysis, only one source for the required goods or services, including but not limited to, services for construction, reconstruction, rehabilitation, alteration, renovation, maintenance and repairs, are available; or

(vi) The contract is a contract between the corporation and another governmental entity.

i. The provisions of sections one hundred six-b of the general municipal law and one hundred fifty-one-a of the public housing law shall apply to the corporation.

j. The corporation shall be required to comply with any procurement procedure set forth in this act unless a federal requirement conflicts with such procedure.

§ 15. Alternative project delivery contracts. 1. Notwithstanding any provision of law to the contrary, including but not limited to section seventy-two hundred ten of the education law, for any project undertaken pursuant to a project labor agreement the corporation, a subsidiary of

the corporation, or a third-party acting on behalf of the corporation or a subsidiary of the corporation may use alternative project delivery contracts.

a. A contractor selected by the corporation to enter into an alternative project delivery contract may be selected through a two-step method, as follows:

(i) Step one. The first step shall be the generation of a list of responding entities that have demonstrated the general capability to perform the alternative project delivery contract. Such list shall consist of a specified number of responding entities, as determined by the corporation, and shall be generated based upon the corporation's review of responses to a publicly advertised request for qualifications. The corporation's request for qualifications shall include a general description of the public work, the maximum number of responding entities to be included on such list, the selection criteria to be used and the relative weight of each criteria in generating such list. Such selection criteria shall include the qualifications and experience of the entity or team of entities, organization, demonstrated responsibility, ability of the entity or team of entities or of a member or members of the entity or team of entities to comply with applicable requirements, including the provisions of articles one hundred forty-five, one hundred forty-seven and one hundred forty-eight of the education law, past record of compliance with the labor law, and such other qualifications the corporation deems appropriate, which may include but are not limited to project understanding, financial capability and record of past performance. The corporation shall evaluate and rate all responding entities to the request for qualifications. Based upon such ratings, the corporation shall list the responding entities that shall receive a request for proposals in accordance with subparagraph (ii) of this paragraph. To the extent consistent with applicable federal law, the corporation shall consider, when awarding any contract pursuant to this section, the participation of: (1) responding entities that are certified as minority- or women-owned business enterprises pursuant to article fifteen-A of the executive law, or certified pursuant to local law as minority- or women-owned business enterprises; (2) small business concerns identified pursuant to subdivision (b) of section one hundred thirty-nine-g of the state finance law; and (3) business concerns that provide economic opportunities for low and very low-income persons in accordance with section three of the federal housing and urban development act of nineteen hundred sixty-eight, as amended, or chapter seventy-nine of the New York city charter, as applicable, or any successor provision. In addition, nothing in this section shall be deemed to supersede any prequalification policies adopted by the corporation pursuant to this section.

(ii) Step two. The second step shall be the selection of the proposal which is the best value to the corporation. The corporation shall issue a request for proposals to the responding entities listed pursuant to subparagraph (i) of this paragraph. If such a responding entity consists of a team of separate entities, the entities that comprise such a team shall remain unchanged from the responding entity as listed pursuant to subparagraph (i) of this paragraph unless otherwise approved by the corporation. The request for proposals shall set forth the public work's scope of work, and other requirements, as determined by the corporation, which may include separate goals for work under the contract to be performed by businesses certified as minority- or women-owned business enterprises pursuant to article fifteen-A of the executive law, or

certified pursuant to local law as minority- or women-owned business enterprises, or goals established pursuant to section three of the federal housing and urban development act of nineteen hundred sixty-eight, as amended, or any successor provision, if applicable. The request for proposals shall also specify the criteria to be used to evaluate the responses and the relative weight of each of such criteria. Such criteria shall include: the quality of the proposal's solution; the qualifications and experience of the proposer; the proposal's cost, which may include factors that may be considered individually or in the aggregate, such as the proposed cost of design phase work, the proposed cost of construction phase work, or cost factors relating to construction phase work, as applicable; and other factors deemed pertinent by the corporation, which may include, but shall not be limited to, the proposal's manner and schedule of project implementation, the proposer's ability to complete the work in a timely and satisfactory manner, maintenance costs of the completed public work, maintenance of traffic approach, and community impact. The corporation may engage in negotiations or other discussions with all qualified vendors that have expressed interest, provided that the corporation maintains a written record of the conduct of negotiations or discussions and the basis for every determination to continue or suspend negotiations, and further provided that if the corporation determines for a particular contract or for a particular type of contract that it is in the corporation's best interest to negotiate or enter into discussions with fewer proposers, it may make such a determination in writing. If the corporation enters into such negotiations, the corporation shall allow all proposers to revise their proposals upon conclusion of negotiations, and the corporation shall evaluate the proposers' revised proposals using the criteria included in the request for proposals. Any contract awarded pursuant to this section shall be awarded to a responsive and responsible proposer, which, in consideration of these and other specified criteria deemed pertinent, offers the best value as determined by the corporation. The request for proposals shall include a statement that proposers shall designate in writing those portions of the proposal that contain trade secrets or other proprietary information that are to remain confidential, so that the material designated as confidential shall be readily separable from the proposal. Nothing in this subdivision shall be construed to prohibit the corporation from negotiating final contract terms and conditions including cost. All proposals submitted shall be scored according to the criteria listed in the request for proposals and such final scores shall be published on the corporation's website after the date upon which such contract may be implemented.

