



NEW YORK STATE SENATOR

Brian Kavanagh

Local Officials Call for Expedited Negotiations on Affordability & Stability at Gateway Plaza in Light of COVID-19

BRIAN KAVANAGH April 20, 2020

| ISSUE: **AFFORDABLE HOUSING, FAIR HOUSING, RENT STABILIZATION**

| COMMITTEE: **HOUSING, CONSTRUCTION AND COMMUNITY DEVELOPMENT**



On April 20th, Senator Kavanagh, along with his colleagues from Federal, State, and City government, requested that the LeFrak Organization, which owns Gateway Plaza, provide stable and affordable housing for all tenants during the COVID-19 crisis. The legislators called for a prompt conclusion to the ongoing negotiations regarding the 'Quasi-Rent-Stabilization' agreement with the Battery Park City Authority, and for assurances that all tenants will be able to remain in their homes for the duration of the COVID-19 crisis and beyond. The text of the officials' letter is below; the original may be viewed via the link above.

April 20, 2020

Richard S. LeFrak

Chairman/CEO

LeFrak Organization

40 West 57th Street, 23rd Floor

New York, NY 10019

Dear Mr. LeFrak:

We write today as elected representatives of Lower Manhattan on behalf of the residents of Gateway Plaza.

We would like to begin by saying that we are heartened to learn from our conversations with Gateway tenants that the LeFrak Organization's management staff has been highly responsive in addressing repair needs and in accommodating increased service requests during the unprecedented COVID-19 public health emergency and economic crisis that all New Yorkers are facing. We know that this is a very challenging time to provide such services, and we appreciate the care that your organization is taking to meet your tenants' needs.

We also understand that you are continuing to negotiate with the Battery Park City Authority toward a new affordability agreement to replace the "quasi-rent stabilization" (QRS) agreement that is scheduled to expire in less than three months. We appreciate your commitment to coming to terms that will enable Gateway Plaza to continue to provide housing affordable to the current residents, many of whom have been among the pillars of

this community for years.

Unfortunately, with the current QRS agreement set to expire on June 30th, tenants are receiving renewal leases that appear to be premised on there being no agreement in place after that date. These renewal leases include substantial rent increases and a deadline of 30 days from receipt of their offers to sign the new lease, after which, they are warned, they will be considered “to have irrevocably declined renewal.” This is causing enormous concern and anxiety among tenants, and is especially problematic at a time when stay-at-home orders are in place with many residents having lost their jobs or significant portions of their incomes due to the economic crisis.

In light of this, we respectfully request that you do everything feasible to bring negotiations to a swift conclusion and enter a new agreement to replace the existing QRS agreement. (We have urged the Battery Park City Authority to do the same.) If that is not possible, we request that you consider agreeing now that in the event there is no long-term agreement by June 30th, you would grant a four-month extension to the existing agreement, resulting in a new QRS expiration date of October 31, 2020, and a four-month extension to existing leases that expire on or after June 30th. If there are terms in any new agreement reached after June 30th that are more favorable to tenants than those of the existing agreement, we would ask that they be applied retroactively to that date.

We understand that following the tragedy of the 9/11 attacks, the LeFrak Organization graciously provided extensions to all leases, both stabilized and market-rate. We ask that you consider repeating this laudable approach once again, as our community and our country once again face an extraordinary crisis.

We appreciate your consideration and look forward to your response. If you wish to discuss this matter, please feel free to contact any of us directly, or via Laurence Hong of

Assemblymember Niou's office at hongl@nyassembly.gov or 212-312-1420, or Gigi Li of Councilmember Chin's office at gli@council.nyc.gov or 646-737-4841.

Sincerely,

Brian Kavanagh

State Senator

Yuh-Line Niou

Assemblymember

Gale A. Brewer

Manhattan Borough President

Jerrold Nadler

Congressmember

Margaret S. Chin

Councilmember

Scott M. Stringer

New York City Comptroller

cc: Benjamin Jones, President/CEO, Battery Park City Authority

Rosalie Joseph, President, Gateway Plaza Tenant Association