

Representative Carolyn B. Maloney

1651 Third Avenue, Suite 311, New York, NY 10128, Tel. 212-860-0606, Fax 212-860-0704

State Senator José M. Serrano

211 East 43rd Street, Suite 1300, New York, NY 10017, Tel. 212-828-5829, Fax 212-828-2420

Assembly Member Micah Z. Kellner

315 East 65th Street, New York, NY 10065, Tel. 212-860-4906, Fax 917-432-2983

Council Member Jessica S. Lappin

336 East 73rd Street, Suite "C" New York, NY 10021, Tel. 212-535-5554, Fax 212-535-6098

November 25, 2008

Phillip Eisenberg, CEO
Urban American Management
590 56th Street
West New York, NJ 07093

Dear Mr. Eisenberg:

As elected officials representing Roosevelt Island, we write to express our strong concern with the plan set forth by Urban American to begin submetering of the electricity at the Eastwood housing complex. While we understand that submetering can promote more efficient use of energy in residential buildings, we believe that given the particular circumstances at Eastwood, going forward with submetering at this time would expose tenants there to an unacceptable degree of risk.

There is currently not sufficient evidence to demonstrate that adequate tenant protections will be in place prior to Urban American's January 2009 target date for the beginning of individual billing. We are particularly concerned because the building is old, poorly insulated, and its heating system is electric. Many of its residents are seniors and people with disabilities, on fixed incomes, who often spend a great deal of time at home in their apartments. The transition to submetering raises the prospect that these tenants will be unable to afford to heat their own apartments.

Section 8 tenants are entitled to a utility allowance, to be administered by the New York State Division of Housing and Community Renewal (DHCR), according to which tenants' rent will be lowered by an amount meant to be sufficient to offset the cost of a reasonable amount of energy usage. Urban American has pledged to match this allowance for tenants on the Landlord Assistance Program (LAP) and market rate tenants. However, we do not yet know what the allowance will be. At a community forum on October 16, DHCR representatives were unable to suggest what it might be. The allowance is based upon a formula set by the United States Department of Housing and Urban Development, for the entire portfolio of New York City buildings administered by DHCR. However, Eastwood is the only one of these buildings to be electrically heated. We note that while the building was in Mitchell-Lama program,

management repeatedly testified to DHCR during the Budget/Rent Determination process that electricity constituted a particularly significant expense at Eastwood, primarily because of the cost of electric heat.

Not only do we have no estimate of the allowance, we have not seen sample billing or any analysis to permit a reasonable estimate as to what amount would be adequate given Eastwood's unique circumstances. Additionally, we do not know what price tenants will be paying per kilowatt hour, given that Urban American has shut tenants out of the process of negotiating the bulk electricity rate. Further, Urban American must be specific as to how tenants are to be billed. It is important that submetered electricity not be billed as rent or "additional rent" if doing so would expose tenants to eviction proceedings in the event of unpaid utility costs.

Additionally, at the October forum and in individual comments to our offices, tenants have complained about faulty heaters, a lack of thermostats to properly control the heating level, energy-inefficient appliances, and poor insulation in apartments, including around air conditioner sleeves. Urban American has committed to repairing all of these defects for tenants who ask them to do so. However, until there is convincing evidence that these problems have been fully addressed, it would be inappropriate to go forward with submetering.

For these reasons, it is our position that Urban American must not begin individual billing for tenants' electricity usage until the following has taken place:

- The New York State Energy Research and Development Authority has undertaken a comprehensive analysis of energy usage and efficiency in the Eastwood complex, so that we can determine the major sources of energy usage in the building and how much of it is accounted for by heating;
- The proposed utility allowance can be judged against the bulk electricity rate;
- At least two winter months of sample billing have been conducted, so that it is clear that the utility allowance is sufficient to offset residents' actual electricity costs, including the cost of heating; and
- Urban American has completed all the efficiency upgrades and apartment repairs requested by tenants as per its public commitment.

If it is determined that the utility allowance is sufficient to fully offset the cost to residents of heating and other reasonable electricity usage, we will not object to Urban American's plan to proceed with submetering at Eastwood. However, if it is projected that costs to tenants will significantly exceed the amount of the utility allowance, the submetering plan would amount to a de-facto rent increase. In that case, Urban American would need to fundamentally re-consider its plan.

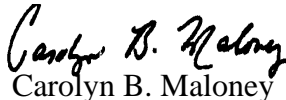
As of the date of this letter, it is our understanding from the New York State Public Service Commission that Urban American has not yet submitted its petition for approval of submetering at Eastwood. For the protection of the building's tenants, we ask Urban American not to submit the petition until the above steps have been taken. While improving energy efficiency is a laudable goal, no one should be forced to freeze in the winter in order to afford their rent.

Thank you for your attention to this matter. You may direct your response to the Office of Assembly Member Kellner, at 315 East 65th Street, New York, NY, 10065.

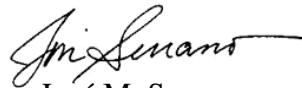
Very truly yours,



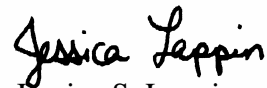
Micah Z. Kellner
Assembly Member



Carolyn B. Maloney
Member of Congress



José M. Serrano
State Senator



Jessica S. Lappin
Councilmember

cc: Joyce Mincheff, President, Eastwood Residents Association
Frank Farance, President, Roosevelt Island Residents Association
Lynne Strong-Shinozaki, Eviction Intervention Services
Jacqueline A. Brillling, NYS Public Service Commission
William C. Thompson, Jr., New York City Comptroller
Deborah VanAmerongen, Commissioner, Division of Housing and Community Renewal
Stephen Shane, President, Roosevelt Island Operating Corporation