

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The Department of Housing Preservation and Development (“HPD”) is proposing amendments to Chapter 3 of Title 28 of the Rules of the City of New York, which governs City-aided limited profit housing company developments (also known as Mitchell-Lama developments). The proposed amendments revise and clarify many aspects of such housing companies, including admissions limitations and priorities, status of shares and other value associated with a vacated apartment, contract review and approval, board of director elections and dissolution and/or reconstitution.

When and where is the Hearing? HPD will hold a public hearing on the proposed rule. The public hearing will take place from 3:00 PM to 5:00 PM on Wednesday, March 27, 2019. The hearing will be in HPD’s offices at 100 Gold Street, 1st Floor, Room 1-R New York, NY 10038.

The location has the following accessibility options available: The building and the hearing room are wheelchair accessible.

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to HPD through the NYC rules Web site at <http://rules.cityofnewyork.us>.
- **Email.** You can email comments to rules@hpd.nyc.gov.
- **Mail.** You can mail comments to Julie C. Walpert, Assistant Commissioner for Housing Supervision, 100 Gold Street, Room 7L2, New York, NY 10038.
- **Fax.** You can fax comments to HPD, 212-863-5048.
- **By Speaking at the Hearing.** You can speak at the public hearing. Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by calling 212-863-6500. You can also sign up in the hearing room before the hearing begins on March 27, 2019. You can speak for up to three minutes.

Is there a deadline to submit comments? All written comments must be submitted on or before March 27, 2019.

What if I need assistance to participate in the Hearing? If you need a sign language interpreter or other reasonable accommodation of a disability at the hearing, you must

tell us no later than March 18, 2019 either by email at accessibility@hpd.nyc.gov, by telephone at 212-863-6500, or by mail at the address given above.

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at <http://rules.cityofnewyork.us/>. A few days after the hearing, copies of all comments submitted online, copies of all written comments, and an audiotape of oral comments concerning the proposed rule will be available to the public from 10:00 AM to 4:00 PM Monday through Friday in the 7th floor conference room at HPD.

What authorizes HPD to make this rule? Sections 1043 and 1802 of the City Charter and subdivision (3) of section 32 of the Private Housing Finance Law authorize HPD to make these proposed rules. The proposed rules were included in HPD's regulatory agenda.

Where can I find the HPD rules? The HPD rules are in title 28 of the Rules of the City of New York.

What rules govern the rulemaking process? HPD must meet the requirements of Section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043 of the City Charter.

Statement of Basis and Purpose of Proposed Rule

The proposed rule amendments to Chapter 3 of Title 28 of the Rules of the City of New York revise and clarify many aspects of Mitchell-Lama developments, including admissions limitations and priorities, status of shares and other value associated with a vacated apartment, contract review and approval, board of director elections and dissolution and/or reconstitution.

Specifically, the proposed rule amendments:

- Update the marketing requirements for reopened waiting lists using New York City Housing Connect/Mitchell-Lama Connect lottery systems, and specify which types of violations may result in removing an applicant from such waiting lists,
- Limit how long an application may be put on hold to twelve months, and specify that no applicant can obtain more than one such hold while he or she remains on the waiting list,
- Specify that current tenant/cooperators will always be given priority to move to a smaller unit, but that current tenant/cooperators will now only get priority for the first three out of every four apartments that become available for moving to a larger unit,
- Prohibit lateral transfers as well as occupancy requirement waivers for other than medical reasons, and clarify what happens to the shares and other value assigned to an apartment once the tenant/cooperator of record permanently vacates,
- Provide that for establishing primary residency, a New York City Resident Tax return must be filed from the subject apartment for each year of residency,
- Clarify the procedures for approval of contracts entered into by Mitchell-Lama housing companies, both initial contracts and renewals, and specify which contracts require at least three competitive bids,
- Add a requirement that the board of directors of a mutual housing company discuss the rationale for a requested increase to rent and carrying charges with the tenant/cooperators prior to any hearing,
- Prohibit individuals convicted for crimes involving theft from serving on a mutual housing company's board of directors,
- Require the housing company to submit, at least sixty days in advance of a board of directors election, the proposed independent election company or other

election monitor, the written director nomination and election procedures, and drafts of any other election documents,

- With respect to the dissolution and/or reconstitution of Mitchell-Lama housing companies, increase the requirement from a majority to two-thirds of the dwelling units to approve the proposed expenditure of funds for the preparation of a mutual housing company's feasibility study, and also expressly require that such study include financial estimates comparing privatization with conversion to an Article XI housing development fund company development. Special meetings required for the expenditure of the funds to conduct a feasibility study also will now need independent election company monitors and approved procedures, and
- Clarify the obligation of managing agents to advise HPD of violations of the Mitchell-Lama rules attempted or carried out on behalf of the housing company and its employees or directors.

