

January 17, 2020

Summary of NYS Assemblymember Harvey Epstein's January 6, 2020 Draft Legislation to Change the NYS Private Housing Finance Law (PHFL)

NY State Assembly Member [Harvey Epstein](#) has released draft legislation to **radically** change the Private Housing Finance Law (PHFL) which governs HDFCs, and introduce draconian rules that would undermine our independence and the viability of our homes.

Epstein's draft bill is largely a combination of two previous failed attempts by New York City and State government to take control of HDFCs and effectively turn our private homes into public housing, attempts that shareholders strongly opposed and defeated: HPD's proposed regulatory agreement in 2016, and Albany Bill [S6543](#) in 2017.

With Epstein's bill, which has not yet been introduced in Albany as of this writing, there would be no way out for HDFCs that don't want to be over-regulated by HPD and forced to hire monitors such as UHAB to control their private homes.

Epstein spent months preparing his bill, working with UHAB, HPD, DHCR, Goldstein and Hall, Nixon Peabody, the NYS Attorney General's Office and others, but HDFC shareholders weren't properly consulted. The [HDFC Coalition](#) only recently learned of Epstein's bill. We do not know why Epstein did not first ask HDFC shareholders what they actually want and need.

Instead, Epstein wants to introduce his bill in Albany while many of the 30,000 families in HDFCs have no idea what he is doing. No bill to radically change the PHFL should go forward so quickly. Democracy requires a transparent process, and we believe that Assemblyman Epstein should pause and take the time needed to fully and properly consult HDFC shareholders and review their proposal to change the PHFL.

No other homeowners would be treated this way. We deserve and demand better!

Please share your concerns with Assemblyman Epstein directly by calling his district office at (212) 979-9696 and please also email him at: epsteinh@nyassembly.gov You can also visit his district office at 250 Broadway, 22nd Floor, NYC 10007.

It is also vital to voice your opposition to Epstein's proposed PHFL bill by contacting your State Senators and Assemblymembers who can be found at the following links: www.nysenate.gov and www.nyassembly.gov/mem/search

You can quickly and easily share your opinions and concerns about Epstein's draft bill in our survey here: <https://forms.gle/cj4485c7Rsfgb8kt8> And please join our mailing list at <http://bit.ly/HDFCSignup> today to stay on top of the battle to save HDFCs.

See the next page for our initial summary of Epstein's [draft bill](#) and find more information at www.hdfccoalition.org

Highlights of Assemblymember Harvey Epstein's Jan. 6, 2020 Draft PHFL Bill

You can read Epstein's [draft bill](#) and find more information at www.hdfccoalition.org.

- Creates new restrictions by law, and empowers HPD to create many more, that all HDFCs would be required to follow, even if no regulatory agreement is signed. Your HDFC would soon lose its tax break if it didn't adhere to the restrictions.
- Grants HPD and the NYS Attorney General the power to take control of your HDFC's board, revoke your building's tax break, and reverse the sale of an apartment if it determines your co-op has violated the PHFL, regulatory agreement or the certificate of incorporation. Your HDFC might, or might not, first get a 30-day notice to cure a "violation."
- Does not provide a new permanent tax break for HDFCs to replace the "DAMP" tax cap expiring in 2029. Instead, it empowers HPD to provide a new tax break, but only to HDFCs that have or agree to sign a regulatory agreement (RA) with new and different restrictions and agree to new restrictions to their Certificate of Incorporation (COI).
- Requires HPD to set "price caps" limiting HDFC apartment values, causing many banks to stop providing loans to both co-ops and to new shareholders because price caps convert HDFCs to truly limited equity apartments, which Fannie Mae [will not](#) underwrite.
- Has no provision to protect the equity of shareholders who saved their buildings decades ago, or for more recent shareholders who purchased at a high price.
- Limits the monthly mortgage + maintenance to 30% of the buyer's income
- Allows HPD to set the income limit for new buyers, which could be as low as 80% of the Area Median Income, or AMI.
- Allows HPD to require that HDFCs charge residents in the same building different amounts for maintenance based on their income, how long they have lived there and how much they paid for their apartment.
- Allows HPD to issue regulatory agreements forcing HDFCs to hire monitors such as UHAB, which consulted with Epstein on his bill, to verify income, approve sales and rentals, issue fines to shareholders for non-compliance with the new rules, and report violations to HPD.
- Requires all HDFCs to evict anyone who is not of low-income, as defined by HPD, unless that person has resided in the apartment for at least two years.
- Requires that shares which are willed, transferred or sold to a person who doesn't meet HPD's new low-income limit, be sold to a low-income person at a price approved by HPD.
- Prohibits HDFC co-ops from converting to normal co-op status without permission from HPD, the Attorney General and NY State Supreme Court, even if an HDFC's deed or other restrictions have expired.
- Requires all HDFCs to be regulated as non-profit charitable organizations.

