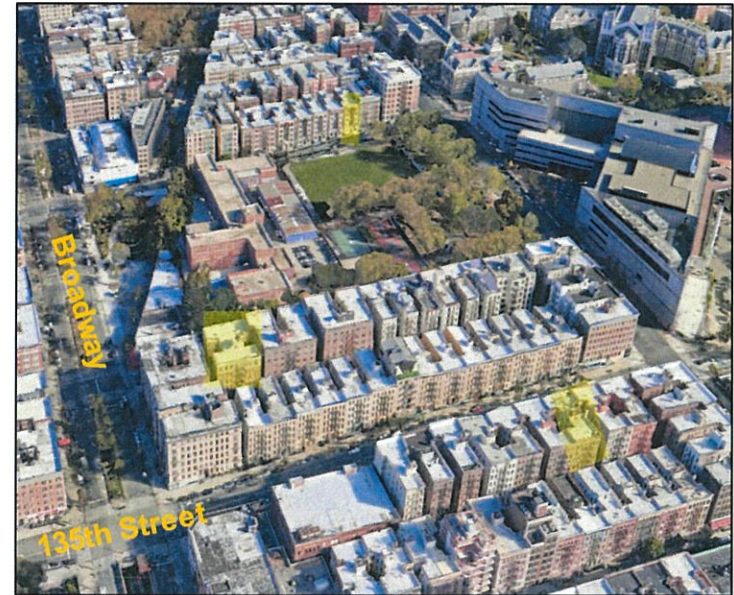


# Affordable Neighborhood Cooperative Program

## 506 West 135 Street Cluster

Landmarks, Public Sitings and Dispositions Subcommittee  
October 11, 2023



If you are a member of the public who wishes to testify, please register on the City Council Website at [council.nyc.gov](https://council.nyc.gov). Please visit the City Council Website to watch livestreams of all City Council Meetings and find recordings of previously held meetings.

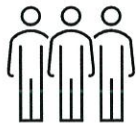


# Affordable Neighborhood Cooperative Program



## PURPOSE

Gut renovate **Tenant Interim Lease (TIL)** program buildings and enable existing residents to become homeowners



## STRUCTURE

- Rehab coordinated by **non-profit or for-profit sponsor** partnering with HPD. Sponsor manages building during construction/conversion process
- **Nonprofit Restoring Communities HDFC** owns building during construction to prevent conflicts of interest with sponsor
- Building owned and managed by residents upon coop conversion



## REQUIREMENTS

To convert to cooperative, **80% of existing residents must:**

- (1) Attend at least 8 provided trainings;
- (2) Remain current on rent payments;
- (3) Choose to purchase units

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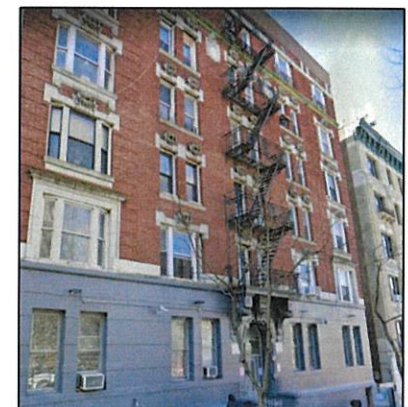
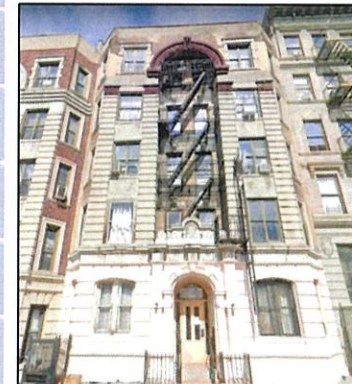
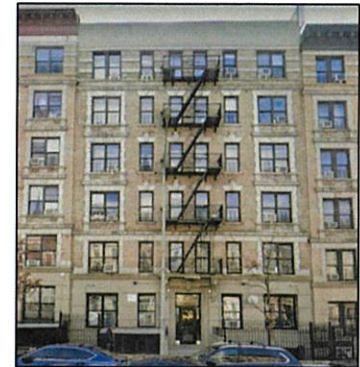
Buildings that do not convert to coops become **rent stabilized** rental buildings

