§ 1974-c. Additional powers of the authority. 1. It is hereby found and declared that the legislature, pursuant to the housing New York program act, has established a housing New York program under which the city of New York, any agency or instrumentality thereof (other than the housing New York corporation) and the New York city housing development corporation will cause the acquisition, construction, equipping, improving, rehabilitation and renovation of dwelling accommodations within the city of New York for persons and families for whom the ordinary operations of private enterprise cannot supply such accommodations; that such program is necessary in order to increase the presently inadequate supply of dwelling accommodations in such city for persons and families of low and moderate income; that such program shall require a substantial commitment of funds from public sources; and that the need for such moneys necessitates that the authority be granted the additional powers and be made subject to the additional requirements of this section. The legislature therefore finds that the authority, subject to the terms and conditions specified herein, should be given the power to assign certain excess revenues to secure bonds and notes to be issued by the housing New York corporation for use by the city of New York, and any agency or instrumentality thereof (other than the housing New York corporation) or the New York city housing development corporation in the housing New York program; that the assignment of such excess revenues for the financing of residential housing facilities in accordance with the housing New York program is a public purpose for which moneys may be granted; and that the powers and duties of the authority as recited in this section are necessary and proper for achieving the ends herein recited.

2. In addition to the powers of the authority set forth in section nineteen hundred seventy-four of this title, the authority shall have the power:

(a) to borrow money by issuing bonds and notes and to issue such bonds and notes for the purposes of (i) repaying appropriations from the state to the authority in accordance with the provisions of any repayment agreements with the state, (ii) furthering the development of the infrastructure of the Battery Park project area, and (iii) refunding any bonds and notes of the authority issued pursuant to this section;

(b) subject to the provisions of any contract with noteholders and bondholders, to (i) pledge any excess revenues or assets (other than real property) of the authority, including, but not limited to such excess revenues as the authority shall deem necessary, to secure any bonds or notes issued by the authority pursuant to this section and (ii) assign such excess revenues as the authority shall deem necessary to secure any bonds or notes issued or any agreeements entered into by the housing New York corporation pursuant to section six hundred fifty-four-c of the private housing finance law or pay any expenses related thereto for the purpose of financing the acquisition, construction, equipping, improvement, enlargement, rehabilition and renovation of residential housing facilities in accordance with the provisions of the housing New York program and to enter into any agreement or execute any document to accomplish the foregoing;

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

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

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

3. Notwithstanding any contrary provision of law, general, special, or local, no moneys of the authority, or moneys received from the authority, which are expended pursuant to a chapter of the laws of nineteen hundred eighty-six entitled "An Act to enact the housing New York program act for the purpose of establishing a housing New York program and to amend the public authorities law, in relation to authorizing Battery Park city authority to assign excess revenues to secure bonds to be issued by the housing New York corporation and the private housing finance law, in relation to creating such corporation and authorizing the financing of certain housing accommodations within the city of New York", shall be used by the authority, directly or indirectly, for the design, planning, acquisition, financing, construction or implementation of any landfill or any pilings,

platforms, decks or similar structures and in addition, any dredging or filling activities, in the Hudson river between the northern boundary of the Battery Park project area as provided for in subdivision five of section nineteen hundred seventy-two of this title and forty-second street in the city of New York except to the extent that such activities are necessary to maintain the Battery Park project area landfill site, nor shall any such moneys authorized to be assigned or pledged by such act be assigned or pledged, directly or indirectly, to secure or pay the debt service on any bonds or notes issued or any agreements entered into by the housing New York corporation if the proceeds of such bonds or notes are to be used directly or indirectly, or the purpose of such agreements is to accomplish directly or indirectly, any of the prohibited activities listed in this subdivision.

4. No excess revenues may be assigned by the authority to the housing New York corporation to finance residential housing facilities pursuant to section six hundred fifty-four-c of the private housing finance law unless the authority has entered into an agreement or agreements with the housing New York corporation, which provides, in addition to any other terms and conditions, that:

(a) such residential housing facilities are to provide dwelling accommodations which are to be occupied by persons and families for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary and affordable dwelling accommodations;

(b) neither the state nor the authority are to have any responsibility as to the financing, operation, maintenance, repair or use of such residential housing facilities unless otherwise specifically provided by law;

(c) the housing New York corporation shall use the moneys assigned to it by the authority pursuant to this section to secure and pay bonds and notes issued to finance residential housing facilities in accordance with provisions of the housing New York program and shall comply with the terms and conditions of the housing New York program act and this section; and

(d) the timing, amount, maturity schedule and all other terms and conditions of any issuance of bonds or notes by the housing New York corporation pursuant to section six hundred fifty-four-c of the private

housing finance law, will provide for the authority's requirements as to the development, management or operation of the project and the effect of such terms and conditions on the availability of excess revenues and the pledge or assignment thereof.

5. For the purposes of furthering the development of the infrastructure of the Battery Park project area and repaying appropriations from the state to the authority pursuant to this section, the authority may, in addition to the authorization contained in subdivision one of section nineteen hundred seventy-seven-a of this title, borrow money by issuing bonds or notes in an aggregate principal amount not exceeding one hundred million dollars plus a principal amount of bonds or notes issued (i) to fund any related debt service reserve fund, (ii) to provide capitalized interest, and (iii) to provide fees and other charges and expenses, including underwriters' discount, related to the issuance of such bonds or notes and the maintenance of such reserves, all as determined by the authority, excluding bonds and notes issued to refund outstanding bonds and notes issued pursuant to this section.

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

6. The authority may covenant and consent that the interest on any of its bonds or notes issued pursuant to subdivision five of this section shall be includible, under the United States Internal Revenue Code of nineteen hundred fifty-four or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of the bonds or notes to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includible in the gross income of the holders thereof under said Internal Revenue Code or any such subsequent law.

7. The state of New York does pledge to and agree with the holders of

any bonds or notes issued by the housing New York corporation under section six hundred fifty-four-c of the private housing finance law, that the state will not limit or alter the rights hereby vested in the authority to fulfill the terms of any agreements made with such corporation to assign any excess revenues, or in any way impair the rights and remedies of such corporation thereunder, until the bonds and notes, together with interest thereon, interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders and noteholders are fully met and discharged.

8. It is the intention of the legislature that any assignment of excess revenues or portion thereof by the authority pursuant to this section shall be valid and binding from the time when the assignment is made in accordance with its terms; that the excess revenues so assigned by the authority shall immediately be subject to the lien of such assignment without any physical delivery thereof or further act, and that the lien of any such assignment shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution or any other instrument by which an assignment is created need be recorded.