b. The corporation, in awarding an alternative project delivery contract to a contractor offering the best value may use the following types of contracts:

(i) A cost-plus not to exceed guaranteed maximum price form of contract in which the corporation shall be entitled to monitor and audit all costs. In establishing the schedule and process for determining a guaranteed maximum price, the contract between the corporation and the contractor shall include terms specifying the price for the design phase of the work, the scope of the work, and any applicable cost factors relating to construction phase work that were included in the contractor's proposal. A fair and reasonable guaranteed maximum price for the construction phase of the work, or portions of the construction phase of the work, may be agreed to as one or more amendments to such contract based on developments in the design of the project that occur after such

contract is executed. Each guaranteed maximum price amendment shall: (1) describe the scope of the portion of the construction phase work subject to the amendment, the cost of performing such work, and the maximum costs of any contingencies related to such work; (2) include a detailed line item cost breakdown; (3) include a list of all drawings, specifications and other information on which the guaranteed maximum price is based; (4) include the dates of substantial and final completion on which the guaranteed maximum price is based, as applicable; and (5) include a schedule of unit prices. The corporation shall maintain a written record of each guaranteed maximum price amendment, which shall include a summary of the negotiation process and a description of the relevant developments in the design of the project, independent cost estimates prepared by or on behalf of the corporation, as required pursuant to a policy established by the corporation, the contractor's actual cost schedules and unit prices, and any other factors that the corporation considered. If the corporation and the contractor cannot agree upon a guaranteed maximum price for one or more portions of construction phase work, the corporation may direct the contractor to assign all or a portion of the duties and rights under such alternative project delivery contract to another responsive and responsible proposer pursuant to subparagraph (ii) of paragraph a of this subdivision that offered the best value of the remaining proposers and that will agree to accept such assignment. This subparagraph shall not be deemed to prohibit the use of any contract terms or procedures pursuant to any other provision of law, including but not limited to provisions included in this article;

(ii) A lump sum contract in which the contractor agrees to accept a set dollar amount for a contract which comprises a single bid without providing a cost breakdown for all costs such as for equipment, labor, materials, as well as such contractor's profit for completing all items of work comprising the public work;

(iii) Incentive payments identified in the text of the contract for performance objectives; or

(iv) A combination of elements of the contract types authorized pursuant to this paragraph.

2. All alternative project delivery contracts entered into pursuant to this section shall include a clause requiring that any professional services regulated by articles one hundred forty-five, one hundred forty-seven and one hundred forty-eight of the education law shall be performed and stamped and sealed, where appropriate, by a professional licensed in accordance with the appropriate article.

3. The submission of a proposal or responses or the execution of an alternative project delivery contract pursuant to this section shall not be construed to be a violation of section sixty-five hundred twelve of the education law.

4. Each alternative project delivery contract entered into by the corporation pursuant to this section shall comply with the objectives and goals relating to the performance of design and construction services by minority- and women-owned business enterprises pursuant to section 6-129 of the administrative code of the city of New York, or, for projects or public works receiving federal aid, applicable federal requirements for disadvantaged business enterprises or minority- and women-owned business enterprises and section three of the federal housing and urban development act of nineteen hundred sixty-eight, as amended, or chapter seventy-nine of the New York city charter, as applicable or any successor provision.