New material is underlined

[Deleted material is bracketed]

Section one. Subparagraph (ii) of paragraph (8) and paragraph (13) of subdivision (h) of section 3-02 of chapter 3 of title 28 of the Rules of the City of New York are amended, and a new paragraph (14) is added to such subdivision (h), to read as follows:

(ii) The opening and closing of all waiting lists shall be subject to prior written approval of HPD. [A housing company wishing to open a waiting list shall present HPD with a written proposal of its contemplated publicity efforts. The proposal shall require plans for the outreach to members of minority groups who would otherwise be unlikely to learn of these available housing opportunities. The plan shall include advertisement in at least two daily newspapers of general circulation and two publications known to have high readership amongst minorities, and shall contain language as set forth in subdivision (b) of this section. The plan shall be presented to HPD thirty days in advance of the projected date for commencement of advertising. Advertisements that do not meet the requirements of this chapter, including, but not limited to, receipt of HPD's prior approval, are deemed void. In such instances, the housing company shall be responsible for publishing a notice in at least two daily newspapers of general circulation stating that HPD has invalidated the prior advertisement. A housing company opening a closed waiting list shall select applicants by a lottery to be approved by HPD.] The lottery for the units that become available through the opening of a waiting list must be advertised through the New York City Housing Connect/Mitchell-Lama Connect lottery system or any successor program administered by HPD to market vacant Mitchell-Lama units. Such lottery also must be advertised through advertisements that have been approved by HPD

and published in at least two daily newspapers of general circulation and two publications known to have a high readership amongst minorities. Housing companies must thereafter select applicants from such the New York City Housing Connect/Mitchell Lama Connect or successor program lottery. When a list has sufficient names on it to last for three years, the list may be closed by HPD. Waiting lists for various size apartments may be closed at different times as the particular apartment-size list attains sufficient names.

(13) Notwithstanding anything to the contrary contained in this subdivision, an applicant on a waiting list for the lease of a dwelling unit in a rental housing company development or the purchase of shares in a mutual housing company development who, while he or she is on such waiting list, either (i) occupies a dwelling unit in such development in violation of this chapter, including, but not limited to, through failing to be included on the income affidavit for such dwelling unit or through submitting IRS or New York State tax returns in conjunction with such applicant's application that reflect a different income than the income reported on such dwelling unit's income affidavit, or (ii) submits any material false, fraudulent or misleading statement, representation, documentation or other information in connection with an application, certification of eligibility or recertification of eligibility for any governmentally-provided affordable housing assistance or subsidy, shall be removed from such waiting list.

(14) Any applicant on an external waiting list may file a written request with the managing agent of a housing company, with a copy provided to HPD, that his or her application be put on hold for one year provided that (i) such written request is filed by the later of (A) at least thirty days in advance of the proposed commencement of such one year hold period or (B) no more than five business days after receiving an offer from such housing company, (ii) if such applicant does not notify the managing agent of such housing company in writing, with a copy provided to HPD, at least thirty days prior to the expiration of such one year hold period that he or she would like to remain on such external waiting list, such applicant shall not be reinstated to such external waiting list at the expiration of such one year hold period, and (iii) no applicant shall be entitled to request more than one such hold during the time period in which such applicant remains on the external waiting list.