SIGN-UP FOR FREE & STAY INFORMED

Join the HDFC Coalition at www.hdfccoalition.org or <http://bit.ly/HDFCSignup>

16, enero 2020

Resumen del proyecto de legislación para cambiar la Ley de Financiamiento de la Vivienda Privada del Estado de Nueva York (PHFL, por sus iniciales en inglés), del miembro de la Asamblea del Estado de Nueva York, Harvey Epstein, el 6 de enero de 2020.

El miembro de la Asamblea del Estado de Nueva York, [Harvey Epstein](#), ha publicado un proyecto de ley para **cambiar radicalmente** la Ley de Financiamiento de la Vivienda Privada (PHFL) que rige las viviendas HDFC.

El proyecto de ley de Epstein es en gran parte una combinación de dos intentos anteriores fallidos por parte de la ciudad de Nueva York y el gobierno estatal de tomar el control de HDFC y convertir nuestras viviendas privadas en viviendas públicas, intentos a los que los accionistas se opusieron y derrotaron: el acuerdo regulatorio propuesto por HPD en 2016 y Albany Bill [S6543](#) en 2017.

Con el proyecto de ley de Epstein, los HDFC estarán sobre regulados por HPD y obligados a contratar supervisores como UHAB para controlar nuestras casas particulares.

Epstein dedicó meses preparando su propuesta de ley, en colaboración con UHAB, HPD, DHCR, Goldstein y Hall, Nixon Peabody, y la Oficina del Fiscal General del Estado de Nueva York, entre otros. Solo recientemente [La Coalición HDFC](#) se enteró de la ley de Epstein. No sabemos por qué Epstein no preguntó primero a los accionistas de HDFC lo que necesitan o desean. Al escribir el proyecto de ley, Epstein no consultó en absoluto, a los accionistas de HDFC.

Ahora, Epstein se apresura a presentar su proyecto de ley en Albany, mientras la mayoría de las 30,000 familias actualmente en viviendas HDFC, no tienen idea de lo que está haciendo. La democracia requiere un proceso transparente, y creemos que el asambleísta Epstein debería detenerse y tomarse el tiempo necesario para consultar adecuadamente a los accionistas de HDFC.

Ningún otro propietario sería tratado de esta manera. ¡Merecemos y exigimos algo mejor!

Comparta sus inquietudes con el asambleísta Epstein directamente llamando a su oficina de distrito al (212) 979-9696 y envíele un correo electrónico a: epsteinh@nyassembly.gov O, puede visitar su oficina en: 250 Broadway, piso 22, NYC 10007.

También es vital expresar su oposición al proyecto de ley PHFL, propuesto por Epstein, poniéndose en contacto con sus senadores estatales y miembros de la Asamblea que se pueden encontrar en los siguientes enlaces: www.nysenate.gov o www.nyassembly.gov/mem/search

Como accionista de HDFC, puede compartir fácilmente sus opiniones y preocupaciones sobre el proyecto de ley de Epstein en una **encuesta especial** en nuestro sitio web, www.HDFCCoalition.org. Únase a nuestra lista de correo en <http://bit.ly/HDFCSignup> hoy para mantenerse al tanto de la lucha para salvar HDFC.

Puede leer el [proyecto de ley de Epstein](#) o encontrar más información en www.hdfccoalition.org.

Aspectos a resaltar del proyecto de ley PHFL del miembro de la Asamblea Harvey Epstein del 6 de enero de 2020

Puede leer el [proyecto de ley](#) de Epstein o encontrar más información en www.hdfccoalition.org.

