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U.S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

September 12, 2006

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Honorable Robert W. Ney
Chairman
Subcommittee on Housing and Community Opportunity
Committee on Financial Services
United States House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Ney:

We are writing to respectfully request that the Housing Subcommittee hold a hearing prior to adjournment on the imminent sale by MetLife of the Stuyvesant Town and Peter Cooper Village apartment houses in lower Manhattan. Such a hearing could be part of a broader examination into the growing loss of affordable housing units in large urban areas and into the role of federal policy with respect to preserving not only HUD-assisted affordable housing but also housing established through state and city-sponsored affordable housing programs as in this case. As widely reported, this sale – supposedly the biggest deal ever for a single American property – will seriously threaten the already declining stock of affordable housing in New York City and especially in Manhattan. Taken together, the two properties are the second largest affordable housing development in the nation.

MetLife built the two complexes almost 60 years ago as affordable housing for returning veterans, in a public-private venture in which the company received substantial tax and eminent domain benefits from the city. Today, over two-thirds of the 11,200 apartments are still affordable middle class housing, a rarity in downtown. Given the location of the property and market demand, it is widely assumed that any buyer would push to transform the complexes to all-luxury housing, either through more aggressively raising the rents to market rates to the maximum extent allowed by law or by converting some of the 110 buildings into condominiums.

As you know, the decline in the affordable housing stock in large urban areas in the last several years has been precipitous. According to some estimates, the nation's low cost housing stock declined by over two million units between 1993 and 2003. The sale of Stuyvesant Town and Peter Cooper Village is not only significant in itself but it is also a dramatic example of the accelerating pace of change across the nation. Furthermore, it demonstrates the difficult challenges we face as a nation in trying to preserve the existing stock of affordable housing and the need for Congress to periodically review whether the U.S. Department of Housing and Urban Development is utilizing its existing tools and resources to ensure that properties such as the Stuyvesant Town and Peter Cooper Village apartments are acquired and preserved by entities committed to preserving the long-term affordability of the properties.

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We believe such a hearing is timely not only because of the growing loss of affordable housing units and the imminent sale of Stuyvesant Town and Peter Cooper Village but because of the Committee's interest in ensuring that HUD continues to have the necessary tools to preserve federally-assisted housing as demonstrated by the adoption of the Mark to Market Extension Act of 2006 in July.

Thank you for your consideration of this request.

Sincerely,


CAROLYN B. MALONEY


BARNEY FRANK


MAXINE WATERS