

From: Sochet, Charni (NYSHCR) Charni.Sochet@nyshcr.org 
Subject: Westview, Mitchell-Lama on Roosevelt Island preserved for 30 more years
Date: August 12, 2018 at 10:42 AM
To: davidstone@me.com

CS

Hi David -
Have you seen this?

Westview is preserved for 30 more years.

The Governor's and the commissioner's quotes - capture how important this preservation is for Roosevelt Island and the state:

"This agreement is a major step forward in our efforts to continue to provide quality, affordable housing for New York's middle-class families," **Governor Cuomo said**. "By investing in restoration efforts to sustain the Mitchell-Lama program, we are able to preserve apartments such as Westview for New York's hard-working residents and ensure a better, brighter future for the community for years to come."

HCR Commissioner and Chair of RIOC's Board of Directors RuthAnne Visnauskas said, "For both Roosevelt Island and for the cause of affordable housing, today's announcement is a big win. Under the leadership of the Governor, HCR will continue to fight to preserve affordability for other communities that face the challenges of Mitchell-Lama buildings aging out."

Best,
Charni

Charni Sochet
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From: Press Office <Press.Office@exec.ny.gov>
Sent: Sunday, August 12, 2018 10:27 AM
To: Sochet, Charni (NYSHCR)
Subject: GOVERNOR CUOMO ANNOUNCES AGREEMENT TO PRESERVE AFFORDABILITY FOR THE MIDDLE-CLASS AT ROOSEVELT ISLAND HOUSING DEVELOPMENT





For Immediate Release: 8/12/2018

GOVERNOR ANDREW M. CUOMO

GOVERNOR CUOMO ANNOUNCES AGREEMENT TO PRESERVE AFFORDABILITY FOR THE MIDDLE-CLASS AT ROOSEVELT ISLAND HOUSING DEVELOPMENT

Under State Plan, 361-Unit Westview Will Remain Affordable for 30 Additional Years

Governor Andrew M. Cuomo today announced an agreement that will preserve the affordability of Westview, a 361-apartment affordable housing development, for middle-class residents on Roosevelt Island for the next 30 years. Without the agreed upon affordability plan, the Westview owner could have taken the building out of the Mitchell-Lama program, with all of the apartments becoming market rate, delivering a devastating blow to tenants. Instead, the agreement allows Westview to exit from the Mitchell-Lama rental program with tenants being offered first-time home ownership opportunities at deeply affordable and below market prices, while simultaneously providing long-term affordability protections for those tenants who continue to rent.

"This agreement is a major step forward in our efforts to continue to provide quality, affordable housing for New York's middle-class families," **Governor Cuomo said**. "By investing in restoration efforts to sustain the Mitchell-Lama program, we are able to preserve apartments such as Westview for New York's hard-working residents and ensure a better, brighter future for the community for years to come."

"The affordability plan for the Westview will preserve housing for low and middle-income residents on Roosevelt Island," **said Lieutenant Governor Kathy Hochul**. "This agreement ensures the cost of living is affordable for residents, and also provides them with home ownership opportunities below market rate. In New York we're investing in affordable housing across the state, and this plan provides yet another strategy to secure and preserve quality, affordable housing options in New York."

Completed in 1976, Westview is one of the first of four modern housing developments on Roosevelt Island. It is composed of two interconnected 19-story buildings.

Under the Governor's leadership, an agreement on the affordability plan has been reached with the owner, North Town Phase III Houses, Inc.: the Westview tenants

association, which operates as the Westview Task Force, Inc.; and a multi-agency working group that included the Roosevelt Island Operating Corporation, which administers operations on Roosevelt Island; New York State Homes and Community Renewal, the state's housing agency that administers the Mitchell-Lama program; and Empire State Development, which in 1969 as the Urban Development Corporation, first leased the land under Westview from the City of New York. The affordability plan will remain in effect through 2048.

Under the agreement, while Westview will exit the Mitchell-Lama program, qualified residents will have the option of purchasing their apartments at approximately 30 percent of market value (based on market price per-square-foot), with limitations imposed on re-sales. For those who remain as renters, increases to their rent will be tied to their income and to the increases approved by the Rent Guidelines Board, which sets increases for rent stabilized apartments in the New York City metro area.

The agreement was made possible with support from all three state agencies involved:

- HCR is forgiving a portion of Westview's original state-backed Mitchell-Lama mortgage;
- RIOC is accepting a reduced ground lease rent for the land under Westview; and
- ESD is reducing tax equivalency payments for Westview apartments that remain affordable.

Under the agreement, the owners are also required to make an upfront \$6 million contribution to the building's capital reserve fund, as well as deposit \$3.6 million into a special fund for tenant association expenses and other building related items.

The Westview Affordability Plan is modeled on the affordability plan for Island House, its sister property, which in 2012 became the first successful conversion of a Mitchell-Lama rental to affordable home ownership as a solution to avoiding a market-rate exit from Mitchell-Lama.

The Mitchell-Lama Housing Program was first proposed by New York Senator MacNeil Mitchell and Assembly Member Alfred Lama and was signed into law in 1955 by Governor William Averell Harriman. Contained within the state's Private Housing Finance Law, the program planned for the development and building of affordable housing, both rental and co-operatively owned, for middle-income residents. Developers received tax abatements as long as they remained in the program, and low-interest mortgages, subsidized by the federal, state, or New York City government. Under the law, owners could remove the developments from Mitchell-Lama and privatize them by pre-paying their mortgage. In most cases, that period was 20 or 30 years after the project was developed. In total, 269 housing developments with 105,000 units were developed under the state's Mitchell-Lama Program.

