

David A. Paterson
Governor



Deborah VanAmerongen
Commissioner

New York State Division of Housing and Community Renewal
25 Beaver Street
New York, NY 10004

August 27, 2009

Opher Pail
Johan Marfey
Westview Taskforce, Inc.
P.O. Box 289
Roosevelt Island, New York 10044

Re: Westview
Rent Increase Order

Gentlemen:

I have received your letter of August 21, 2009, in which you request DHCR reconsider its rent increase Order of July 29, 2009 for Westview. I have submitted your correspondence to my staff for their review, and I have carefully reviewed it myself. I regret that I cannot agree that the Order should be modified at this time.

As you know, the Budget/Rent Determination process provides an opportunity for all parties to review the projections upon which the requested rent increase will be based. All of the comments received during this process, which was extended at the request of both the tenants and the owner to provide an opportunity to discuss a proposed conversion to home ownership, were reviewed and considered before our determination was made. Accordingly, I believe that DHCR's projections are a reasonable basis upon which to base the rent increase.

At our meeting on August 13th, we discussed many of the issues raised in your letter. The provision to fund the replacement reserve provides the company the ability to accumulate funds, over a period of time, in its Operating Escrow Fund Account to pay for capital repairs as they arise. To do otherwise could result in the inability to effectuate needed capital repairs in a timely manner and limit the ability of the housing company to respond to emergency situations.

Regarding the warehousing of apartments, the vacancy loss then incurred can not now be used to offset a portion of the rent increase because there is no funding source available for the housing company to draw on to pay its bills. Our projections for utilities are comparable to those included in the June 2009 submission of the Certified Public Accountant retained by the tenant

association to review the then proposed projections upon which the rent increase would be based. The provision to fund insurance includes an amount to liquate existing funding shortfalls in the insurance escrow component of the housing company's OEF account, and is, therefore higher, that would otherwise have been projected.

After again carefully considering this matter, I believe that no adjustments to the Commissioner's Order dated July 29, 2009 are warranted.

Sincerely,



Richmond McCurnin
Assistant Commissioner

cc: Jessica Lappin, NYC Council Member
Micah Keller, NYS Assembly Member
Jose Serrano, NYS Senate