§ 2. The first full paragraph of paragraph (1) of subdivision (i) of section 3-02 of chapter 3 of title 28 of the Rules of the City of New York is amended to read as follows:

(1) *First priority.* Tenant/cooperators currently residing in a development whose household composition renders them eligible for a [larger or] smaller apartment shall be given first priority for an internal transfer. [First preference shall be given to tenant/cooperators who are moving to a smaller apartment.] Tenant/cooperators currently residing in a development whose household composition renders them eligible for a larger apartment and who also meet the income eligibility requirements for occupancy in such apartment, shall be given first priority for the first three out of every four apartments that become available and the fourth such apartment that becomes available shall be set aside and offered to an applicant on the external waiting list in

accordance with the provisions contained in paragraph (3) of this subdivision. No priority shall be given to residents seeking additional apartments for members of their household, or for non-resident family members or any other parties. The housing company shall maintain an internal transfer list by apartment size, listed in chronological order by date of receipt of transfer request. If, at any time, a tenant/cooperator's name has been omitted from the internal transfer list in error, and said tenant/cooperator can present adequate documentation satisfactory to the housing company or its managing agent to substantiate an earlier request for a transfer, said tenant/cooperator's name shall be inserted into the internal list in the corrected date order. Insertions to the internal transfer list shall be submitted to HPD for prior written approval.

§ 3. Subdivision (j) of section 3-02 of chapter 3 of title 28 of the Rules of the City of New York is amended to read as follows:

(j) *Application fee for rentals and mutual housing companies.* A rental or mutual housing company development may require an application fee of up to \$200 at the time of submission of an application for an apartment. Any deviation from this subdivision (j) requires prior written approval from HPD. Said application fee [is to] shall be returned in full without interest if the housing company rejects the application. The housing company may retain a reasonable portion of the application fee, not to exceed fifty dollars, for administrative costs if an applicant withdraws his or her application. If an apartment is offered to an applicant and the applicant does not accept the apartment, the housing company may remove the applicant from the waiting list and retain fifty dollars of the application fee. A housing company [may elect to] shall not offer an applicant an apartment [for a second or third time, but such additional offers are not mandatory] more than two times. If the applicant accepts the apartment, all of the application fee shall be retained by the housing company.

§ 4. Subparagraph (vii) of paragraph (1) and paragraph (2) of subdivision (m) of section 3-02 of chapter 3 of title 28 of the Rules of the City of New York are amended to read as follows:

(vii) HPD may grant waivers of occupancy standards for medical reasons [or where there are no available applicants on the applicable waiting list and HPD has determined that it is in the housing company's best interests to fill a specific vacancy by offering the vacant apartment to an applicant from a waiting list for an apartment of a different size].

(2) [Priority] Except as otherwise provided by paragraph (1) of subdivision (i) of this section, priority shall be given to internal transfers in the offering of all vacant apartments. However, no tenant/cooperator currently residing in a development shall be permitted to transfer to an apartment in such development that is the same size as the one such tenant/cooperator currently occupies.

§ 5. Subparagraph (iv) of paragraph (4) of subdivision (n) of section 3-02 of chapter 3 of title 28 of the Rules of the City of New York is amended to read as follows:

(iv) spent less than an aggregate of one hundred eighty-three days in the preceding calendar year in the City at such dwelling unit (unless such individual is in active service

in the armed forces of the United States or took occupancy at such dwelling unit during the preceding calendar year). However, no dwelling unit may be considered the primary residence of the tenant/cooperator unless the tenant/cooperator's name is listed on income documentation that must be sent by the tenant/cooperator to the Department or to any other governmental agencies (for example: income affidavits, re-certifications or Section 8 forms) for the most recent preceding year for which such documentation was required. No dwelling unit may be considered the primary residence of the tenant/cooperator unless the tenant/cooperator provides proof that he or she either filed a New York City Resident Income Tax return at the claimed primary residence for [the most recent preceding taxable year] each year of residency for which such return should have been filed or that the tenant/cooperator was not legally obligated to file such tax return pursuant to § 1705(b)(1)(A) and §1751(a) of the Administrative Code due to residency in a foreign country or pursuant to § 11-1751(a) of the Administrative Code and § 6-01 of the Tax Law because the tenant/cooperator's income for such year was below that required for the filing of a return or pursuant to § 893 or 894 of the Internal Revenue Code due to employment by a foreign government or international organization or due to any treaty obligation of the United States which applies to such taxpayer. The tenant/cooperator whose residency is being questioned will be obligated to provide proof that his or her apartment is his or her primary place of residence, including, but not limited to certified New York State income tax returns, utility bills, and voter registration data.