5. a. Notwithstanding any provision of law to the contrary, all rights or benefits, including terms and conditions of employment, and protection of civil service and collective bargaining status of all employees of the corporation solely in connection with the use of an alternative project delivery contract pursuant to this section shall be preserved and protected.

b. The use of alternative project delivery contracts pursuant to this section shall not result in the: (i) displacement of any currently employed worker of the corporation or loss of position, including partial displacement such as a reduction in the hours of non-overtime work, wages or employment benefits, or result in the impairment of existing collective bargaining agreements to which the corporation is a party; or (ii) transfer of existing duties and functions related to maintenance and operations currently performed by existing employees of the corporation to a contractor.

c. Employees of the corporation serving in positions in newly created titles shall be assigned to the appropriate bargaining unit. Nothing contained in this section shall be construed to affect: (i) the existing rights of employees of the corporation pursuant to an existing collective bargaining agreement; (ii) the existing representational relationships among employee organizations representing employees of the corporation; or (iii) the bargaining relationships between the corporation and such employee organizations.

d. Without limiting contractors' obligations under alternative project delivery contracts to issue their own initial certifications of substantial completion and final completion, public employees of the corporation shall review and determine whether the work performed by contractors is acceptable and has been performed in accordance with the applicable alternative project delivery contracts, and if such public employees so determine, such public employees shall accept contractors' substantial or final completion of the public works as applicable. Performance by public employees of the corporation of any review described in this subdivision shall not be construed to modify or limit contractors' obligations to perform the work in strict accordance with the applicable alternative project delivery contract or the contractors' or any subcontractors' obligations or liabilities under any law.

§ 16. Technical assistance. The corporation shall create an internal office dedicated to creating educational materials and providing technical assistance to residents of its residential projects, housing companies, tenants, tenant organizations, not-for-profit corporations operating in the state of New York, and the general public concerning resident elections, the organization, management, and operation of housing cooperatives, community land trusts, and tenant organizations, and the method by which tenants, tenant organizations, or owners of distressed or non-distressed properties may engage with the corporation concerning the acquisition of real property, among other subjects deemed relevant by the corporation. Such assistance shall include standard forms and templates that comply with state law and the corporation's rules and regulations.

§ 17. Vouchers. In order to provide more deeply affordable housing to residents, the corporation may enter into agreements with the management of residential projects owned by the corporation, whether or not such management is an employee or subsidiary of the corporation or a third-party, for the issuance of vouchers by the corporation to such management, subject to the conditions of this section. Such vouchers shall be issued to a residential project's management on a monthly basis. Vouch-

er payments and associated contracts shall be non-transferable and non-assignable and shall remain tied to the dwelling unit for which they were initially issued. Voucher payments shall be used exclusively to defray maintenance and operating costs or debt service payments on such dwelling unit, if any. Any excess remainder between the sum of a voucher payment, the rent collected for such unit, and the costs associated with such unit shall be transmitted back to the corporation forthwith.

§ 18. Additional provisions related to acquisition. The corporation shall make temporary relocation assistance available to any households of a building slated to be demolished by the corporation in favor of new construction or scheduled for rehabilitation in any manner that will necessarily displace such households. Such assistance shall be in an amount to be determined by the corporation and corresponding to the necessary and actual expenses incurred by such households as a result of such temporary relocation. Such households shall have priority in the selection of tenants for the lease of units available in any residential project newly constructed or rehabilitated on the site of such households' former home or in any other residential project owned by the corporation, which shall be similar in size to the unit from which such household was initially displaced.

§ 19. Reports and evaluations. The corporation shall submit to the governor, the temporary president of the senate and the speaker of the assembly, no later than thirty days following the submission of the annual independent audit report pursuant to section twenty-eight hundred two of the public authorities law, a complete detailed report or reports setting forth, to the extent such matters are not fully addressed in the annual independent audit report, the following:

1. Its financial reports, including:

a. Audited financials in accordance with all applicable regulations and following generally accepted accounting principles as defined in subdivision ten of section two of the state finance law;

b. Grant and subsidy programs;

c. Operating and financial risks;

d. Current ratings of its bonds issued by recognized municipal bond rating agencies and notice changes in such ratings;

e. Long-term liabilities, including leases and employee benefit plans; and

2. An assessment of the effectiveness of its internal control structure and procedures, including:

a. Descriptions of the corporation and its major units and subsidiaries;

b. The number of employees, and minority and women employees, for each;

c. An organizational chart;

d. Its charter, if any, and by-laws;

e. The extent of participation by minority- and women-owned enterprises in corporation contracts and services in accordance with article fifteen-A of the executive law; and

f. A listing of material changes in internal operations and programs during the reporting year.

§ 20. Subsidiaries. 1. The corporation shall have the right to manage properties or projects within its portfolio, and to exercise and perform its powers and functions related thereto, through one or more subsidiary corporations or legal entities. The corporation by resolution may direct any of its members, officers or employees to organize a subsidiary corporation or legal entity whenever, in the sole discretion of the

corporation, it is necessary or convenient to carry out such functions, powers, and duties.