- Empodera HPD en crear nuevas restricciones que todos los HDFC deberían seguir, incluso si aún no se haya firmado un acuerdo reglamentario.
- Su HDFC pronto perdería su reducción de impuestos si no cumpliera con las restricciones.
- Otorga a HPD y al Fiscal General del Estado de NY el poder de tomar el control de la junta directiva de su HDFC, revocar la reducción de impuestos de su edificio y revertir la venta de un apartamento si determina que su cooperativa ha violado el PHFL, el acuerdo regulatorio o el certificado de incorporación.
- No proporciona una nueva extensión permanente de reducción de impuestos para los HDFC para reemplazar el impuesto máximo "DAMP" que vence en 2029. En cambio, otorga la discreción de HPD para proporcionar un nuevo reducción de impuestos, pero solo a los HDFC que tienen o aceptan firmar un acuerdo reglamentario (RA), con nuevas y diferentes restricciones.
- Requiere que HPD establezca "precios máximos" que limitan los valores de los apartamentos HDFC, lo cual puede causar que muchos bancos dejen de otorgar préstamos tanto a las cooperativas como a los nuevos accionistas, y que los agentes financieros como [Fannie Mae](#) no suscribirán.
- No cuenta con ninguna disposición para proteger el patrimonio de los accionistas que salvaron sus edificios hace décadas, o para los más recientes accionistas que compraron a un precio más alto.
- Limita la hipoteca mensual + mantenimiento al 30% de los ingresos del comprador.
- Permite que HPD establezca el límite de ingresos para nuevos compradores, que podría ser tan bajo con el 80% del ingreso medio del área, o AML.
- Permite que HPD requiera que los HDFC cobren a los residentes en el mismo edificio diferentes cantidades de mantenimiento basado en sus ingresos, años de residencia en el edificio y cuánto pagaron por su apartamento.
- Permite HPD aplicar regulación de asuntos que obligan a los HDFC a contratar supervisores como UHAB, quienes asesoraron a Epstein en su proyecto de ley, para verificar ingresos, aprobar ventas y alquileres, imponer multas a los accionistas por incumplimiento de las nuevas reglas, e informar violaciones a HPD.
- Requiere que todos los HDFC desalojen a cualquier persona que no sea de bajos ingresos, según definido por HPD, a menos que hayan residido en el apartamento al menos dos años.
- Requiere que las acciones HDFC, heredadas, transferidas o la venta, solo puedan ser a una persona quien cumple con el nuevo límite de bajos ingresos de HPD, y a un precio aprobado por HPD.
- Prohíbe que las HDFC se conviertan en cooperativas normales sin antes obtener aprobación de HPD, el Fiscal General y la Corte Suprema del Estado de NY, incluso si la escritura u otras restricciones de HDFC han expirado.
- Requiere que todos los HDFC se regulen como organizaciones benéficas sin fines de lucro.

REGÍSTRASE GRATIS Y MANTÉNGASE INFORMADO

Únase a la Coalición HDFC visitando: www.hdfccoalition.org o <http://bit.ly/HDFCSignup>

Legislative Bill Drafting Commission
13645-02-0

S. -----
Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

PRIVHFLA

(Relates to the assets and super-
vision of housing development fund
corporations)

Priv H Fin. housing dev fund corp

AN ACT

to amend the private housing finance
law, in relation to the assets and
supervision of housing development
fund corporations

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

IN SENATE

Senate introducer's signature

The senators whose names are circled below wish to join me in the sponsorship
of this proposal:

s15 Addabbo	s02 Flanagan	s09 Kaminsky	s25 Montgomery	s23 Savino
s52 Akshar	s55 Funke	s07 Kaplan	s20 Myrie	s32 Sepulveda
s46 Amedore	s59 Gallivan	s26 Kavanagh	s58 O'Mara	s41 Serino
s36 Bailey	s05 Gaughran	s63 Kennedy	s62 Ortt	s29 Serrano
s30 Benjamin	s12 Gianaris	s28 Krueger	s21 Parker	s51 Seward
s34 Biaggi	s22 Gounardes	s24 Lanza	s19 Persaud	s39 Skoufis
s57 Borrello	s47 Griffo	s01 LaValle	s13 Ramos	s16 Stavisky
s04 Boyle	s40 Harckham	s45 Little	s61 Ranzzenhofer	s35 Stewart- Cousins
s44 Breslin	s54 Helming	s11 Liu	s48 Ritchie	
s08 Brooks	s27 Hoylman	s03 Martinez	s33 Rivera	s49 Tedisco
s38 Carlucci	s31 Jackson	s53 May	s56 Robach	s06 Thomas
s14 Comrie	s60 Jacobs	s37 Mayer	s18 Salazar	s50
s17 Felder	s43 Jordan	s42 Metzger	s10 Sanders	

