



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

330 West 42nd Street, 26th floor New York, NY 10036

tel: 212-736-4536 fax: 212-947-9512

www.nyc.gov/mcb4

LOWELL D. KERN

Chair

JESSE R. BODINE

District Manager

July 15, 2020

David I. Pickett

President & CEO

Gotham Organization

432 Park Avenue South, Second Floor

New York, NY 10016

Re: Utility Credit / Utility Allowance on Leases

Manhattan Community Board 4 (MCB4) members were contacted by residents of Gotham Properties at The Nicole located at 400 West 55th Street who subsequently attended the MCB4 Tenant Protection Forum on April 28, 2020. The residents reported they noticed the utility credit had been removed from their lease or noticed an increase in their rent and there was no notification. The issue was discussed at the May 21, 2020 Housing, Health and Human Services Committee (HHHS) and voted to recommend that Gotham Properties reinstate the utility credit for all subsidized units until the issue is resolved by the NYS Housing Finance Agency. MCB4 at its regularly scheduled Full Board meeting on June 3, 2020, voted by a vote of 46 in favor, 0 opposed, 1 abstaining, and 2 present but not eligibleⁱ to vote, to support HHHS recommendations.

History of Gotham in CB4

Gotham Organization develops and manages several residential and commercial properties. Two residential properties exist in our District. The Nicole 400 West 55th Street and Gotham West 592-608 11th Ave; 507-553 West 44th Street, 508-558 West 45th Street. Both developments have subsidized/tax credit and market rent units. Additionally, there are two other affordable housing projects in our community that Gotham will develop; a development at Hudson Yards and Covenant House.

The Nicole currently has 149 residential units and 30 subsidized units. Tenants began living in the development in early 2004.

Gotham West was to create 1,238 new residential units including 600 units of permanently affordable housing units committed in the 2005 Hudson Yards rezoning, targeted to those in the hard-to-reach moderate-and middle-income bands. These units were to be governed by a number of programs and subsidies, including Inclusionary Housing, 421a, and LIHTC.

Gotham came before MCB4 during 2003 regarding The Nicole and in 2011 regarding Gotham West. In both instances it was noted there were concerns regarding the zoning and issues with a lack of notice to the community.

Utility credit

Utility credit is also known as a utility allowance. A utility credit is an amount an owner subtracts from the rent. The amount of the utility credit is calculated by the rent charged, which is determined by the income limit used to qualify a household to live in a unit. This utility credit is intended for the tenants to keep and pay towards their utilities.

Housing Conservation Coordinators (HCC), a community-based housing non-profit organization that provides legal and organizing support. HCC began receiving notification of this issue in October of 2019 by residents of Gotham West. According to tenants at Gotham West they too received no notification of the utility credit removal and observed this on their new lease or that their rent had increased. Subsequently tenants from The Nicole began contacting HCC, as well as tenants from the Atlas, a Gotham property outside of MCB4. As a result, HCC wrote a letter to the NYS Housing Finance Agency to have this resolved and is awaiting a response.

Conclusion

MCB4, like HCC requests that the utility credit for all subsidized units at Gotham properties be reinstated until the issue is resolved by the NYS Housing Finance Agency.

Our District represents a diverse community with households that range in income. We believe in keeping the community diversified and welcome developers who will build high quality affordable housing. Gotham Organization has worked with this community and been a good partner in ensuring that diversity. We expect Gotham Organization to rectify this situation and ensure future transparency with tenants of the subsidized units regarding the utility credit.

Sincerely,



Lowell D. Kern,
Chair



Joe Restuccia, Co-Chair
Housing, Health & Human Services Committee

cc: Hon. Corey Johnson, New York City Council Speaker
Hon. Gale A. Brewer, Manhattan Borough President
Hon. Jerrold Nadler, U.S Congressman
Hon. Brad Hoylman, New York State Senate
Hon. Richard Gottfried, New York State Assembly
Hon. Linda B. Rosenthal, New York State Assembly
Hon. Jerry Nadler, U.S. Congress
Leslie Thrope, Executive Director, Housing Conservation Coordinators

ⁱ Maria Ortiz, resident of Gotham Properties and Co-Chair of Housing , Health & Human Services Committee voted Present Not Eligible on both Committee and Full Board meetings.