2. Each such subsidiary corporation shall be wholly owned by the corporation and shall be organized pursuant to the business corporation law, the not-for-profit corporation law or the private housing finance law.

3. The corporation may transfer to any subsidiary corporation any money, real or personal or mixed property or may convey to it any project in order to carry out the purposes and functions related to property management. Each such subsidiary corporation shall have all the privileges, immunities, tax exemptions and other exemptions of the corporation to the extent the same are not inconsistent with the statute or statutes pursuant to which such subsidiary was incorporated. Except as may be inconsistent with the provisions of this act, such subsidiary shall have all the rights and powers granted by any other statute pursuant to which such subsidiary corporation was organized.

4. No member or officer of the corporation shall receive any additional compensation, either direct or indirect, other than reimbursement for actual and necessary expenses incurred in the performance of such person's duties, by reason of such person's serving as a member, director, trustee or officer of any subsidiary corporation.

5. The board of a subsidiary shall be comprised wholly of the corporation's members, officers, or employees, insofar as such employees' official duties are pertinent or useful to projects managed by such subsidiary.

§ 21. Monies of the corporation. 1. All monies of the corporation, except as otherwise authorized or provided in this act, shall be paid to the commissioner of taxation and finance as agent of the corporation, who shall not commingle such monies with any other monies. Such monies shall be deposited in a separate bank account or accounts. The monies in such accounts shall be paid out on checks signed by the commissioner of taxation and finance on requisition of the chairman or treasurer of the board or president of the corporation or of such other officer or employee or officers or employees as the corporation shall authorize to make such requisition. All deposits of such monies shall, if required by the commissioner of taxation and finance or the corporation, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit, and all banks and trust companies are authorized to give such security for such deposits.

Notwithstanding the provisions of this section, the corporation shall have power to contract with the holders of any of its notes or bonds, as to the custody, collection, securing, investment, and payment of any monies of the corporation, of any monies held in trust or otherwise for the payment of notes or bonds, and to carry out such contract. Monies held in trust or otherwise for the payment of notes or bonds or in any way to secure notes or bonds and deposits of such monies may be secured in the same manner as monies of the corporation, and all banks and trust companies are authorized to give such security for such deposits.

2. Subject to agreements with noteholders and bondholders and the approval of the comptroller, the corporation shall prescribe a system of accounts.

3. The comptroller, or his legally authorized representative, is hereby authorized and empowered from time to time to examine the books and accounts of the corporation including its receipts, disbursements, contracts, reserve funds, sinking funds, investments, and any other matters relating to its financial standing. Such an examination shall be

conducted by the comptroller at least once in every five years; the comptroller is authorized, however, to accept from the corporation, in lieu of such an examination, an external examination of its books and accounts made at the request of the corporation.

4. The corporation shall submit to the governor, chair of the senate finance committee, chair of the assembly ways and means committee and the comptroller, within thirty days of the receipt thereof by the corporation, a copy of the report of every external examination of the books and accounts of the corporation other than copies of the reports of such examinations made by the comptroller.

5. The corporation shall manage the expenses and income of its projects across its portfolio, and the excess cash flow of any project shall be utilized to augment the cash flow of all other projects in any manner or system the corporation deems convenient for its purposes.

§ 22. Bonds and notes of the corporation. 1. Subject to the provisions of section nineteen of this act, the corporation shall have the power and is hereby authorized from time to time to issue its negotiable bonds and notes in conformity with applicable provisions of the uniform commercial code in such principal amounts, as, in the opinion of the corporation, shall be necessary to provide sufficient funds for achieving any of its corporate purposes, including the payment of interest on bonds and notes of the corporation, establishment of reserves to secure such bonds and notes, and all other expenditures of the corporation incident to and necessary or convenient to carry out its corporate purposes and powers.

2. All such bonds shall be designated on their face, "New York State Social Housing Development Authority". The state shall not be liable on notes or bonds of the corporation. Such notes and bonds shall not be a debt of the state and such notes and bonds shall contain on the face thereof a statement to such effect.

3. All bonds and notes issued by the corporation may be secured by the full faith and credit of the corporation or may be payable solely out of the revenues and receipts derived from the lease, mortgage or sale by the corporation of its projects or of any thereof, all as may be designated in the proceedings of the corporation under which the bonds or notes shall be authorized to be issued. Such bonds and notes may be executed and delivered by the corporation at any time and from time to time, may be in such form and denominations and of such tenor and maturities, may be in bearer form or in registered form, as to principal and interest or as to principal alone, all as the corporation may determine.

4. Bonds may be payable in such installments and at such time or times not exceeding fifty years from the date thereof, as shall be determined by the corporation.