§ 6. Paragraph (6) of subdivision (p) of section 3-02 of chapter 3 of title 28 of the Rules of the City of New York is amended to read as follows:

(6) The housing company shall secure credible evidence of the tenant/cooperator's permanent removal from the apartment and the surrender of the apartment or the tenant/cooperator's written declaration to vacate the apartment prior to the consideration of re-letting or succession to the apartment by a family member.

(i) Where a tenant/cooperator has died, the lease and shares of stock for such decedent's apartment shall be surrendered by the decedent's estate or survivors [for redemption] to the housing company. [The housing company, upon written request received from any member of such deceased tenant/cooperator's family who has resided with the deceased tenant/cooperator]

(i-1) When the member of a tenant/cooperator's family residing in the apartment as a primary residence as set forth in paragraph (3) of this subdivision is granted succession rights, the housing company shall [sell or] transfer the shares, other value assigned to the apartment and/or the lease to said family member. When there is no succession claim or a claimant is denied succession rights, the housing company, upon the request of the legally recognized estate of the deceased tenant/cooperator, shall remit the value of the shares and other value assigned to such decedent's apartment, less any charges against such shares and other value that are permitted by this chapter, to such estate.

(ii) [In the event that] if there is a legal dispute or claim involving [the rightful ownership of the stock] who is rightfully entitled to the value of the shares, mortgage

amortization and capital assessment contributions assigned to an apartment in a mutual housing company, [pending a determination thereof by an appropriate tribunal or court of law,] such legal dispute or claim shall not affect the rights of such family members as set forth in paragraph (3) of this subdivision [shall continue to be permitted to reside in the apartment].

(iii) If [the appropriate tribunal or] a court of law [shall]determines that someone other than such family members as set forth in paragraph (3) of this subdivision is entitled to the [ownership of the stock then, upon presentation of a court order or other valid evidence, such new owner shall be permitted solely to surrender the stock to the housing company for redemption pursuant to the applicable provisions of the Private Housing Finance Law. In such event, such family members in occupancy as set forth in paragraph (3) of this subdivision shall be afforded a reasonable opportunity to purchase the stock from the housing company for the price authorized pursuant to the Private Housing Finance Law and § 3-06 of this chapter]value of the shares, mortgage amortization and capital assessment contributions assigned to the apartment, such matter shall be resolved between such party and such successor family members without recourse to the housing company.

§ 7. Paragraphs (2) and (7) of subdivision (b) of section 3-07 of chapter 3 of title 28 of the Rules of the City of New York are amended to read as follows:

(2) Contracts for building services, repairs, replacements, redecorating or improvements and supplies shall be let on the basis of lowest cost compatible with quality of performance, material and workmanship. In addition, any contract for over 100,000 also must be let on the basis of no less than three competitive bids[, according to the following schedule:

Contracts over \$100,000] and shall be submitted for HPD written approval. The housing company's submission shall include the three bids plus a contract executed by the successful bidder as well as the other documents as set forth below.

Notwithstanding the foregoing, HPD reserves the right to require any individual housing company to submit for approval any or all contracts over \$5,000.

In the case of a mutual housing company, the submission shall be accompanied by

(i) a certified copy of Resolution of the housing company's Board of Directors acknowledged by the Secretary of the Corporation, approving the contract, bearing the housing company's corporate seal and

(ii) the housing company's attorney's certification that the proposed contract is in compliance with the rules of HPD.

In the case of a rental development, the president or managing general partner of the housing company or his or her duly authorized designee must sign the contract.

The following language shall be included in all contracts for building services, repairs, replacements, redecorating and improvements: "Material, equipment and

workmanship shall be subject to the inspection and approval of HPD or its duly authorized agent at the discretion of HPD during the progress of the work and before final payment is made on the contract."

Every contract subject to HPD approval shall contain the following language: "This agreement is subject to written approval by HPD. No work shall commence until this agreement is approved by HPD."

