



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

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CONTACT: pressoffice@cityhall.nyc.gov, (212) 788-2958

MAYOR, LOCAL ELECTED OFFICIALS AND TENANT LEADERS ANNOUNCE 20-YEAR AGREEMENT WITH BLACKSTONE AND IVANHOÉ CAMBRIDGE TO PROTECT MIDDLE CLASS HOUSING AT STUYVESANT TOWN AND PETER COOPER VILLAGE

More than 5,000 apartments covered by long-term affordability agreement, rents protected for current tenants and those to follow, new protections for roughly 1,400 “Roberts” tenants

Agreement halts loss of more than 300 affordable apartments each year

NEW YORK—The Mayor of the City of New York, local elected officials and tenant leaders today announced an agreement with Blackstone and Ivanhoé Cambridge, a subsidiary of CDPQ, a leading Canadian pension fund manager, that will protect thousands of affordable apartments at Stuyvesant Town and Peter Cooper Village – one of the largest enclaves of moderate and middle income housing left in Manhattan. The agreement represents the largest number of affordable apartments ever preserved in a single City-led transaction in the history of New York City.

The 5,000 remaining below-market apartments at STPCV have been in danger of becoming permanently deregulated as soon as current tenants leave, changing the face of this community forever. Under the agreement, Blackstone and Ivanhoé Cambridge – which are acquiring the complex from CW Capital – will ensure those rental apartments will remain affordable to moderate and middle-income families for at least the next 20 years. The plan will halt the loss of more than 300 affordable apartments each year and ensure this remains a home for nurses, teachers, first responders and working families.

The agreement also caps rents for “Roberts” tenants living in approximately 1,400 apartments, who are subject to significant increases in 2020, when the J-51 tax abatement expires. Under the agreement, rent increases on these units will be limited to five percent per year for five years, starting in 2020.

Additionally, Blackstone and Ivanhoé Cambridge have publicly stated their intention to protect the community’s open spaces and the unified nature of Peter Cooper and Stuyvesant Town, as well as to create an environment welcoming to long-term tenants seeking to put down roots. The agreement will also provide additional on-site services for STPCV’s growing senior population including a licensed social worker, a staffed Community Center providing programming for seniors, regular medical screenings, wellness checks to look in on elderly tenants, and a dedicated staff member to assist seniors with completing SCRIE benefit applications.

“For generations, Stuyvesant Town has been a home to working and middle-class families. That’s a legacy and a reality that’s been under threat for a decade, as thousands of affordable apartments were lost forever. We promised this community we would turn the tide and protect its affordability. And today, we have an agreement that gives certainty to thousands of families who live here now, and for the next generation to come. Working with Council Member Garodnick, the tenant association, Blackstone and Ivanhoé Cambridge, we will preserve this community’s affordable housing for decades. This is an achievement that helps us ensure we can keep this a city for everyone,” said **Mayor Bill de Blasio**.

“We have succeeded in delivering a more stable and affordable future for Stuyvesant Town and Peter Cooper Village. It didn’t happen in a vacuum, as we fought, agitated, and demanded long term affordability, the protection of our open spaces, and the continued unification of the entire property. Unlike recent history, this deal does not demand the rapid turnover of rent-stabilized units. In contrast, it puts current and future tenants in a far better position than they are today. Thank you to Mayor de Blasio for his unwavering support of our efforts. We look forward to working with Blackstone to ensure that Stuyvesant Town and Peter Cooper continue to be a stable and affordable place to live for years to come,” said **Council Member Dan Garodnick**.

STPCV will be held in a partnership comprised of Ivanhoé Cambridge and Blackstone’s core real estate fund, Blackstone Property Partners, which makes long-term investments in high-quality, stable assets.

“It is a tremendous honor and responsibility to become co-owners of Stuyvesant Town and Peter Cooper Village,” said **Jon Gray, Global Head of Real Estate for Blackstone**. “We and Ivanhoé Cambridge are pleased to have reached this agreement with the City of New York, the Mayor, Councilman Garodnick and the Tenants Association to preserve its heritage of affordable rental housing. We intend to own Stuyvesant Town and Peter Cooper Village on behalf of our investors for many years to come.”

“We have been an important real estate investor in New York City for over 20 years. Today, we have more capital at work in New York than in any other city in the world”, said **Daniel Fournier, Chairman and CEO, Ivanhoé Cambridge**. “We are delighted to invest in this exceptional property in partnership with Blackstone and, together with them, we look forward to building sustainable long-term relations with the community and our tenants.”

"I am pleased that there will continue to be affordable housing at Stuy Town Peter Cooper Village for at least 20 more years. I want to thank Blackstone and the City for working together to reach an agreement that ensures that this transfer won't unleash a new wave of harassment of tenants in affordable apartments, and also preserves open space and offers expanded services to seniors," said **Congresswoman Carolyn B. Maloney**.

"I'm grateful to Mayor de Blasio for making affordability at Stuyvesant Town-Peter Cooper Village a priority of his administration. I'm hopeful that the stated terms of this deal, which crucially has the support of ST-PCV Tenants Association, will preserve middle class housing at this storied complex for the current and next generation of New Yorkers," said **State Senator Brad Hoylman**.