IN ASSEMBLY

Assembly introducer's signature

The Members of the Assembly whose names are circled below wish to join me in the
multi-sponsorship of this proposal:

a049 Abbate	a053 Davila	a128 Hunter	a037 Nolan	a140 Schimminger
a092 Abinanti	a072 De La Rosa	a029 Hyndman	a144 Norris	a099 Schmitt
a084 Arroyo	a034 DenDekker	a104 Jacobson	a069 O'Donnell	a076 Seawright
a107 Ashby	a003 DeStefano	a097 Jaffee	a051 Ortiz	a052 Simon
a035 Aubry	a070 Dickens	a011 Jean-Pierre	a091 Otis	a036 Simotas
a120 Barclay	a054 Dilan	a135 Johns	a132 Palmesano	a005 Smith
a030 Barnwell	a081 Dinowitz	a115 Jones	a002 Palumbo	a118 Smullen
a106 Barrett	a147 DiPietro	a077 Joyner	a088 Paulin	a022 Solages
a060 Barron	a016 D'Urso	a040 Kim	a141 Peoples-	a114 Stec
a082 Benedetto	a048 Eichenstein	a131 Kolb	Stokes	a110 Steck
a042 Bichotte	a004 Englebright	a105 Lalor	a058 Perry	a010 Stern
a079 Blake	a074 Epstein	a013 Lavine	a023 Pheffer	a127 Stirpe
a117 Blankenbush	a109 Fahy	a134 Lawrence	Amato	a102 Tague
a098 Brabenc	a061 Fall	a050 Lentol	a086 Pichardo	a071 Taylor
a026 Braunstein	a080 Fernandez	a125 Lifton	a089 Pretlow	a001 Thiele
a138 Bronson	a126 Finch	a009 LiPetri	a073 Quart	a033 Vanel
a093 Buchwald	a008 Fitzpatrick	a123 Lupardo	a019 Ra	a116 Walczyk
a142 Burke	a124 Friend	a129 Magnarelli	a006 Ramos	a055 Walker
a119 Buttenschon	a046 Frontus	a064 Malliotakis	a062 Reilly	a143 Wallace
a094 Byrne	a095 Galef	a130 Manktelow	a087 Reyes	a112 Walsh
a133 Byrnes	a137 Gantt	a108 McDonald	a043 Richardson	a041 Weinstein
a103 Cahill	a007 Garbarino	a014 McDonough	a078 Rivera	a024 Weprin
a044 Carroll	a148 Giglio	a146 McMahan	a068 Rodriguez	a059 Williams
a047 Colton	a066 Glick	a017 Mikulin	a136 Romeo	a113 Woerner
a032 Cook	a150 Goodell	a101 Miller, B.	a027 Rosenthal, D.	a056 Wright
a085 Crespo	a075 Gottfried	a038 Miller, M. G.	a067 Rosenthal, L.	a096 Zebrowski
a122 Crouch	a021 Griffin	a020 Miller, M. L.	a025 Rozic	a012
a039 Cruz	a100 Gunther	a015 Montesano	a149 Ryan	a031
a063 Cusick	a139 Hawley	a145 Morinello	a121 Salka	
a045 Cymbrowitz	a083 Heastie	a057 Mosley	a111 Santabarbara	
a018 Darling	a028 Hevesi	a065 Niou	a090 Sayegh	

1) Single House Bill (introduced and printed separately in either or
both houses). Uni-Bill (introduced simultaneously in both houses and printed
as one bill. Senate and Assembly introducer sign the same copy of the bill).

2) Circle names of co-sponsors and return to introduction clerk with 2
signed copies of bill and 4 copies of memorandum in support (single house);
or 4 signed copies of bill and 8 copies of memorandum
in support (uni-bill).

