

**NEW YORK CITY DEPARTMENT OF HOUSING
PRESERVATION AND DEVELOPMENT**

In the Matter of the Application of

**FIRST ATLANTIC TERMINAL HOUSING
CORPORATION**

**NOTICE OF APPLICATION
FOR INCREASE IN
CARRYING CHARGES**

For an increase in the maximum average monthly carrying charges from the present maximum average monthly carrying charges of \$ 265.50 per room (including utilities) to a maximum average monthly carrying charge of \$287.16 per room (including utilities), pursuant to the provisions of Article 2 of the New York State Private Housing Finance Law.

**TO: ALL TENANT-COOPERATORS OF
FIRST ATLANTIC TERMINAL HOUSING CORPORATION**

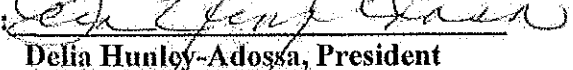
PLEASE TAKE NOTICE, that upon the annexed Application of **First Atlantic Terminal Housing Corporation** to the New York City Department of Housing Preservation and Development (HPD), the HPD will be requested to approve an increase in the maximum average monthly carrying charges, inclusive of utilities, in the housing development owned by First Atlantic Terminal Housing Corporation from the present maximum average monthly carrying charges of \$265.50 per room (including utilities), to be implemented in two stages as follows, the first increase (to \$276.12 per room) to be effective as of December 1, 2015 and the second increase (to \$287.16 per room) to be effective as of December 1, 2016

PLEASE TAKE FURTHER NOTICE that a public hearing will be held at the time and place designated by HPD in the attached cover letter from HPD, and at that time evidence will be introduced in support of said Application by the undersigned. Interested parties may appear in person to comment or may provide written comments to HPD.

YOU MAY APPEAR IN PERSON OR BY ATTORNEY.

Dated: New York, New York
September 23, 2015

First Atlantic Terminal Housing Corporation

By: 
Delia Hunley-Adossa, President

Norris McLaughlin & Marcus, P.A.
Attorneys for Applicant
875 Third Avenue
New York, New York 10022
(212) 808-0700

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In the Matter of the Application of

**FIRST ATLANTIC TERMINAL HOUSING
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For an increase in the maximum average monthly carrying charges from the present maximum average monthly carrying charges of \$ 265.50 per room (including utilities) to a maximum average monthly carrying charge of \$287.16 per room (including utilities), pursuant to the provisions of Article 2 of the New York State Private Housing Finance Law.

**APPLICATION FOR
INCREASE IN CARRYING
CHARGES**

**TO: New York City Department of Housing
Preservation and Development ("HPD")**

Applicant, **First Atlantic Terminal Housing Corporation**, respectfully shows and alleges:

1. **First Atlantic Terminal Housing Corporation**, (the "Cooperative") is a Limited-Profit Mitchell-Lama housing company, duly organized under Article 2 of the New York State Private Housing Finance Law and incorporated on April 12, 1972. The Cooperative owns and operates a cooperative housing development known as First Atlantic, consisting of two buildings (the "Buildings") located at 161 South Elliot Place and 170 South Portland Avenue in the Borough of Brooklyn, City and State of New York. The Cooperative contains 202 residential apartments and one rent-free superintendent's apartment. The 202 residential apartments contain 884 rental rooms.
2. The Buildings were completed for occupancy on or about November 5, 1976 and occupancy was commenced shortly thereafter.
3. The Cooperative receives the maximum real estate tax exemption (shelter rent) provided by law.
4. The present average monthly carrying charge, inclusive of utilities, is \$ 265.50 per rental room.
5. The capitalization of the Cooperative, both actual and authorized, is 28,025 shares of common stock having a par value of \$10.00 per share, consisting of 7,105 shares outstanding at \$10 par value shares of common stock.

6. The carrying charges and other charges as presently fixed, are insufficient to cover payments which must be made by the Cooperative to meet all its expenses as described by Section 31 of the Private Housing Finance Law. It is the judgment of the Board of Directors of the Cooperative that an increase in carrying charges and other charges is urgently needed and in the best interest of the Cooperative to satisfy its responsibility to provide its tenant/cooperators with safe and sanitary housing accommodations and to prevent the deterioration of the financial position of the Cooperative. The insufficiency of the presently authorized maximum carrying charges to cover the payments authorized under Section 31 of the Private Housing Finance Law is due to conditions or causes beyond the control of the Cooperative, including significant increases in energy and fuel costs, payroll costs and related union benefits, insurance rates and overall cost of living increases.

7. The Cooperative is applying for an increase in the monthly apartment carrying charges in the total amount of \$21.66 per room, to be implemented in two annual stages as follows:

- (a) \$10.62 as stage one (4% to \$276.12); and
- (b) \$11.04 as stage two (4% to 287.16).

