



OFFICE OF THE MAYOR
THE CITY OF NEW YORK

SHEENA WRIGHT
FIRST DEPUTY MAYOR

Dear Speaker Adams:

Thank you for your leadership and committed partnership in advancing the Property Tax Debt Resolution legislation, Intro. 962. This reform will fundamentally change how the city of New York resolves outstanding property tax debt, going further than ever before to acknowledge the important distinction between those who could pay and do not, and those who would pay but cannot.

The administration undertakes the following commitments to ensure a successful implementation of this historic reform.

1. Preservation Track

The Department of Housing Preservation and Development (“HPD”) is committed to providing an owner with full details of the following key terms prior to an owner electing a Summary Foreclosure Action (“SFA”), allowing such owner sufficient time to review such terms with an attorney and memorializing these terms in the regulatory agreement: 1) affordability of payments by the owner/tenant or the owner’s/tenant’s successors or assigns, provided that the income of such successors or assigns satisfy requirements developed in the regulatory agreement, under the lease; 2) unless otherwise prohibited by state law, owner/tenant has the authority to assign the owner’s/tenant’s interest in the lease or to devise or bequeath the owner’s/tenant’s interest in the lease to the owner’s successors and assigns; 3) unless otherwise prohibited by state law, owner/tenant has the authority to assign, devise or bequeath the owner’s/tenant’s interest in the tenant note; 4) enforcement mechanisms available to the owner/tenant and the owner’s/tenant’s successors and assigns, to the extent applicable, related to the tenant note that will facilitate prompt receipt of the sales price equity or synthetic equity, as applicable; and 5) the protection of the rights of the tenants of the owner/tenant, if applicable, at the time of conveyance of the property to the qualified preservation purchaser. HPD is also committed to providing an owner with information about how each of these terms relate to the others.

In addition, HPD is committed to including, as part of an SFA election by an owner, contact information for the attorney used for the consultation required by the local law, and to confirm, consistent with attorney-client privilege, that the consultation took place. HPD is also committed to ensuring that it will take into consideration any preference for a Qualified Preservation Purchaser (“QPP”) that an owner expresses. Finally, HPD is committed to ensuring that the owner/tenant offer any existing tenants in dwelling units of the property a lease that meets the affordability standard described in the legislation.

2. Outreach

The Department of Housing Preservation and Development (“HPD”) is committed to ensuring that Outreach staff will provide tenant rights information to any tenant in either a Class 1 or Class 2 property they come across as part of outreach (e.g. if in-person engagement and respondent is a tenant, Outreach staff will provide tenant information).

The City is committed to budget up to \$2 million to provide additional outreach, counseling and support services. The commissioner of housing preservation and development commits to provide notification of any organization contracted to provide the aforementioned services.

3. Exemption deflection

With this new Property Tax Debt Resolution program, the Department of Finance is committed to ensuring property owners have as many avenues as possible to resolve their debt. In accordance with this new local law, DOF commits to removing a lien from the liens sold when a property owner applied for the Seniors Citizens Homeowners Exemption (SCHE), the Disabled Seniors Homeowner Exemption (DHE), or certain Veterans Exemption (Vets) up to 90-days post lien sale and qualified for such exemption. DOF commits, in accordance with this new law, to accept any SCHE, or DHE, application after March 15th and up to 90 days post lien sale, and to the extent the owner who submits such application qualifies for such exemption, to remove any lien that was sold.

4. Securitization Documents

The Trust is a legally separate, special-purpose entity created by the City that purchases the liens and hires a servicer to continue collection on the outstanding property tax debt. The Trust pays the City an amount that it raises through the sale of interest-bearing bonds. The City commits to promoting transparency by providing the New York City Council Finance Division with all bond offering and bond indenture documents (including but not limited to, the

Securitization Documents, as defined in a Declaration and Agreement of Trust) for each Trust created by the City to continue collection on outstanding property tax debt.

5. Data Coordination

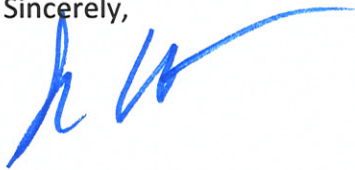
The Department of Finance commits to confirming with the Council all properties included on the 90-day list that have previously been included in the notice of sale at least twice in the four preceding 90-day lists.

6. Promulgating Rules

The Department of Finance and HPD commit to promulgating rules governing the new “Easy Exit program” and the option for an owner to elect the SFA. These new options for debt resolution are novel to New York City’s lien sale process, and the City will ensure that the procedures regulating these new options are governed by clear and simple rules.

In conclusion, the Department of Finance and HPD, through partnership with the New York City Council, believe these explicit commitments honor the spirit of the proposal and will track each of these promises in a transparent and equitable manner.

Sincerely,



Sheena Wright

First Deputy Mayor