1 Section 1. The private housing finance law is amended by adding a new
2 section 573-a to read as follows:

3 § 573-a. Assets and supervision of housing development fund corpo-
4 rations. 1. Except as may be specifically authorized in writing by the
5 commissioner or the supervising agency, as the case may be, (a) a hous-
6 ing development fund corporation shall not cause or permit any vacant
7 dwelling unit to be leased to, or occupied by, anyone other than fami-
8 lies and persons of low income, (b) a housing development fund corpo-
9 ration organized pursuant to the not-for-profit corporation law shall
10 not cause or permit any dwelling unit to be leased or occupied at a rent
11 that is not affordable to families and persons of low income, as deter-
12 mined in accordance with standards established by the commissioner or
13 the supervising agency, as the case may be and (c) a housing development
14 fund corporation organized pursuant to the business corporation law
15 shall not cause or permit the sale, transfer, assignment or issuance of
16 any shares allocated to any dwelling unit to anyone other than families
17 and persons of low income, or cause or permit the sale, transfer,
18 assignment or issuance of any shares allocated to any dwelling unit for
19 a price that is not affordable to families and persons of low income, as
20 determined in accordance with standards established by the commissioner
21 or the supervising agency. Where the ownership of shares allocated to
22 any dwelling unit is transferred by operation of law, without the
23 consent of the housing development fund corporation, to parties who are
24 not families and persons of low income, the corporation shall not cause
25 or permit the occupancy of the dwelling unit to which such shares are
26 allocated until the shares have been sold or otherwise transferred to a
27 family or person of low income that will occupy such dwelling unit;
28 provided, however, that the corporation shall not be required to remove

1 any member of the prior shareholder's household who has continuously
2 occupied the dwelling unit to which such shares are allocated as his or
3 her sole residence for a period commencing not less than two years prior
4 to the event which resulted in such transfer, even if the actual trans-
5 fer occurred at a later date.

6 2. A housing development fund corporation shall not sell, transfer or
7 assign all or substantially all of its assets, or any of its real prop-
8 erty, without the prior written approval of the commissioner or the
9 supervising agency. A housing development fund corporation shall either
10 deposit the proceeds if any such sale, transfer or assignment with the
11 commissioner or the supervising agency, or devote such proceeds to a
12 housing project for families and persons of low income, or for related
13 affordable housing activities, in a manner approved in writing by the
14 commissioner or the supervising agency.

15 3. Notwithstanding any provision of law to the contrary, a housing
16 development fund corporation incorporated pursuant to this article and
17 the business corporation law shall hold annual board meetings which
18 shall be open to all shareholders of such corporation and the minutes of
19 such meetings shall be made available to all shareholders.

20 4. The certificate of incorporation of a housing development fund
21 corporation shall not be altered or amended, and the corporation shall
22 not be dissolved, without (a) the prior written approval of the commis-
23 sioner or the supervising agency and (b) the prior written approval of
24 any governmental entity which holds a mortgage or other lien on any
25 assets of the corporation or to which any indebtedness of the corpo-
26 ration is outstanding.

27 5. Violations by a housing development fund corporation. (a) If the
28 commissioner or the supervising agency determines that the housing

1 development fund corporation has violated any of the provisions of this
2 article or its certificate of incorporation or has violated or failed to
3 fulfill any agreement with or obligation to a governmental entity, the
4 commissioner or the supervising agency may (i) appoint to the board of
5 directors of the corporation a number of new directors sufficient to
6 constitute a majority of such board, notwithstanding any other provision
7 of the certificate, the by-laws of the corporation or any agreement
8 entered into by the corporation, (ii) revoke or suspend all or part of
9 any exemption from local real property taxation pursuant to section five
10 hundred seventy-seven of this article or (iii) exercise any other reme-
11 dies available under applicable law or pursuant to any agreement with
12 the corporation.

13 (b) Unless the commissioner or the supervising agency determines that
14 a cure of any such violation or failure is impossible, prior to exercis-
15 ing any of the powers provided in subdivision (a) of this section, the
16 commissioner or the supervising agency shall either (i) provide the
17 corporation with thirty days notice and opportunity to cure such
18 violation, (ii) provide the corporation with such notice and opportunity
19 to cure such violation as may be provided in any agreement between a
20 governmental entity and the corporation or (iii) only with respect to
21 the revocation of a tax exemption pursuant to section five hundred
22 seventy-seven of this article, provide the corporation with such notice
23 and opportunity to cure such violation as may be provided in a resol-
24 ution of the local legislative body.