8. The Cooperative hereby submits the following exhibits and schedules prepared by the Cooperative's certified managing agents, FirstService Residential, Inc. to support its Application:

- (a) Exhibit I: Cooperative's Application for Carrying Charge Increase.
- (b) Exhibit I – Schedule A: Two year projection of income and expenses on a cash flow basis.
- (c) Exhibit I – Schedule B: Schedule of Other Income.
- (d) Exhibit I – Schedule C: Schedule of Operating Expenses on a cash flow basis.
- (e) Exhibit I – Schedules D-F: Schedule of Utility Expenses, Interest and Amortization and Actual Allocation to Reserves.
- (f) Exhibit II: The Cooperative's most recent audited financial statement.

WHEREFORE, First Atlantic Terminal Housing Corporation respectfully requests that:

1. A public hearing, pursuant to Notice as required by law, be directed at which the Cooperative may submit evidence in support of this Application; and

2. An Order be issued by the Department of Housing Preservation and Development of the City of New York, approving an increase in the current maximum average monthly carrying charges of \$265.50 per room to \$287.16 per room (including utilities), to be implemented in the following two stages: (i) the first increase to \$276.12 per room (including utilities), to be effective as of December 1, 2015; and (ii) the second increase to \$287.16 per room (including utilities), to be effective as of September 1, 2016; or

3. An Order be issued by the Department of Housing Preservation and Development of the City of New York, approving an increase in the maximum average monthly carrying charges by such amount as the Department of Housing Preservation and Development shall determine to be sufficient to meet the Cooperative's expenses contemplated and prescribed by Section 31 of the Private Housing Finance Law, effective at the earliest possible date.

Dated: New York, New York
September 23, 2015

First Atlantic Terminal Housing Corporation

By: 

Delia Hunley Adossa, President

Norris McLaughlin & Marcus, P.A.
Attorneys for Applicant
875 Third Avenue
New York, New York 10022
(212) 808-0700

EXHIBIT I

City of New York
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
DIVISION OF HOUSING SUPERVISION
MITCHELL-LAMA PROGRAM

APPLICATION FOR RENT/CARRYING CHARGE INCREASE

☒ Cooperative

☐ Rental

Development Name: First Atlantic Terminal Housing Corporation

Address (es): 170 South Portland Avenue, Brooklyn, NY 11217

Borough: Brooklyn No. of Separate Buildings 2

Tax Block/Lot (s): 2003/8

Apartment Breakdown:	No. Units	No. Rooms
Residential Apartments	202	884
Professional Apartments		
Rent-free Staff Apartments	1	2.5
Other:		
Total:	203	886.5

No. of commercial spaces/type:	0
No. of boilers:	2
Heating Fuel:	Gas
Oil Type:	2
No. of Elevators:	4
Tax Exemption:	<input type="checkbox"/> 80% A.V. <input checked="" type="checkbox"/> Taxes = 10% Shelter Rent <input type="checkbox"/> Other:

No. of Housing Co. Employees:

Superintendents	1
Handyman	1
Security Guards	0
Office Staff	2
Other: Porters	3
Total:	7

Management Co.: Name FirstService Residential, Inc.
 Address 622 3rd Avenue, NY, NY 10017
 Phone 212-634-8900
 Site Manager Dana Mullen

Fire Insurance: Coverage \$38,389,838
 Carrier Firemans Fund

Reserve Bank Accounts:

Bank Name	Account No.	Current Balance	Check if HPD Signature is Required
Total			

Average Rent/Carrying Charges per Room per Month (Including Utilities):

Current (Gross Annual Rent / C.C. / No. of Rental Rooms / 12 = \$265.50

Proposed Increase(s):

First Year

Second Year

Third Year

% Increase	New Rent / C.C. Per Room Per Month
4%	\$276.12
4%	\$287.16
	\$

Application Prepared By:

Name

Valarie Hernandez

Title

Financial Analyst

Firm

FirstService Residential, Inc.

Telephone No.

212-324-9027

Date

SCHEDULE A: PROJECTED INCOME AND EXPENSES INCLUDING PROPOSED RENT/CARRYING CHARGE INCREASES

Note: Proposed rent/carrying charge increases must be sufficient so that total income equals or exceeds total expenses.

	ACTUAL LAST FISCAL YEAR ENDED	PROJECTIONS		
		Year One	Year Two	Year Three
<u>INCOME</u>				
1. Gross Residential Rents (Including Utilities)	2,598,619	2,929,092	3,046,255	
2. Surcharge Retention	138,052	124,488	110,488	
3. Other Income (Schedule B)	777,024	663,713	663,713	
4. TOTAL GROSS INCOME	3,513,695	3,717,293	3,820,456	
5. Vacancy/Loss	(640)	(97,000)	(99,910)	
6. TOTAL INCOME	3,513,055	3,620,293	3,720,546	
<u>EXPENSES</u>				
7. Operating Expenses (Schedule C)	1,326,748	1,512,189	1,545,890	
8. Utility Costs (Schedule D)	984,238	1,059,291	1,121,877	
9. Real Estate Taxes	141,081	202,667	206,433	
10. Interest and Amortization (Schedule E)	772,397	722,548	722,748	
11. Actual Allocation to Reserves (Schedule F)	123,600	123,600	123,600	
12. TOTAL EXPENSES	3,248,069	3,620,293	3,720,546	
13. NET CASH FLOW	264,986	0	0	
14. Reserve Account Balances (Total)				

NOTE: ANY PROJECTIONS ON SCHEDULES A, B, C AND D WHICH DIFFER SIGNIFICANTLY FROM WHAT WOULD BE EXPECTED DUE TO NORMAL COST INFLATION SHOULD BE EXPLAINED ON AN ATTACHED SHEET.