Assembly Member Brian Kavanagh said, "Stuy Town and Peter Cooper have been under a siege that began about a decade ago, when speculative investors bought 11,000 apartments with the express intent to profit by evicting nearly all the residents. Many of our neighbors lost their homes along the way, but our community and its elected representatives have continued to fight for stability, and affordability, and plain decency. We stood up for this community here at home, in courts and regulators' offices, and in the City Council and the State Legislature. We know the effort to ensure that tenants are treated fairly and strong rent laws are enacted and enforced will need to continue. But today's announcement gives Stuy Town and Peter Cooper tenants some reason to hope that the property will at last return to responsible ownership, with meaningful assurances of stability and long-term affordability for present and future residents. I thank Mayor Bill de Blasio for all he's done to make New York fairer and more affordable, and particularly for his and his administration's focus and determination to get the best deal possible today for the residents of our community."

"Ensuring that 5,000 units of housing remain affordable is a worthy endeavor. I applaud the mayor's office and Councilmember Garodnick for their hard work in making sure that middle-income New Yorkers can remain in Stuyvesant Town," said **Manhattan Borough President Gale A. Brewer**.

"After years of fighting to deliver a more stable and affordable future for our community, today we can celebrate an important success. We have eliminated the incentives that have existed for landlords to try to kick rent-stabilized tenants to the curb, and provided security for 'Roberts' tenants when the J-51 tax abatement expires in 2020. We welcome Blackstone and Ivanhoe Cambridge's commitment to protecting our valued open spaces, keeping Stuyvesant Town and Peter Cooper as a unified whole, and endeavoring to create an environment that is most suitable for long term tenants seeking to develop roots here. We also strongly support the steps being taken to assist the senior population in our community. This deal is the result of years of advocacy, and we welcome the opportunity to work with Blackstone and Ivanhoe Cambridge to bring stability back to this community," said **Stuyvesant Town and Peter Cooper Village Tenants Association President Susan Steinberg**.

Details of the Agreement:

Current Status

There are 11,241 apartments at Stuyvesant Town-Peter Cooper Village. As a result of the *Roberts v. Tishman Speyer* litigation, all of the units are currently subject to rent stabilization, at least until 2020, when the J-51 tax abatement period expires. Roughly half of the complex's apartments have already seen their rents increase to market-rate – as high as \$10,000 per month. However, there remain over 5,000 traditionally rent-stabilized apartments with rents below-market, which are being lost to de-regulation. The remainder of the complex, rent stabilized because of the *Roberts* litigation, will lose all protections under rent stabilization for their occupants in 2020.

Without intervention, the City predicts that all but 1,500 apartments at the entire complex would be converted to luxury units within 20 years.

New Protections in Place:

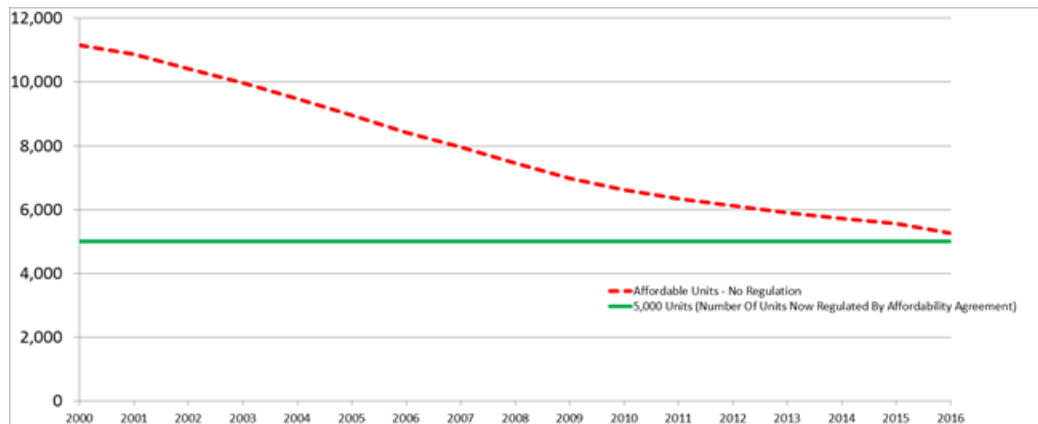
Under the agreement negotiated with the City, 5,000 apartments that are at risk of losing their affordability will be locked into a 20-year affordability program. Current tenants of those units will continue to have the protection of rent-regulation, and if they ever move, Blackstone and Ivanhoé Cambridge will rent to new tenants who income-qualify at restricted rents. Ninety percent of units must be rented to middle-class households earning no more than \$128,210 for a family of three, and 10 percent of apartments must be rented to moderate-income families earning no more than \$62,150 for a family of three. None of the new tenants will pay more than 30 percent of their income in rent. The City's Housing Development Corporation will fund a loan of up to \$144 million to secure the affordability and protect STPCV's legacy as a mixed income community that anchors the city's middle class.

Additionally, the approximately 1,400 apartments set to lose all rent protections in 2020 –which would otherwise be converted to luxury rentals – will now have five additional years of protection, with annual rent increases held to no more than 5 percent.

The agreement will apply to Blackstone, Ivanhoé Cambridge and any future owner. The transaction is expected to close by the end of December 2015. Blackstone and Ivanhoé Cambridge will assume ownership and management of PCVST at that time.

Together, these measures protect this community's affordability for a generation to come.

Historical Loss of Units at Stuyvesant Town and Peter Cooper Village:



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