

June 18, 2025

The Honorable Kathy C. Hochul Governor State of New York NYS State Capitol Building Albany, NY 12224 Hope Knight President, CEO and Commissioner Empire State Development 655 Third Avenue, 4th Floor New York, NY 10017

Re: Collection of Atlantic Yards/Pacific Park Liquidated Damages

Governor Hochul and President Knight,

We write to you today to demand you collect the more than \$1.75 million in monthly fines from the Atlantic Yards/Pacific Park developers who have failed to provide the 876 affordable units by the agreed upon May 2025 deadline.

As you know, Empire State Development (ESD) <u>executed an agreement</u> with the BrooklynSpeaks coalition in June 2014 in which it committed to — among other conditions holding the developer, Greenland USA, accountable if they did not complete construction of all affordable housing units and have either a temporary certificate of occupancy or certificate of occupancy by May 31, 2025. It was agreed that if the requirement is not met, the developer would pay liquidated damages of \$2,000 per month per unit. As of today, Greenland USA has yet to build 876 of the affordable units, totaling \$1,754,000 in monthly damages the state is obligated to collect.

While we understand these apartments may be challenging to finance given the high costs of constructing the deck atop the railyards, there is no excuse to deprive the community of the benefits it was promised, especially affordable housing. And while we also understand ESD's current position is that the liquidated damages have not been waived and the agency has a right to collect them, the community needs a guarantee that they will be collected and that they will not be avoided by participation in a new community engagement process by the end of the year, as has been reported.



As you know, this part of Brooklyn has rapidly gentrified as a result of and during the construction of the Atlantic Yards/Pacific Park project, pushing out many longtime Black and brown residents. Brooklyn Community District 8 has lost 21.2 percent of its Black population since 2010, according to US Census data, rendering it no longer a majority Black district for the first time in generations. One key reason for this trend has been the disappearance of adequate affordable housing, as market rate rents have far exceeded wage growth for lower-income residents and affordable housing development for lower and middle income residents has not yet met the demand.

Our community has grown severely distrustful of this project, and our constituents deserve to know that their government is looking out for their best interest and delivering on promises made. The State has already set its own precedent of holding Greenland USA accountable, as the MTA has continued to collect its development rights payments from the firms speculating in Greenland's distressed debt. By collecting these liquidated damages, the State would ensure Greenland takes responsibility for its other obligations. And, notably, these liquidated damages can go toward immediate use to address the affordable housing shortage Greenland has exacerbated by failing to construct the required 876 missing units by deepening the affordability of new buildings on city-owned land in the nearby, recently-rezoned Atlantic Avenue corridor.

We once again urge you to immediately begin collecting liquidated damages for unmet affordable housing goals and help us utilize those funds to deliver affordable housing and other community benefits for Brooklynites.

Sincerely,

C. Hatson

Crystal Hudson New York City Council Member, District 35

Jo Anne Simon New York State Assemblymember, District 52



United States Representative, NY-07

Yvette D. Clarke United States Representative, NY-09

Nydia Velázquez

Daniel S. Goldman United States Representative, NY-10

Jabari Brisport New York State Senator, District 25

Phara Souffrant Forrest New York State Assemblymember, District 57

Antonio Reynoso Brooklyn Borough President

Robert Carroll New York State Assemblymember, District 44

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Shahana Hanif New York City Council Member, District 39