25 6. A housing development fund corporation shall not acquire any real
26 property not specifically identified by address or tax parcel in its
27 certificate of incorporation without the prior written approval of the
28 commissioner or the supervising agency.

1 7. Any housing development fund corporation incorporated pursuant to
2 the provisions of this article and the not-for-profit corporation law
3 shall be deemed to be a charitable corporation, as defined in subpara-
4 graph three-a of paragraph (a) of section one hundred two of the not-
5 for-profit corporation law.

6 8. The following provisions of the not-for-profit corporation law
7 shall apply to any housing development fund corporation incorporated
8 pursuant to the provisions of this article and the business corporation
9 law: section one hundred twelve, section five hundred eight, section
10 five hundred ten, section five hundred eleven, section five hundred
11 eleven-a, section five hundred fifteen, paragraph (d) of section seven
12 hundred six, paragraph (c) of section seven hundred fourteen, section
13 seven hundred fifteen, section seven hundred sixteen, section seven
14 hundred twenty, section nine hundred seven, section nine hundred
15 seven-a, section nine hundred seven-b, paragraph (d) of section one
16 thousand two, paragraph (a) of section one thousand two-a, paragraph (c)
17 of section one thousand two-a, paragraph (b) of section one thousand
18 three, paragraph (c) of section one thousand three, section eleven
19 hundred one and section eleven hundred two. Where any conflict exists
20 between the provisions of the not-for-profit corporation law listed in
21 this subdivision and the business corporation law, the provisions of the
22 not-for-profit corporation law shall control.

23 9. A housing development fund corporation incorporated pursuant to
24 this article and the business corporation law shall not:

25 (a) cause or permit any shareholder to own shares allocated to more
26 than one dwelling unit without the prior written approval of the commis-
27 sioner or the supervising agency; or

1 (b) cause or permit any dwelling unit to be combined, eliminated, or
2 devoted to any use other than occupancy by families or persons of low
3 income without the prior written approval of the commissioner or the
4 supervising agency; or

5 (c) cause or permit any dwelling unit to be sold at a price where the
6 mortgage and maintenance costs of such dwelling unit would exceed thirty
7 percent of the household income of families or persons of low income.

8 10. Notwithstanding any provision of paragraph (c) of section five
9 hundred one of the business corporation law to the contrary, a housing
10 development fund corporation incorporated pursuant to this article and
11 the business corporation law may, with the approval of the commissioner
12 or the supervising agency impose different charges, fees, assessments
13 and requirements with respect to different dwelling units and the shares
14 allocated to such dwelling units. The reasons for such different charg-
15 es, fees, assessments and requirements may include, but shall not be
16 limited to, differences in (a) the income requirements for occupancy of,
17 or actual incomes of the households occupying, specific dwelling units,
18 (b) the duration of ownership of shares or the date or circumstances of
19 the purchase of such shares and (c) the degree of compliance with the
20 proprietary lease or with any agreement between the corporation and a
21 governmental entity.

22 11. Notwithstanding any provision of law to the contrary, any sale,
23 transfer or assignment contrary to the requirements of this section
24 shall be void.

25 § 2. Subdivision 14 of section 572 of the private housing finance law,
26 as amended by chapter 655 of the laws of 1978, is amended to read as
27 follows:

1 14. "Supervising Agency." [The comptroller in a municipality having a
2 comptroller; in a municipality having no comptroller, the chief fiscal
3 officer of such municipality; except that] The agency in a municipality
4 having jurisdiction over the development and operation of affordable
5 housing, regardless of any agency specified in the certificate of incor-
6 poration of a housing development fund corporation, or, in the city of
7 New York [it shall be], the department of housing preservation and
8 development.

9 § 3. Paragraph a of subdivision 3 of section 573 of the private hous-
10 ing finance law, as amended by chapter 758 of the laws of 1967, is
11 amended to read as follows:

12 a. that the company has been organized exclusively to develop and
13 operate a housing project for persons of low income;

14 § 4. Section 577 of the private housing finance law is amended by
15 adding two new subdivisions 4 and 5 to read as follows:

16 4. Notwithstanding the provisions of any general, special or local
17 law, upon the commencement of an exemption pursuant to this section with
18 respect to any real property in a project of a housing development fund
19 corporation, such corporation may, with the consent of the commissioner
20 or the supervising agency, terminate any other tax exemption or abate-
21 ment applicable to such property.