5. Notes, or any renewals thereof, may be payable in such installments and at such time or times as shall be determined by the corporation, not exceeding ten years from the date of the original issue of such notes.

6. Bonds and notes may be payable at such place or places whether within or without the state, may bear interest at such rate or rates payable at such time or times and at such place or places and evidenced in such manner, and may contain such provisions not inconsistent herewith, all as shall be provided in the proceedings of the corporation under which the bonds or notes shall be authorized to be issued.

7. If deemed advisable by the corporation, there may be retained in the proceedings under which any bonds or notes of the corporation are authorized to be issued an option to redeem all or any part thereof as may be specified in such proceedings, at such price or prices and after

such notice or notices and on such terms and conditions as may be set forth in such proceedings and as may be recited in the face of the bonds or notes, but nothing herein contained shall be construed to confer on the corporation any right or option to redeem any bonds or notes except as may be provided in the proceedings under which they shall be issued.

8. Any bonds or notes of the corporation may be sold at such price or prices, at public or private sale, in such manner and from time to time as may be determined by the corporation, and the corporation may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof. No bonds or notes of the corporation may be sold at private sale, however, unless such sale and the terms thereof have been approved in writing by: (i) the comptroller where such sale is not to the comptroller, or (ii) the state director of the budget, where such sale is to the comptroller.

9. Any moneys of the corporation, including proceeds from the sale of any bonds or notes, and revenues, receipts and income from any of its projects or mortgages, may be invested and reinvested in such obligations, securities and other investments as shall be provided in the resolution or resolutions under which such bonds or notes are authorized.

10. Issuance by the corporation of one or more series of bonds or notes for one or more purposes shall not preclude it from issuing other bonds or notes in connection with the same project or any other project, but the proceedings whereunder any subsequent bonds or notes may be issued shall recognize and protect any prior pledge or mortgage made for any prior issue of bonds or notes unless in the proceedings authorizing such prior issue the right is reserved to issue subsequent bonds or notes on a parity with such prior issue.

11. The corporation is authorized to provide for the issuance of its bonds or notes for the purpose of refunding any bonds or notes of the corporation then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or subsequent date of redemption, purchase or maturity of such bonds or notes, and, if deemed advisable by the corporation, for the additional purpose of paying all or any part of the cost of acquiring, constructing, reconstructing, rehabilitating, or improving any project, or the making of any mortgage loan on any project. The proceeds of any such bonds or notes issued for the purpose of refunding outstanding bonds or notes, may, in the discretion of the corporation, be applied to the purchase or retirement at maturity or redemption of such outstanding bonds or notes either on their earliest or any subsequent redemption date, and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or redemption on such date as may be determined by the corporation. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations of or guaranteed by the United States of America, or in certificates of deposit or time deposits secured in such manner as the corporation shall determine, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, on the outstanding bonds or notes to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds or notes to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the corporation for use by it

in any lawful manner. The portion of the proceeds of any such bonds or notes issued for the additional purpose of paying all or any part of the cost of acquiring, constructing, reconstructing, rehabilitating, or improving any project, or the making of any mortgage loan on any project, may be invested and reinvested in obligations of or guaranteed by the United States of America, maturing not later than the time or times when such proceeds will be needed for the purpose of paying all or any part of such cost, or the making of any such mortgage loan. The interest, income and profits, if any, earned or realized on such investments may be applied to the payment of all or any part of such cost, or the making of any such mortgage loan, or may be used by the corporation in any lawful manner. All such bonds or notes shall be issued and secured and shall be subject to the provisions of this act in the same manner and to the same extent as any other bonds or notes issued pursuant to this act.

§ 23. Debt service reserve funds. 1. The corporation may create and establish one or more reserve funds to be known as debt service reserve funds and may pay into such reserve funds: (i) any moneys appropriated and made available by the state for the purposes of such funds; (ii) any proceeds of sale of bonds and notes to the extent provided in the resolution of the corporation authorizing the issuance thereof; and (iii) any other moneys which may be made available to the corporation for the purposes of such funds from any other source or sources. The moneys held in or credited to any debt service reserve fund established under this subdivision, except as hereinafter provided, shall be used solely for the payment of the principal of bonds of the corporation secured by such reserve fund, as the same mature, the purchase of such bonds of the corporation, the payment of interest on such bonds of the corporation or the payment of any redemption premium required to be paid when such bonds are redeemed prior to maturity; provided, however, that moneys in any such fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such fund to less than the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on the bonds of the corporation then outstanding and secured by such reserve fund, except for the purpose of paying principal and interest on the bonds of the corporation secured by such reserve fund maturing and becoming due and for the payment of which other moneys of the corporation are not available. Any income or interest earned by, or increment to, any such debt service reserve fund due to the investment thereof may be transferred to any other fund or account of the corporation to the extent it does not reduce the amount of such debt service reserve fund below the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on all bonds of the corporation then outstanding and secured by such reserve fund.

