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MICAH Z. KELLNER
65th Assembly District

November 13, 2007

Hon. Eliot Spitzer
Governor, State of New York
Executive Chamber
State Capitol
Albany, NY 12224

Dear Governor Spitzer:

I am seriously alarmed by the recent action taken by the Empire State Development Corporation (ESDC) dramatically increasing the Tax Equivalent Payments (TEPs) for the three remaining Mitchell-Lama buildings on Roosevelt Island: Island House, Rivercross, and Westview. The TEP increases range between an astronomical 600 and 700%, removing all incentives for these buildings to remain within the Mitchell-Lama program and jeopardizing the long-term affordability of thousands of tenants homes.

While ESDC has the right under its ground leases with the owners of Westview, Island House, and Rivercross to discontinue the tax abatements after 30 years, doing so would unilaterally and effectively eliminate the affordable housing stock on Roosevelt Island. These actions threaten to undermine the work done by Division of Housing and Community Renewal (DHCR) Commissioner Deborah VanAmerongen and Roosevelt Island Operating Corporation (RIOCR) President Stephen Shane to preserve affordable housing in this community.

One of the buildings, Rivercross, a Mitchell-Lama Co-op already desperately in need of millions of dollars for basic repairs, has been told that their TEP will increase 685% from approximately \$525,000 to an alarming \$3.6 million. The tenant leaders of Rivercross estimate that the new TEP will cause monthly maintenance payments to be raised by 45% for each household. This will undoubtedly create an extreme financial hardship on residents, 66% of whom are senior citizens and most of whom live on fixed incomes. Tenants living in Westview and Island House will be similarly and unconscionably burdened.

In 2005, after authorization from the State Legislature, the New York City Council passed Resolution No. 388-A, extending real property tax exemptions for 50 more years to Mitchell-Lama housing companies if buildings remain in the program. Since the passage of Resolution No. 388-A there has been some question as to whether or not it is applicable to Roosevelt Island's Mitchell-Lama buildings. So you are aware, attached to Resolution No. 388-A, was a list of buildings covered by the legislation, that includes Westview, Island House, and

□ 929 Legislative Office Building, Albany, NY 12248 • (518) 455-5676, FAX (518) 455-5282

□ 250 Broadway, 22nd Floor, New York, NY 10007 • (212) 860-4906, FAX (212) 996-3046

E-mail: KellnerM@assembly.state.ny.us

Rivercross. It is clear to me that when the State Legislature and the City Council voted to extend these tax exemptions, they explicitly intended to include Roosevelt Island.

To date your administration has shown a strong commitment to preserving and enhancing affordable housing, particularly Mitchell-Lama housing. ESDC's actions are contrary to your work in this direction, and I hope represent a correctible error. DHCR and RIOC are the state agencies that work most closely with Roosevelt Island. ESDC should not be allowed to create policy in this community without first engaging these agencies.

I understand that ESDC has recently agreed to meet with DHCR about this issue. This is not enough. Before irreversible harm is done to the tenants of Roosevelt Island, I urge you to instruct ESDC to rescind the recent tax equivalency bills issued to the owners of Island House, Westview, and Rivercross and continue to grant them their former tax abatement for as long as they remain in the Mitchell-Lama program.

I thank you for your immediate attention to this matter.

Very truly yours,



Micah Z. Kellner
Assembly Member

cc: Deborah VanAmerongen, Commissioner, Division of Housing and Community Renewal
Stephen Shane, President, Roosevelt Island Operating Corporation
Rivercross Tenants Corp
Island House Tenants Association
Westview Tenants Committee
Roosevelt Island Residents Association
Charles Lucido, Northtown Phase II Associates
Congresswoman Carolyn B. Maloney
NY State Senator Jose Serrano
NYC Councilmember Jessica Lappin