SCHEDULE B - OTHER INCOME

	ACTUAL LAST FISCAL YEAR ENDED	PROJECTIONS		
		Year One	Year Two	Year Three
1. Professional Apts.				
2. Commercial Spaces				
3. Garage	44,716	47,580	47,580	
4. Parking Spaces				
5. Community Rooms	6,300	3,500	3,500	
6. Swimming Pool				
7. Air Conditioner	28,365	27,720	27,720	
8. Washing Machines				
9. Laundry Rooms	27,825	42,000	42,000	
10. Other Vending Machines				
11. Tenant Television				
12. Roof Rentals				
13. Miscellaneous Income	9,863	8,577	8,577	
14. Other: Application Fees	9,448			
15. Federal Subsidy	528,068	534,336	534,336	
16. Rent Revenue	122,439			
TOTAL OTHER INCOME	777,024	663,713	663,713	

SCHEDULE C – OPERATING EXPENSES

	ACTUAL LAST FISCAL YEAR ENDED	PROJECTIONS		
		Year One	Year Two	Year Three
Supplies	49,094	35,294	30,900	
Extermination	13,795	7,077	7,289	
Painting and Decorating	96,048			
Landscaping		3,072	3,164	
Repairs and Maintenance:		150,000	183,190	
Plumbing	138,880	100,000	103,000	
Electrical	597	10,000	10,300	
Heating System	14,221	60,000	80,000	
Roof	8,341			
Carpentry				
Violations		5,000	5,000	
Other: Garage	28,716	30,500	30,500	
Elevator				
Contract	17,320	20,185	20,791	
Repairs	13,894	50,000	51,500	
Personnel				
Maintenance Salaries	219,603	228,787	234,286	
Security Salaries				
Super Rent Free Unit		17,249	17,594	
Other Salaries: Super	64,078	64,082	65,619	
Payroll Taxes	27,221	27,029	27,698	
Employee Benefits	127,020	115,914	120,865	
Security Contract	□ 154,831	250,000	200,000	
Legal	32,630	45,827	46,343	
Accounting	32,602	40,000	40,000	
Management Fee	120,700	120,000	126,000	
Insurance	79,555	84,503	92,953	
Office Expenses	72,366	35,632	36,499	
Other: Professional fees	15,286	12,038	12,399	
TOTAL	1,326,748	1,512,189	1,545,890	

SCHEDULE D – UTILITY EXPENSES

	ACTUAL LAST FISCAL YEAR ENDED	PROJECTIONS		
		Year One	Year Two	Year Three
Heating Fuel: Gas				
Oil	298,250			
Electricity	476,241	513,257	539,632	
Gas	19,961	344,861	369,001	
Water and Sewer	189,786	201,173	213,244	
TOTAL UTILITIES	984,238	1,059,291	1,121,877	

SCHEDULE E – INTEREST AND AMORTIZATION (DEBT SERVICE)

	ACTUAL LAST FISCAL YEAR ENDED	PROJECTIONS		
		Year One	Year Two	Year Three
Mitchell-Lama Debt Service	652,029	660,736	660,936	
Article 8A Loan Debt Service	120,368	61,812	61,812	
Other Debt Service				
TOTAL DEBT SERVICE	772,397	722,548	722,748	

SCHEDULE F – ACTUAL ALLOCATION TO RESERVESPLEASE NOTE:

- Annually, each housing company must deposit into the capital repair and replacement reserve account three hundred dollars (\$300) per dwelling unit in equal monthly installments.
- If the capital repair and replacement reserve account balance does not equal or exceed the greater of one thousand dollars (\$1000) per dwelling unit or twenty-five percent (25%) of the housing company's rent roll, such housing company must deposit three percent (3%) of its rent roll on a monthly basis to the capital repair and replacement reserve account until its balance is raised to equal or exceed the greater of one thousand dollars (\$1000) per dwelling unit or twenty-five percent (25%) of the housing company's rent roll.
- HDC financed Mitchell-Lama developments reserves are calculated by HDC using a different formula than listed above.

	ACTUAL LAST FISCAL YEAR ENDED	PROJECTIONS		
		Year One	Year Two	Year Three
Capital Repair and Replacement Reserve	23,600	23,600	23,600	
Contingency	100,000	100,000	100,000	

TOTAL	123,600	123,600	123,600	
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EXHIBIT II