

STUYVESANT TOWN–PETER COOPER VILLAGE TENANTS ASSOCIATION

October 12, 2020

Richard Hayduk
CEO, General Manager, StuyTown Property Services
276 First Avenue
New York, NY 10009

Re: Management response to TA letter about COVID survey

Dear Rick,

Thank you for responding to our letter on the impacts of COVID on the community based on the Tenants Association's observations and the results of our online survey, which *garnered 945 responses*. We requested that you consider additional ameliorations for existing tenants—such as waiving two or three months' rent, which is what you offer new tenants. Your reply indicated that you would lower the threshold for FHAP qualification to a 25% of household income loss, down from 50% of leaseholders.

That is not a solution for our neighbors who are suffering and does nothing to stanch the outflow of good tenants looking to put down roots in our community—the “sticky” tenants you claim to want.

The pain continues, and we are disappointed that you are not doing more to effect real relief but are sticking with a formula for deferral of payments, which many tenants can't undertake and may cripple them financially.

We recently heard from a tenant who perfectly expressed the plight of all COVID impacted tenants here:

“My roommate and I are both financially suffering from job loss due to the pandemic and have not been able to secure new jobs. Without income, it has been extremely difficult to afford our rent and support ourselves. After speaking with the StuyTown leasing agency, I find it to be absolutely ridiculous that they are unable to work with tenants in financial hard times. Unfortunately, the financial hardship program does not provide any relief as we do not know when we will be able to secure new jobs and owing a large sum of money in months to come is an even scarier thought. StuyTown is offering new tenants up to 3 months free rent and [returning] tenants a \$1,000 gift card, but cannot offer anything to current tenants? I feel that current residents are not valued at all.”

As we now know, the effects of the pandemic will last well into 2021, and the economic fallout for New York City will be severe and extended. The estimated 800–1,000 empty apartments in STPCV

STUYVESANT TOWN–PETER COOPER VILLAGE TENANTS ASSOCIATION

attest to this. New residents are not flocking to move to the city, and it is likely that more current STPCV residents will move out when their leases expire if more is not done to help them.

Why is Beam Living continuing to prioritize filling empty apartments rather than protect the stability of current residents and the community? They are offering new leaseholders up to three months of free rent, and a year of free Wi-Fi and cable. Why not offer these incentives to existing residents? Isn't it better to keep current residents in place than have to fill even more empty apartments?

In the past couple of weeks, we have read that “the world’s largest private equity firm, the Blackstone Group, reported that its effective income tax rate went below zero last year even as it raked in billions in profits, according to corporate documents reviewed by *The Daily Poster*.”

On October 2, *The Real Deal* reported that the net worth of Stephen A. Schwarzman, chairman and CEO of Blackstone Group, the private equity giant with \$166.6 billion in real estate assets under management, increased by 27 percent during the coronavirus pandemic.

And let’s not forget that Blackstone recently raised \$8 billion for the largest real estate credit fund ever, according to Connect Media: CRE—National Commercial Real Estate News.

It’s a slap in the face to tenants who are struggling to pay rent to realize that the thousands of dollars you are willing to forgo to attract new tenants is a drop in the bucket for Blackstone’s bottom line, and they are well positioned to provide true relief for the COVID impacted here at Stuyvesant Town–Peter Cooper Village.

We ask that you apply the same incentives for existing tenants as you are willing to do for new ones. We ask that you allow tenants in extreme straits to break their lease without penalty or downsize to apartments they can afford, and we want you to finally rent unrenovated apartments, some of which have been vacant for years.

It’s time to put people over profit. We ask for *meaningful* measures to preserve our vibrant community—now and for the future.

Sincerely,

Board of the Stuyvesant Town–Peter Cooper Village Tenants Association