



Battery Park City Authority

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BATTERY PARK CITY AUTHORITY PRESERVES RENT PROTECTION FOR MORE THAN 600 GATEWAY PLAZA RESIDENTS

Agreement Caps Annual Increases at 2.5% Annually over Next Decade

Rent protection for 600 long-term residents and their families provides stability in neighborhood's original residential complex

The Battery Park City Authority (BPCA) today announced an agreement with Marina Towers Associates (MTA) to preserve rent protection for approximately 600 residential units in Gateway Plaza, benefitting hundreds of long-time Battery Park City residents. Through June 30, 2030, rent increases for these residents' apartments will be limited to 2.5% per year, providing tenants with predictable housing costs and preventing steep year-over-year rent increases. Authorization to enter into this agreement was unanimously approved by the BPCA Board this afternoon.

"BPCA is pleased to provide rent protection for many long-time residents and their families who call Gateway home, and have helped make the neighborhood what it is today," said **BPCA President & CEO B.J. Jones**. "This is an important first step in our continuing efforts to preserve and even expand affordability and certainty in Battery Park City. Thank you to Chairman Tsunis and our Board Members for their leadership, and the Gateway Tenants Association and all of our local elected officials for their tireless, passionate, and constructive advocacy in support of affordability."

"The new rent protection deal for eligible QRS Gateway Plaza tenants is an important step in maintaining the affordability of Battery Park City for families and residents of Lower Manhattan," said **Congressman Jerry Nadler**. "I congratulate the BPCA and Marina Towers Associates on successfully negotiating this agreement and I look forward to continuing to work with the Gateway Plaza Tenants Association and my fellow elected colleagues to ensure that all tenants of Gateway Plaza are included in future rent stabilization protections."

"I am heartened that the parties have reached an agreement which will deliver stability and fairness to Gateway Plaza tenants," said **New York City Comptroller Scott Stringer**. "This is a critical step in the fight to preserve affordability in our City, and I was proud to stand with the Gateway Plaza tenants to echo their demands for a fair rental agreement."

"I applaud the community for making their voices heard and for all who came together to make this agreement possible. We must keep working to ensure that Gateway Plaza remains affordable for all of the families, seniors, and young people making a life in the heart of downtown Manhattan."

"I am pleased to learn that after over a year of negotiations, the BPCA and LeFrak Organization have jointly agreed to protect housing stability for over 600 eligible 'Quasi-Rent Stabilized' (QRS) households at Gateway Plaza for the next ten years," said **Manhattan Borough President Gale A. Brewer**. "The agreement offers much-needed certainty to eligible tenants, all of whom have resided at Gateway Plaza since 2009 or earlier, at the heel of the expiration of a previous agreement. I congratulate BPCA and LeFrak Organization for taking a key step in protecting QRS tenants at Gateway Plaza. Looking ahead, I will continue to work with the Gateway Plaza Tenants Association and with my colleagues in government to ensure that the housing stability offered by the agreement will be reinforced with rent affordability so that current QRS households can continue to call Gateway Plaza home for the next decade and beyond."

"I commend George Tsunis and BJ Jones of the Battery Park City Authority, Richard LeFrak of the LeFrak Organization, and everyone who worked on negotiating this deal to preserve rent protections for hundreds of New Yorkers living in Gateway Plaza," said **State Senator Brian Kavanagh**. "And of course, Rosalie Joseph and the Gateway Plaza Tenant Association deserve enormous credit for their thoughtful and persistent advocacy on behalf of all Gateway residents. The deal is not perfect, of course, and my enthusiasm is tempered particularly by the reality that any rent increase during the COVID-19 public health and economic crisis will be a hardship for many residents, but overall, it is a very significant step forward and it will bring a great sense of relief to many residents. I look forward to continuing to work closely with BPCA, GPTA, Congressman Nadler, Comptroller Stringer, Borough President Brewer, Assemblymember Niou, and Council Member Chin to do everything we can to ensure that this wonderful community continues to thrive."

"The preservation of the QRS agreement is an incredibly important first step in long term affordability for the over 600 eligible households in Gateway Plaza," said **Assemblymember Yuh-Line Niou**. "However, it is important to recognize that there is much work to be done in Gateway Plaza as well as Battery Park City as a whole to promote long term affordability. I want to thank the Battery Park City Authority, Gateway Plaza Tenants' Association, and other elected officials who joined me in this fight for our Gateway Plaza residents to remain in their homes. I look forward to continuing our essential work in promoting long term affordability in Battery Park City."

"This rent protection agreement has been a long time coming, and made possible by the negotiations led by BPCA and the dogged advocacy of Gateway Plaza Tenant Association and its leaders to preserve affordability in the face of rising housing instability," said **Council Member Margaret Chin**. "The residents who moved into Gateway decades ago and established roots here deserve the opportunity to grow old in the community they helped to build. With this deal marking a strong first step, I hope that BPCA and LeFrak can continue to work with us to secure an even lower rent increase for these tenants, and look forward to fighting for more tools to expand and deepen affordability for residents across Battery Park City."

“The new rent protection agreement is an important step in preserving housing affordability for the long-term residents of Gateway who had been covered by the previous agreement,” said **Gateway Plaza Tenants Association President Rosalie Joseph**. “GPTA thanks BPCA for its hard work and determination in completing the new deal. We also want to express our appreciation to our elected officials, including Congressman Jerry Nadler, Comptroller Scott Stringer, State Senator Brian Kavanagh, Assemblymember Yuh-Line Niou, Borough President Gale Brewer, and City Council Member Margaret Chin for their long advocacy in support of Gateway's residents.”

The 2.5% annual rent increase cap included in today's agreement approximates the 20-year average one-year rent increase approved by the Rent Guidelines Board, helping provide certainty to tenants, Gateway Plaza's ownership, and BPCA, and shoring up an important store of housing stability in Lower Manhattan. For tenants who have already signed lease renewals for terms starting July 1, 2020, all such lease renewals will be amended retroactively upon execution of the agreement to reflect these rent limitations, and any credits due will appear on each tenant's subsequent rent invoice.

Additionally, as the property is subject to a mortgage issued by the U.S Department of Housing and Urban Development (HUD), today's agreement must also be reviewed and approved by HUD as mortgagee.

Gateway Plaza is the oldest residential development in Battery Park City, with the first residents moving into the six-building complex in 1982. Rent increase limitations in the complex, dating from the late 1980s were originally scheduled to expire on June 30, 1995, with BPCA and MTA negotiating successor agreements in 1995, 2005, and 2009. Today's agreement protects all approximately 600 Gateway Plaza tenants and their families who have lived in the complex prior to the 2009 extension.

In addition to the 10-year, 2.5% annual rent increase cap, today's agreement also:

- Increases ground rent payments to BPCA from 2023 through 2044 (lease years), from 8.125% of collected rent to 10.75% of effective gross income
- Requires a minimum capital investment in the complex during this period
- Extends the length of the agreed-upon ground rent terms between BPCA and MTA (and the Fair Market Value rent reset date) from 2040 to 2045
- Provides for the collection of ~\$13 million in owed commercial real estate taxes over the next three years

About BPCA: Established in 1968, The Hugh L. Carey Battery Park City Authority is a New York State Public Benefit Corporation charged with developing and maintaining a well-balanced community on the Lower West Side of Manhattan. Battery Park City's 92-acre site has achieved worldwide acclaim as a model for community renewal in planning, creating, and maintaining a balance of commercial, residential, retail and park space. For more info visit: bpca.ny.gov.