2. The corporation shall not issue bonds at any time if the maximum amount of principal and interest maturing and becoming due in a succeeding calendar year on the bonds outstanding and then to be issued and secured by a debt service reserve fund will exceed the amount of such reserve fund at the time of issuance, unless the corporation, at the time of issuance of such bonds, shall deposit in such reserve fund from the proceeds of the bonds so to be issued, or otherwise, an amount which together with the amount then in such reserve fund, will be not less than the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on the bonds then to be issued and

on all other bonds of the corporation then outstanding and secured by such reserve fund.

3. To assure the continued operation and solvency of the corporation for the carrying out of the public purposes of this act, provision is made in subdivision one of this section for the accumulation in each debt service reserve fund of an amount equal to the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on all bonds of the corporation then outstanding and secured by such reserve fund. In order further to assure the maintenance of such debt service reserve funds, there shall be annually apportioned and paid to the corporation for deposit in each debt service reserve fund such sum, if any, as shall be certified by the chairman of the corporation to the governor and state director of the budget as necessary to restore such reserve fund to an amount equal to the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on the bonds of the corporation then outstanding and secured by such reserve fund. The chairman of the corporation shall annually, on or before December first, make and deliver to the governor and state director of the budget his certificate stating the sum, if any, required to restore each such debt service reserve fund to the amount aforesaid, and the sum or sums so certified, if any, shall be apportioned and paid to the corporation during the then current state fiscal year.

4. In computing any debt service reserve fund for the purposes of this section, securities in which all or a portion of such reserve fund shall be invested shall be valued at par, or if purchased at less than par, at their cost to the corporation.

§ 24. Dissolution of the corporation. 1. The corporation may only be dissolved after a unanimous decision by the board, and a concurrent law effecting the same passed by the members of the assembly and senate, which shall be signed by the governor. The board shall give ninety calendar days' advance notice of any consideration of a resolution to dissolve the corporation, which the corporation shall publish in a newspaper of general circulation in every city with a population greater than five hundred thousand people, post prominently and continuously on the homepage of any website maintained by the corporation, send by certified mail to the trustee of any outstanding bonds of the corporation, and post conspicuously in the common spaces of any residential projects owned by the corporation or its subsidiaries. Residents of residential projects owned by the corporation or its subsidiaries shall be given adequate opportunity to comment on such resolution in advance of its consideration.

2. Upon dissolution of the corporation, any residential projects or real property formerly owned by the corporation shall be held in trust by the department of housing and community renewal, which shall assume the former corporation's responsibilities in relation to such residential projects or real properties until such time as the legislature shall create a process by which such properties are fairly and responsibly disposed of to residents or third-parties.

§ 25. Court proceedings. Any action or proceeding to which the corporation or the people of the state of New York may be parties, in which any question arises as to the validity of this act, shall be preferred over all other civil causes except election causes in all courts of the state of New York and shall be heard and determined in preference to all other civil business pending therein except election causes, irrespective of position on the calendar. The same preference shall be granted

upon application of counsel to the corporation in any action or proceeding questioning the validity of this act in which they may be allowed to intervene. The venue of any such action or proceeding shall be laid in the county in which the principal office of the corporation is located.

§ 26. Actions against the corporation. 1. Except in an action for wrongful death, no action or proceeding shall be prosecuted or maintained against the corporation for personal injury or damage to real or personal property alleged to have been sustained by reason of the negligence or wrongful act of the corporation or of any member of the board, officer, agent or employee thereof, unless: (i) it shall appear by and as an allegation in the complaint or moving papers that a notice of claim shall have been made and served upon the corporation, within the time limit prescribed by and in compliance with section fifty-e of the general municipal law; (ii) it shall appear by and as an allegation in the complaint or moving papers that at least thirty days have elapsed since the service of such notice and that adjustment or payment thereof has been neglected or refused; and (iii) the action or proceeding shall be commenced within the period provided under section fifty-i of the general municipal law. An action against the corporation for wrongful death shall be commenced in accordance with the notice of claim and time limitation provisions of title eleven of article nine of the public authorities law.

2. Wherever a notice of claim is served upon the corporation, it shall have the right to demand an examination of the claimant relative to the occurrence and extent of the injuries or damages for which claim is made, in accordance with the provisions of section fifty-h of the general municipal law.