Today, Mitchell-Lama housing remains a vital resource for low and middle-income families throughout the state. Since Governor Cuomo took office in 2011, the state has made vigorous efforts to refinance, rehabilitate and preserve the remaining state-aided Mitchell-Lama projects as affordable housing long term. As part of

state-aided Mitchell-Lama projects as affordable housing, long-term. As part of that mission, in 2013, Governor Cuomo announced the \$1 billion House NY initiative to transform 8,600 aging state-financed Mitchell-Lama apartments in critical need of repairs and upgrades into quality, safe homes by 2018. To date, HCR preserved 7,177 Mitchell-Lama apartments in 29 locations, keeping this crucial stock of housing affordable for low- and middle-income New Yorkers for another 40 years.

More recently, as part of the Governor's \$20 billion affordable housing plan, the state has earmarked \$75 million to the Mitchell-Lama Rehabilitation Program, which makes low-interest loans available to help preserve Mitchell-Lama developments throughout New York. While HCR does everything in its power to encourage Mitchell-Lama projects to stay in the program, in instances such as with Westview where it is unable to do so, it works with housing companies and owners of Mitchell-Lama projects looking to "leave" the program, to help preserve affordability for tenants in occupancy at the time of dissolution. It does so through a variety of mechanisms, including leveraging other housing programs, such as RAD, Section 8, tax credits, rent stabilization, affordability plans, conversion to Article 11, and landlord assistance programs, which restrict rent increases. Of the Mitchell-Lama projects that have left the program over the last decade, many were preserved in this fashion. Specifically, 55 of the 61 Mitchell-Lama projects that have left the program since 2011, were preserved this way. Moreover, of the 210 projects that were in the program in 2011, 204 (or 97 percent) either remained in the program or were preserved through one of these mechanisms, a rate of preservation far in excess of any of this Administration's predecessors.

President and CEO of RIOC Susan Rosenthal said, "I'd like to thank Governor Cuomo for his leadership, Westview owners and tenants for their patience, and the Island's elected officials including Congresswoman Carolyn Maloney, NYS Senator Jose Serrano, State Assembly Member Rebecca Seawright, and NYC Council Member Ben Kallos for their support during the negotiation period. Hundreds of Roosevelt Islanders will be allowed the opportunity to either buy or continue to rent their home at a reasonable cost because of this agreement."

HCR Commissioner and Chair of RIOC's Board of Directors RuthAnne Visnauskas said, "For both Roosevelt Island and for the cause of affordable housing, today's announcement is a big win. Under the leadership of the Governor, HCR will continue to fight to preserve affordability for other communities that face the challenges of Mitchell-Lama buildings aging out."

Empire State Development President, CEO, and Commissioner Howard Zemsky said, "Thanks to Governor Cuomo, this innovative plan will help ensure that Mitchell-Lama residents retain their access to affordable housing, while providing a roadmap for future housing preservation for other communities."

Congresswoman Carolyn B. Maloney said, "Roosevelt Island families will now be afforded the opportunity to continue living in the community they love. Under the Governor's leadership, the hard-working men and women of Westview will remain in their homes for another 30 years. I commend state and local agencies for coming together on this crucial issue to ensure affordable housing opportunities remain intact for the next generation of New Yorkers."

Senator Jose Serrano said, "The Westview affordability agreement is a positive outcome for the low and moderate-income residents of Roosevelt Island, many of

outcome for the low and moderate income residents of Roosevelt Island, many of whom have deep roots in this community. This is a long-term effort by Westview tenants, elected officials and other stakeholders, and I am pleased that we have reached a productive resolution. I commend Governor Cuomo for his leadership on this issue and for his commitment to preserving affordable housing throughout our state."

Assembly Member Rebecca Seawright said, "I commend Governor Cuomo, state agency officials and devoted Westview residents for their hard work in reaching this just and fair agreement. The Affordability Plan is holistic in that it provides for both home ownership and rent protections. Roosevelt Island citizens deserve continued affordable housing. This plan successfully accomplishes choice and affordability."

New York City Council Member Ben Kallos said, "Protecting long-term affordability and making home ownership possible at Westview's 361 apartments is a significant victory for Roosevelt Islanders and New Yorkers as all of New York City struggles with rising housing costs. These are real families and individuals on Roosevelt Island who now have secured peace of mind for the next 30 years about their housing situation. Thank you to Governor Cuomo for his tremendous leadership on this matter and for working out a resolution that benefits all parties, including those who will continue to rent and for those who can buy. Thank you also to the members of the Westview Taskforce, Roosevelt Island President and CEO Susan G. Rosenthal, New York State Homes and Community Renewal Commissioner RuthAnne Visnaukas, and David Hirschhorn for working together to secure this deal."

Opher Pail, Co-Chair, Westview Task Force, Inc. said, "This agreement is great news for Roosevelt Island and a win-win for Westview tenants who will be able to continue living comfortably and affordably in their homes. Without this agreement, tenants would have been faced with devastating rent hikes. Thank you to Governor Cuomo for his leadership, and to the state and local officials, especially Assembly Member Rebecca Seawright, who advocated on behalf of Westview tenants for a long-term affordability plan that will provide security to families on Roosevelt Island for years to come."

The Roosevelt Island Operating Corporation was created in 1984 by the State of New York as a public benefit corporation with a mission to plan, design, develop, operate, and maintain Roosevelt Island. With a focus on innovative and environmentally friendly solutions, RIOC is committed to providing services that enhance the Island's mixed-use residential community of approximately 13,000 residents. RIOC manages the island roads, parks and open spaces as well as a sports facility, fields, and public transportation, including an iconic aerial tramway. Additionally, RIOC operates a Public Safety Department that helps maintain a safe and secure environment for residents, employees, business owners, and visitors.

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