(7) All contracts for building services or maintenance of buildings equipment on an annual or time basis that require HPD approval pursuant to paragraph two of this subdivision shall be submitted to HPD for written approval before execution by the housing company, and prior to expiration of the previous contract, if any. Where a contract does not provide for automatic renewal and the amount of the contract is to increase upon the renewal thereof, [a new] the renewal contract must be submitted for approval to HPD at least thirty (30) days prior to expiration of the existing contract. All such renewal contracts for building services or maintenance of buildings equipment shall provide that they are subject to termination without cause upon thirty (30) days written notice by the housing company or upon ten (10) days written notice by HPD, and immediately upon notification by the housing company or HPD that the contractor has materially breached his or her contract. After termination, no amounts shall be owed except for work actually completed.

§ 8. Paragraph (1) of subdivision (c) of section 3-07 of chapter 3 of title 28 of the Rules of the City of New York is amended to read as follows:

(1) All contracts and retainer agreements with attorneys and accountants shall be subject to the prior written approval of HPD and to termination without cause by HPD or the housing company upon thirty (30) days written notice and immediately by written notice by the housing company or HPD if there has been a material breach of contract. After termination, no amounts shall be owed except for work actually completed. Managing agent contracts are subject to §3-16 of these rules.

§ 9. Paragraph (1) of subdivision (b) of section 3-10 of chapter 3 of title 28 of the Rules of the City of New York is amended to read as follows:

(1) [Before] HPD shall hold a public hearing before acting upon any application or motion for an increase in the maximum rental/carrying charges per room to be charged tenant/cooperators of dwellings where HPD is the supervising agency under the provisions of the Private Housing Finance Law[, a public hearing shall be held]. Said hearing shall be held upon not less than thirty (30) days notice to the tenant/cooperators, provided, however, that with respect to a mutual housing company, the board of directors thereof must hold an informational meeting with the tenant/cooperators prior to any such hearing to discuss the reasons for the rental/carrying charges increase request. Such notice shall have annexed [there]to it a copy of the application or motion for increase in rental/carrying charges and shall set forth the facts upon which the application or motion is based. A development assisted by a Federal Section 236 contract must also comply with Federal rent/carrying charge increase requirements.

§ 10. Subdivision (d) of section 3-14 of chapter 3 of title 28 of the Rules of the City of New York is amended by adding a new paragraph (9), and paragraph (3) of subdivision (g) of such section 3-14 is amended, to read as follows:

(9) No person shall be allowed to serve on the board of directors or as an officer of a mutual housing company if such person has been convicted of a crime involving theft.

(3) shall accept any valuable gift, whether in the form of service, employment, loan, thing or promise, or any other form from any person, firm or corporation which to his or her knowledge, is interested directly or indirectly, in any manner whatsoever, in business dealings with the mutual housing company, its managing agent or any affiliates thereof.

§ 11. Paragraph (2) of subdivision (h) of section 3-14 of chapter 3 of title 28 of the Rules of the City of New York is amended to read as follows:

(2) (i) All elections of directors for a mutual housing company that has not been refinanced under Section 223(f) of the National Housing Act must be supervised by an independent election company or the mutual housing company's attorney and/or accountant. [Prior] No fewer than sixty (60) days prior to conducting the election, the mutual housing company must [notify] submit to HPD in writing [of] (A) the name of the independent election company and the proposed independent election company agreement, or [the alternate supervisor of] ,alternatively, the name of the housing company's attorney and/or accountant who will be supervising the election,(B) a written description of the procedures for the nomination of directors and [of] for the intended election [procedures], and (C) drafts of all other documents related to the election.

(ii) [A mutual housing company may request a waiver from the requirements of subparagraph (i) of paragraph two of this subdivision by making a written submission at least sixty days prior to the election of directions to the Assistant Commissioner of Housing Supervision.]

[(iii) When the cost of an independent election company meets the dollar threshold, the contract between the independent election company and the mutual housing company will require HPD's approval in accordance with section 3-07 of this chapter.] No election may be conducted without the prior written approval of HPD of the submission made pursuant to subparagraph (i) of this paragraph.