3. The corporation may require any person presenting for settlement an account or claim for any cause whatsoever against the corporation to be sworn before a member of the board, counsel or an attorney, officer or employee thereof designated for such purpose, concerning such account or claim and when so sworn, to answer orally as to any facts relative to such account or claim. The corporation shall have power to settle or adjust any claims in favor of or against the corporation.

4. The rate of interest to be paid by the corporation upon any judgment for which it is liable, other than a judgment on bonds, notes or other obligations, shall not exceed the rate of interest on judgments and accrued claims against municipal authorities as provided in the general municipal law. Interest on payments of principal or interest on any bonds, notes or other obligations in default shall accrue at the rate specified in the general municipal law until paid or otherwise satisfied.

§ 27. Limited liability. 1. As used in this section, the term "employee" shall mean the members of the board, president, officers, employees, or a former employee, their estate or judicially appointed personal representative.

2. Neither the members of the board nor any officers or employee of the corporation acting on behalf thereof, while acting within the scope of such person's authority, shall be subject to any liability resulting from carrying out any of the powers expressly given in this act.

3. At the request of the employee, and upon compliance by the employee with the provisions of this section, the corporation shall provide for the defense of an employee in any civil action or proceeding in any state or federal court, arising out of any alleged act or omission which the corporation finds occurred while the employee was acting within the scope of their public employment and in the discharge of their public

duties and was not in violation of any rule or regulation of the corporation at the time the alleged act or omission occurred. This duty to provide for a defense and indemnification shall not arise where such civil action or proceeding is brought by or on behalf of the corporation against the employee.

4. The corporation shall indemnify and hold harmless its employees in the amount of any civil judgment obtained against such employees in any state or federal court, or in the amount of any settlement of a claim approved by the corporation provided that the act or omission from which such judgment or settlement arose occurred while the employee was acting within the scope of their public employment and in the discharge of their public duties and was not in violation of any rule or regulation of the corporation at the time the alleged damages were sustained. The duty to indemnify and hold harmless prescribed by this section shall not arise where the injury or damage resulted from an intentional wrongdoing, or recklessness on the part of the employee. Nothing in this section shall authorize the corporation to indemnify or hold harmless an employee with respect to punitive or exemplary damages, fines or penalties.

5. The duty to defend and indemnify and hold harmless prescribed by this section shall be conditioned upon: (i) delivery by the employee to the president or general counsel of the corporation at the office of the corporation of the original or a copy of any summons, complaint, claim, process, notice, demand or pleading within ten days after the employee is served with such document; and (ii) the full cooperation of the employee in the defense of such action or proceeding and in defense of any action or proceeding against the corporation based upon the same act or omission, and in the prosecution of any appeal. Such delivery shall be deemed a request by the employee that the corporation provide for their defense pursuant to this section. In the event that the corporation shall assume an employee's defense and thereafter the employee fails or refuses to cooperate in the formation or presentation of their defense, the court shall permit the corporation to withdraw its representation ten days after giving written notice to the employee of its intention to discontinue such representation.

6. In the event that the act or omission upon which the court proceeding against the employee is based was or is also the basis of a disciplinary proceeding by the corporation against the employee, representation and indemnification by the corporation, as set forth in this section, may be withheld: (i) until such disciplinary proceeding has been resolved; and (ii) unless the resolution of the disciplinary proceeding exonerated the employee as to such act or omission.

7. Subject to the conditions set forth in this section, such employee shall be entitled to representation by the general counsel of the corporation or by any attorney or attorneys designated by the general counsel; provided, however, that the employee shall be entitled to be represented by private counsel of their choice in any civil action or proceeding whenever the corporation determines that representation would be inappropriate, or whenever a court, upon appropriate motion or otherwise by a special proceeding, determines that a conflict of interest exists and that the employee is entitled to be represented by private counsel of the employee's choice. The general counsel of the corporation shall notify the employee in writing of such determination that the employee is entitled to be represented by private counsel. Provided, however, that the corporation may require, as a condition to payment of the fees and expenses of such representation, that appropriate groups of

such employees be represented by the same counsel. Reasonable attorneys' fees and litigation expenses shall be paid by the corporation to such private counsel from time to time during the pendency of a civil action or proceeding.

8. Any dispute with respect to representation of multiple employees by a single counsel or the reasonableness of attorneys' fees or the amount of litigation expenses shall be resolved by the court upon motion or by way of a special proceeding.

9. The benefits of this section shall inure only to employees as defined in this section and shall not enlarge or diminish the rights of any other party nor shall any provision of this section be construed to affect, alter or repeal any provision of the workers' compensation law.

