



NEW YORK STATE SENATOR

Brian Kavanagh

Kavanagh, Colleagues Renew Call for Prompt Conclusion of Negotiations for Long-Term Affordability at Gateway Plaza

BRIAN KAVANAGH June 29, 2020

| ISSUE: **HOUSING, GATEWAY PLAZA, COVID-19, TENANTS, AFFORDABLE HOUSING**

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



On June 26, 2020, Senator Kavanagh and his colleagues in federal, state, and city government urged the Battery Park City Authority and the LeFrak Organization to swiftly conclude negotiations to extend affordability protections to Gateway Plaza tenants beyond the June 30th expiration of the current "quasi-rent stabilization" agreement. They also called for steps to protect tenants and ensure their peace of mind in the interim, if an agreement is not reached by the 30th. The officials had previously emphasized the need for such an agreement, especially in light of the COVID-19 public health and economic crisis, including in an April 20th letter. The text of the officials' June

26th letter is below; the original may be viewed via the link above.

June 26, 2020

Richard S. LeFrak

Chairman/CEO

LeFrak Organization

40 West 57th Street, 23rd Floor

New York, NY 10019

Benjamin Jones

President/CEO

Battery Park City Authority

200 Liberty Street, 24th Floor

New York, NY 10281

Dear Chairman LeFrak and President Jones:

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

On April 20th, we wrote a letter to the LeFrak Organization (see attached) requesting that you make your best efforts to reach a prompt conclusion to negotiations that would extend rent stabilization protections to eligible tenants of Gateway Plaza. We have since been encouraged to hear that both the LeFrak Organization and the Battery Park City Authority (BPCA) remain committed to the negotiations to extend such protections. We further understand that there is an expectation that any deal to do so will retroactively apply to

renewed leases for tenants currently under the “quasi-rent stabilization” (QRS) agreement. While these are welcome developments, they still fall short of our collective expectations and those of Gateway Plaza’s tenants.

The lack of an agreement by June 30, the current expiration date of the QRS agreement, is deeply unsettling. As noted in our April 20 letter, tenants at Gateway Plaza 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.” In this global pandemic, tenants face tremendous anxiety as they make decisions on these renewal leases, especially when, in many instances, the terms of those leases may effectively be changed by the terms of any new QRS deal. The added stress and uncertainty which has resulted from the lack of an agreement has left hundreds of families at Gateway Plaza in the lurch as they face the dual economic and health crises confronting our city.

We once again urge the BPCA and the LeFrak Organization, in the strongest possible terms, to swiftly conclude the negotiations. We also request, once again, that if there is no long-term agreement by June 30th, the LeFrak Organization consider granting an extension to the existing agreement, an extension of existing leases that expire on or after June 30th under the same terms, and a waiver of the stated deadline for tenants to sign renewal leases. Please also provide an updated timeline to the Gateway tenants and to us, as to when a deal can be expected to be reached, if not by June 30th.

We appreciate your consideration. If you wish to discuss this matter, please feel free to contact any of us directly, or via Lizzie Lee of Senator Kavanagh’s office at ylee@nysenate.gov or 212-298-5565.

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: Rosalie Joseph, President, Gateway Plaza Tenants Association