



NEW YORK STATE SENATOR

Brad Hoylman-Sigal

50 More Years of Housing Affordability at Penn South – Hoylman-Gottfried Bill Signed by Governor Cuomo

BRAD HOYLMAN December 18, 2014

| ISSUE: **HOUSING**

Enables Penn South to Pay for Major Repairs and Maintain Stability and Affordability

Hoylman & Gottfried: “Preserves Penn South for the Next Generation”

ALBANY, NY -- Important affordable housing legislation sponsored by State Senator Brad Hoylman and Assembly Member Richard Gottfried and supported by Mayor Bill de Blasio was signed last evening by Governor Andrew Cuomo authorizing the New York City Council to grant up to 50 years of additional real property tax exemption to the 2,820 unit middle-income, limited equity co-op in Chelsea known as Penn South, provided it maintains its status as affordable housing.

Senator Hoylman and Assembly Member Gottfried said: “Penn South is a critical oasis of affordable housing in our rapidly changing Chelsea neighborhood, where stratospheric real estate prices have forced many long-time residents to relocate. This legislation paves the way for Penn South to remain affordable for current and future generations of middle-class New Yorkers. We commend the Governor for helping preserve Penn South’s nearly 3,000 affordable units and thank Mayor Bill de Blasio and his legislative affairs team in Albany for working closely with us to make this legislation possible. Council Member Corey Johnson

will now work to get the tax exemption for Penn South quickly passed by the City Council."

Council Member Corey Johnson said: "I would like to extend a personal thanks to State Senator Brad Hoylman and Assembly Member Dick Gottfried for their tireless effort in making this happen for the residents of Penn South and to Governor Cuomo for signing this bill into law which will preserve Penn South, which is not only a critical supply of affordable housing for the City, but an absolutely integral part of our community in Chelsea. I will do everything it takes to pass the proposed property tax exemption for the co-op with my colleagues in the City Council so that for at least the next 50 years. Penn South is one of the gems in our city and is a model that we should look to."

Morris Benjamin, President of the Penn South Board of Directors, said: "This bill will allow Penn South to stay affordable for many years to come. We thank our Senator Brad Hoylman and Assembly Member Dick Gottfried for helping us get it done."

Brendan Keany, General Manager of Penn South, said: "Penn South remains the model of affordable housing and much can be learned from this model in light of the recent news that other similar developments have left the program at a great loss to the city in affordable housing. We invite the city to work with the model of Penn South to see what can be done to continue to keep affordable housing developments in the program so that we can retain the affordable units we already have."

Penn South, whose official name is Mutual Redevelopment Houses, is a limited-equity cooperative established under Article V of New York's Private Housing Finance Law. Its construction was sponsored by the International Ladies Garment Workers Union (now UNITE) and its dedication in 1962 was attended by President John F. Kennedy, Eleanor Roosevelt, Governor Nelson Rockefeller and Mayor Robert Wagner, among other dignitaries. Penn South cooperators have voted three times in its 52-year history to keep prices

restricted in exchange for continued property tax breaks and other incentives, ensuring affordable housing for future generations rather than converting to a market rate co-op.

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