10. The provisions of this section shall not be construed in any way to impair, alter, limit or modify the rights and obligations of any insurer under any policy of insurance.

11. Except as otherwise specifically provided in this section, the provisions of this section shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity available to or conferred upon any unit, entity, member, officer or employee of the corporation, or any right to defense or indemnification provided for any member, officer or employee by, in accordance with, or by reason of, any other provision of state, federal or local law or common law.

12. Every action or proceeding instituted pursuant to the provisions of this section shall be commenced pursuant to section twenty-six of this act and subject to any condition or limitation set forth in such section.

13. The provisions of this section shall apply to the actions and proceedings set forth herein notwithstanding any inconsistent provisions of state or local law.

§ 28. Public employer. For the purposes of article fourteen of the civil service law, the corporation shall be deemed to be a public employer and as such shall negotiate with and enter into written agreements with employee organizations representing the staff of the corporation that have been certified or recognized under such article. The state public employment relations board shall have exclusive jurisdiction for the purpose of administering the provisions of such article and the provisions of section two hundred twelve of such article shall not be applicable to any such negotiations.

§ 29. Made in New York. To the greatest degree possible, the corporation shall strive to procure materials for the construction of projects which are manufactured in whole or part in the state. If such materials cannot be procured that are manufactured in whole or part in the state, the corporation shall, to the greatest degree possible, strive to procure materials for the construction of projects which are produced in the United States.

§ 30. Public records and public meetings. 1. The board shall promulgate policies for compliance with articles six and seven of the public officers law and may update such policies at its discretion.

2. Meetings of the board and notes and minutes recorded thereof shall be public record. The board shall publish a schedule for its meetings at least ninety days in advance of such meetings, and shall publish an agenda for any meeting at least two weeks in advance of such meeting. Meetings shall be recorded and broadcast online in a manner accessible by the general public and such recordings shall remain online, together with the associated agendas and minutes for review by the general public after such meetings have occurred.

§ 31. Tax exemption. 1. It is hereby determined that the creation of the corporation and the carrying out of its corporate purposes is in all respects for the benefit of the people of the state of New York and is a public purpose. Accordingly, the corporation shall be regarded as performing an essential governmental function in the exercise of the powers conferred upon it by this act, and the corporation shall not be required to pay any fees, taxes, special ad valorem levies or assessments of any kind, including, but not limited to, franchise taxes, sales taxes or other taxes, upon or with respect to any property owned by it or under its jurisdiction, control or supervision, or upon the uses thereof, or upon or with respect to its activities or operations in furtherance of the powers conferred upon it by this act, or upon or with respect to any fares, tolls, rentals, rates, charges, fees, revenues or other income received by the corporation.

2. Any bonds, notes or other obligations issued pursuant to this act together with the income therefrom shall at all times be exempt from taxation.

3. The state hereby covenants with the purchasers and with all subsequent holders and transferees of bonds, notes or other obligations issued by the corporation pursuant to this act, in consideration of the acceptance of and payment for the bonds, notes or other obligations, that the bonds, notes or other obligations of the corporation issued pursuant to this act and the income therefrom and all revenues, monies, and other property pledged to pay or to secure the payment of such bonds, notes or other obligations shall at all times be free from taxation.

4. Notwithstanding any provision in this section to the contrary, the corporation may pay, or may enter into agreements with any municipality to pay, a sum or sums, annually or otherwise, or to provide other considerations to such municipality, with respect to real property of the corporation located within such municipality and provided that any such payment or agreement to pay shall be subject to approval by the corporation.

§ 32. Construction. This act, being necessary for the welfare of the state and its inhabitants, shall be liberally construed so as to effectuate its purposes.

§ 33. Inconsistent provisions of other laws superseded. Insofar as the provisions of this act are inconsistent with the provisions of any other act, general or special, the provisions of this act shall be controlling.

§ 34. Severability. If any provision of this act or its application to any person or circumstance is held unconstitutional or invalid, in whole or in part, by any court, such holding of unconstitutionality or invalidity shall in no way affect or impair any other provision of this act or the application of any such provision to any other person or circumstance, and to this end the provisions of this act are severable.

§ 35. Appropriation. The sum of sixty million dollars ($60,000,000), or so much thereof as may be necessary, is hereby appropriated to the corporation out of any moneys in the state treasury in the general fund and made immediately available for the purpose of carrying out the provisions of this act, namely in the creation, administration, and staffing of the corporation. Such moneys shall be payable on the audit and warrant of the state comptroller on vouchers certified or approved in the manner prescribed by law.

§ 36. This act shall take effect immediately.