§ 12. Paragraph (6) and subparagraph (ii) of paragraph (7-a) of subdivision (i) of section 3-14 of chapter 3 of title 28 of the Rules of the City of New York are amended to read as follows:

(6) Mutual Housing companies - special meeting. A board of directors of a mutual housing company considering dissolution and/or reconstitution pursuant to §35 shall call a special meeting in conformance with the mutual housing company by-law requirements for the purpose of ascertaining shareholder interest in dissolution and/or reconstitution. The secretary of the board of directors shall submit to HPD a certified

resolution stating that not less than [a majority] two-thirds (2/3) of the dwelling units [represented at such special meeting] in such mutual housing company approved an expenditure of funds in a specified amount not to exceed \$100,000 for the purpose of the preparation of a written feasibility study that will be distributed to each shareholder no later than sixty days after the preparation of such written feasibility study is completed, unless the by-laws of the company mandate a greater affirmative vote. Each dwelling unit shall be entitled to one vote regardless of the number of shares allocated to such dwelling unit, the number of shareholders holding such shares, or the provisions regarding voting in such mutual housing company's certificate of incorporation or by-laws. Said resolution shall include language as follows:

“This resolution authorizes the board of directors to take steps necessary to prepare a written feasibility study investigating dissolution and/or reconstitution that will be distributed to each shareholder no later than sixty days after the preparation of such written feasibility study is completed. This resolution authorizes the expenditure of \$ _____ for such study, and notifies the shareholders that there are Private Housing Finance Law requirements for dissolution and/or reconstitution. This resolution also advises the shareholders that any additional expenditure of funds for such study will require a separate shareholder approval in accordance with the same voting procedures and cannot exceed \$100,000 at any one time, and that the New York State Department of Law requirements must be met prior to actual dissolution and/or reconstitution.”

A certified copy of the resolution shall be submitted to HPD within seven (7) business days after such vote. Expenditure of funds authorized above shall require prior written approval of HPD.

The feasibility study prepared in accordance with such resolution shall investigate dissolution and/or reconstitution and shall include, but not be limited to:

(i) a physical condition survey of the mutual housing company development prepared by a licensed engineer or architect projecting such development's capital needs and the costs thereof for the next ten years from the date of such survey;

(ii) projected increases in real property taxes for the next five years due to the loss of any abatements of and/or exemptions from real property taxation that would result from dissolution and/or reconstitution;

(iii) advisory estimates from State and City taxing authorities of the real estate and real property transfer taxes that would result from dissolution and/or reconstitution; [and]

(iv) a market study prepared by an independent real estate professional containing projected sales prices for dwelling units if such mutual housing company were to dissolve and/or reconstitute[.];and

(v) financial estimates for reconstitution as a housing development fund company organized pursuant to Article XI of the Private Housing Finance Law in accordance with the provisions of paragraph (15) of this subdivision in comparison with the financial estimates for reconstitution as a business corporation.

(ii) Special meetings required pursuant to paragraphs six, six-a, seven and fifteen of this subdivision shall be conducted by an independent election company. At least sixty days prior to conducting such special meetings, the mutual housing company must notify HPD in writing of the name of the independent election company, and of the intended special meeting procedures, and HPD must issue its approval in writing of such independent election company and of the intended special meeting procedures before such special meeting can take place.

§ 13. Paragraphs 16 and 17 of subdivision (e) of section 3-16 of chapter 3 of title 28 of the Rules of the City of New York are amended, and a new paragraph 18 is added to such subdivision (e), to read as follows:

(16) receive, record and respond to all service requests made by tenants in a timely manner; [and]

(17) carry out such other duties and responsibilities as may be stipulated by the housing company or HPD and as may be included in the management agreement[.] ; and

(18) Advise HPD of violations of these rules attempted or carried out on behalf of the housing company, its employees, any person or entity or employee of an entity doing or seeking to do business with the housing company or by members of the Board of Directors of the housing company.

Commissioner Maria Torres-Springer

February 15, 2019

**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Amendment of Rules Governing Mitchell-Lama Developments

REFERENCE NUMBER: 2018 RG 105

RULEMAKING AGENCY: Department of Housing Preservation and Development

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN

Date: December 19, 2018

Acting Corporation Counsel

NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400

CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)

RULE TITLE: Amendment of Rules Governing Mitchell-Lama Developments

REFERENCE NUMBER: HPD-59

RULEMAKING AGENCY: Department of Housing Preservation and Development

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro

Mayor's Office of Operations

December 19, 2018

Date