



March 20, 2020

Governor Andrew Cuomo
New York State Capitol
Albany, New York 12242

Mayor Bill de Blasio
City Hall
New York, New York 10007

Governor Cuomo, Mayor de Blasio –

In the midst of a global public health crisis and its impact on every aspect of our economy and shared civic life, we write to address the severe and growing difficulties facing a foundational part of New York's stability.

Owners of rent regulated apartment buildings are experiencing a cascade of immediate and extreme difficulties. A vast number of our diverse tenants are in economic distress as a consequence of their places of employment closing or drastically cutting hours by government order – hospitality, shows & venues, restaurants & bars, personal services, and other points of likely infection transmission. Many of our tenants are struggling without the cushion and extended resources that others may benefit from.

There are hard economic realities that defy spin. Tenants cannot pay rent. The commercial spaces in many of our buildings that subsidized regulated apartments above them - bars and restaurants and retail - are now shuttered or barely operating on fumes, and cannot pay rent. However, our mortgage payments and taxes and water & sewer fees are still due.

As such, our industry requests help in the form of these responsible and practical actions, implemented one fiscal quarter at a time starting April 1:

- Tax Waivers. The owners of regulated buildings cannot make their upcoming tax payments. A deferral or delay will not address this crisis. Residential and commercial rents not now paid will never come back. That income is gone forever – not a complaint, a realistic statement. City and state government can absorb this loss and, in part or in whole, recover these funds from federal aid.
- Mortgage Relief. As a condition of aid provided to banks, waiver of a portion or aspect of the mortgage payments underlying the finances of rent regulated buildings must be required. It would be unconscionable for banks to receive needed assistance while the owners of buildings that house New Yorkers struggle to point of insolvency to pay those same banks.
- Water & Sewer Payment Relief. Fees & costs attached to the providing of public services has always been a favored tactic of government raising revenue outside of and in addition to taxes. While now is not the time to debate this practice, it is important to acknowledge it. Assistance must include relief from these ever-escalating costs.

The COVID-19 pandemic is the single worst financial issue facing the modern world, devastating the economy of our city and state. Our industry is a part of the needs and stability of New York – not apart from it. Regulated buildings must be a part of the solution to the dire problems facing our neighbors – not apart from it.

The timing of the need for this aid is immediate. Forbearance and deferrals will not help. Action on waivers is needed now.

Respectfully,

Rent Stabilization Association (RSA)

Community Housing Improvement Program (CHIP)

Small Property Owners of New York (SPONY)

Cc: Vicki Been, Deputy Mayor for Housing and Economic Development;
Robert Mujica, New York State Budget Director