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MAYOR DE BLASIO, SPEAKER MARK-VIVERITO, COUNCIL MEMBER DICKENS, ASSEMBLY MEMBER WRIGHT AND HARLEM LEADERS ANNOUNCE AGREEMENT WITH A&E REAL ESTATE TO PROTECT NEARLY 1,000 LOW- AND MIDDLE-INCOME HOMES AT RIVERTON HOUSES

Agreement with new owner, A&E Real Estate, will stabilize and repair Riverton Houses, pillar of Harlem's middle class

975 apartments covered by 30-year affordability agreement, rents protected for current tenants and those to follow

NEW YORK—Mayor Bill de Blasio, Speaker Melissa Mark-Viverito, Council Member Inez Dickens, Assembly Member Keith Wright, and leaders from Harlem today announced an agreement with A&E Real Estate that will protect nearly 1,000 affordable apartments at the Riverton Houses.

For more than sixty years, Riverton has been a bastion of working- and middle-class housing for Harlem families. An overleveraged sale in 2006 left the complex in jeopardy. Its sale to a new owner committed to long-term ownership and affordability ensures the community will remain protected through 2046.

The affordability is being preserved through a full Article XI real estate tax exemption approved by the City Council, sponsored by Council Member Dickens. The tax exemption will be provided for 30 years. The real estate taxes assessed to Riverton totaled \$2.9 million last fiscal year. The project will also benefit from the Real Property Transfer Tax and the Mortgage Recording Tax exemptions, valued at \$8.8 million.

The new owner plans to invest up to \$40 million dollars in new capital improvements to upgrade critical systems like boilers and elevators that will improve residents' quality of life, as well as make a commitment to new youth and senior programming to strengthen the community, quarterly meetings between tenants and management, and a commitment to maintain the complex's open spaces.

"It's been our mission to keep tenants in their homes and keep Riverton affordable for the next generation. This is preservation on a grand scale, and it is going to protect the kind of economic diversity that's always been part of Harlem. We've worked hard with Assemblyman Wright and Council Member Dickens to reach an agreement that puts the needs of these seniors and working families first," said **Mayor Bill de Blasio**.

"New York City's commitment to affordability predicates on not only building new affordable housing, but also preserving existing affordable units in a robust regulatory framework. Tenants of Riverton deserve peace of mind knowing that they will not be priced out of their longtime community. This agreement keeps families and seniors in their homes," said **New York City Council Speaker Melissa Mark-Viverito**.

"Affordable housing is the biggest crisis facing our city and the residents of Riverton Houses have much to be concerned about as it pertains to the future of their development. Many have called this place their home for

generations. No longer should our communities fall prey to investors like Larry Gluck, who sought to tear away at the fabric of our community by forcing exorbitant charges and raising rents on defenseless families. The same tactics we've seen committed by him and other developers to so many communities across our city. Now Mayor Bill de Blasio, myself, and Assemblyman Keith Wright, a resident of Riverton, are fighting to maintain not only Riverton's long term affordability but the indigenous population that helped make Harlem the cultural and historic destination it is today," said **Council Member Inez Dickens**.

"As the former Chair of the Riverton Tenants Association and current Chair of the NYS Assembly Standing Committee on Housing and, most importantly, still a lifelong resident of the Riverton Houses, it seems as though the executive committee of the RTA doesn't understand the intricacies of the agreement; recapturing approximately 200 units and preserving another 750 into the realm of long term affordability is a good thing," said **Assembly Member Keith Wright**. "Riverton has suffered under predatory landlords and as a result lost too many units to market rate. This agreement rights some of the wrongs we've suffered recently. If we don't support this agreement now the unknown will likely be worse. CW Capital is committed to selling the property by December 31, 2015, thus the Riverton community is at the mercy of a financial conglomerate. My job is to protect the tenants of the Riverton. This agreement does that and, as always, I will work to strictly enforce it."

"I applaud Mayor de Blasio, Speaker Mark-Vivierito, Council Member Dickens and Assembly Member Wright for protecting the families of Riverton. Thanks to their leadership, the Harlem community can be sure that housing will remain affordable not only for them, but also for their children," said **Congressman Charles Rangel**.

"Riverton is part of Harlem's soul. And this agreement maintains Riverton as a bastion of affordable housing for working and middle-class families. After a decade of uncertainty, we can finally say Riverton has a bright future and that its tenants will be protected," said **former Mayor David Dinkins, a former resident of Riverton**.

"I want to thank Mayor de Blasio for his efforts to keep New York City affordable for everyone, and thank Assembly Member and Riverton resident Keith Wright and Council Member Inez Dickens for their tireless work on behalf of Riverton and its residents, and their dedication to its bright future," said **Douglas Eisenberg, A&E Real Estate**. "Our goal in starting A&E Real Estate has been to invest in real estate for the long term. As a one-time campaign worker for former Riverton Square resident, NYC Mayor David Dinkins, I am deeply committed to the future of Harlem and this storied complex. Over the years Riverton has proven that a community with beautiful grounds, great access to public transportation, retail and neighborhood amenities can also be affordable for hardworking New Yorkers. We are honored to work hand-in-hand with the City of New York and the Riverton Tenants Association on addressing resident concerns and maintaining and enhancing this unique New York City property."

Details of the Agreement:

Current Status

There are 1,229 apartments at Riverton Houses, of which 975 remain in rent stabilization. Upon turnover, these units can leave rent stabilization and convert to market rate through vacancy decontrol. Roughly 250 units have already left rent stabilization.

New Protections in Place

All apartments that are currently rent stabilized will retain their current protections.

Under the agreement negotiated with the City, the 975 apartments that are at risk of losing their affordability upon vacancy will be locked into a minimum 30-year affordability program, with a five-year transition period to market after the 30th year. The affordability restrictions in this agreement ensure that the property remains an affordable housing asset for the community today and for decades to come. By restricting the rents on these units upon turnover, the new affordability regime significantly reduces the financial incentive for the developer to push out current tenants in order to drive rents up to market. The mixed income affordability levels in the agreement are reflective of the economic diversity that exists at Riverton today.

- 325 apartments will be restricted and affordable to low-income households earning up to 60 percent of the Area Median Income (AMI) or \$46,620 for a family of three.
- 325 apartments will be restricted and affordable to moderate-income households earning up to 80 percent of AMI or \$62,150 for a family of three.
- 325 units will be restricted and affordable to middle-income households earning up to 125% of AMI or \$96,125 for a family of three.

Tenants will receive an 18-month moratorium on all Major Capital Improvements (MCIs). No increases from the work performed during the first 18 months will be charged retroactively.

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