22 5. Notwithstanding the provisions of any general, special or local
23 law:

24 (a) owners of a unit in a housing cooperative with an income up to
25 eighty percent of the area median income, as determined by the federal
26 department of housing and urban development, shall be eligible for the
27 full tax exemption available under this section;

1 (b) owners of a unit in a housing cooperative with an income more than
2 eighty percent but up to one hundred sixty-five percent of the area
3 median income, as determined by the federal department of housing and
4 urban development, shall be eligible for a partial tax exemption avail-
5 able under this section; and

6 (c) owners of a unit in a housing cooperative with an income more than
7 one hundred sixty-five percent of the area median income, as determined
8 by the federal department of housing and urban development, shall not be
9 eligible for the tax exemption available under this section.

10 § 5. Section 572 of the private housing finance law is amended by
11 adding a new subdivision 17 to read as follows:

12 17. "Person of low income." For the purposes of any provision of this
13 article as such provision applies to a housing development fund corpo-
14 ration incorporated pursuant to this article and the business corpo-
15 ration law, a person whose income is up to one hundred sixty-five
16 percent of the area median income, as determined by the federal depart-
17 ment of housing and urban development, and pursuant to the terms of a
18 regulatory agreement of the administrative agency.

19 § 6. Paragraph (a) of subdivision 1 and paragraph (a) of subdivision
20 3 of section 577 of the private housing finance law, paragraph (a) of
21 subdivision 1 as amended by chapter 428 of the laws of 1980 and para-
22 graph (a) of subdivision 3 as amended by chapter 281 of the laws of
23 1970, are amended to read as follows:

24 (a) The local legislative body of any municipality in which a project
25 of a housing development fund company is or is to be located may exempt
26 the real property in such project from local and municipal taxes includ-
27 ing school taxes, other than assessments for local improvements, to the
28 extent of all or part of the value of the property included in the

1 completed project. The tax exemption shall operate and continue for such
2 period as may be provided by such local legislative body, but in no
3 event for a period of more than forty years for a project which is not a
4 housing cooperative which complies with section five hundred seventy-
5 three-a of this article, commencing in each instance from the date on
6 which the benefits of such exemption first became available and effec-
7 tive.

8 (a) Notwithstanding the provisions of subdivision one hereof, the real
9 property of a state urban development corporation project acquired,
10 owned, constructed, managed or operated by a company incorporated pursu-
11 ant to the not-for-profit corporation law and this article shall be
12 entitled to all the benefits provided by section four hundred twenty-two
13 of the real property tax law. The real property of a state urban devel-
14 opment corporation project, other than a state urban development corpo-
15 ration project acquired, owned, constructed, managed or operated by a
16 company incorporated pursuant to the not-for-profit corporation law and
17 this article, shall be exempt from all local and municipal taxes, other
18 than assessments for local improvements, to the extent of the value of
19 the property included in such project as represents an increase over the
20 assessed valuation of the real property, both land and improvements,
21 acquired for the project on the date of its acquisition by the housing
22 development fund company. The tax exemption shall operate and continue
23 so long as the mortgage loans of such housing development fund company
24 are outstanding, but in no event for a period of more than forty years
25 for a project which is not a housing cooperative which complies with
26 section five hundred seventy-three-a of this article, commencing in each
27 instance from the date when such housing development fund company first
28 acquired such property. If a state urban development corporation project

1 qualifying for tax exemption pursuant to this subdivision is sold, with
2 the approval of the commissioner, to another housing development fund
3 company, such successor company shall be entitled to all the benefits of
4 this subdivision.

5 § 7. Severability. If any clause, sentence, paragraph, subdivision or
6 section of this act shall be adjudged by any court of competent juris-
7 diction to be invalid, such judgment shall not affect, impair, or inval-
8 idate the remainder thereof, but shall be confined in its operation to
9 the clause, sentence, paragraph, subdivision or section thereof directly
10 involved in the controversy in which such judgment shall have been
11 rendered.

12 § 8. This act shall take effect immediately.