# 506 West 135 St. ANCP Cluster

- 63 Residential Units
- 48 (76%) are existing households and 15 (41%) will be first-time homeowners purchasing vacant units

Building Address:	506 W 135 St	507 W 138 St	536-38 W 136 St
Year Built	1905	1910	1926
Year in City Ownership	1985	1977	1978
Total Residential Units	24	15	24
# Occupied Res. Units	15 (63%)	13 (86%)	20 (83%)
# Vacant Res. Units	9 (37%)	2 (14%)	4 (17%)
Commercial Units	0	0	0

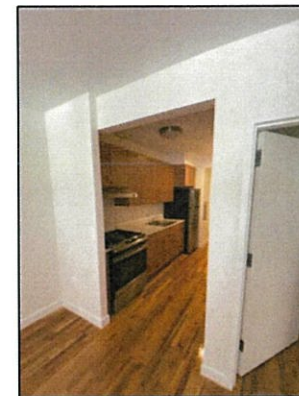
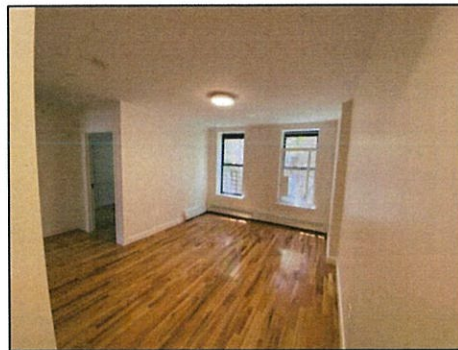
Project Unit Sizes				
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
0	1	24	27	11



# Project Sponsor: MHANY



- MHANY Management Inc., is a nonprofit community and housing development that has worked to provide affordable housing in New York since 1986
- Our mission is
  - To increase affordable housing for low and moderate income families, with a focus on preservation and deep affordability
  - Improve the way affordable housing for low and moderate income people is developed and operated
  - Work with building and community resident to get involved with their communities and neighborhoods
  - Improve community conditions and increase neighborhood involvement



Photos of completed MHANY ANCP project at 518 W. 161 Street



# Scope of Work

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Project architect: RKTB Architects

## **NEW BUILDING SYSTEMS**

- Low carbon electrical & heating systems; new water and gas lines
- New roof & windows; repairs to façade & masonry
- Modernized security, doorbell, fire safety, mail, and other systems

## **LEGALIZED LAYOUTS + ACCESSIBILITY**

- Illegal bedrooms are removed; buildings brought up to code
- Accessibility improvements - UFAS guidelines with 5% of units accessible for mobility and 2% for hearing and visually impaired households.
- Residents sign-off on their new apartment layouts

## **NEW INTERIORS**

- Includes new bathrooms, kitchens, entry doors, masonry work, new flooring.
- Architect engagement with residents:
  - Unit layout presentations and resident sign-off
  - Materials board presentation and resident feedback



# Affordability: Sales Prices

Existing Residents (48)	New Purchasers (15)
<p><b>\$250</b> for households earning up to 80% AMI</p> <p><b>\$2,500</b> for households earning more than 80% AMI</p> <ul style="list-style-type: none"><li>• Prices do not change; they have remained flat for the past 10+ years.</li><li>• <b>Existing Residents do not have to obtain personal mortgages.</b></li></ul>	<p><b>Prices affordable to ~80%-100% of AMI households</b></p> <ul style="list-style-type: none"><li>• Prices set so that the purchasers' <i>personal mortgages + monthly maintenance + utilities</i> does not exceed roughly <b>1/3 of their income.</b></li></ul>



AMI for a family of three (2023)





# Affordability: Maintenance

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## Monthly Charges

(aka

"Maintenance")

All 63 Households

- Equalized maintenance amounts affordable at 40% AMI
  - **roughly \$1,000-\$1,500/month** based on apartment size
- Maintenance covers monthly operating costs and funds co-op reserves. Maintenance fees in this project will not go toward debt service, as there is private permanent loan.
- **Section 8** is given to existing residents, so they never spend more than 1/3 of their income on housing costs.
- Coop Board responsible for instituting **2% annual maintenance increases**
- SCRIE and DRIE available to qualifying households



# 506 West 135 St. Cluster Timeline

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- **Projected closing in FY 2024**
- **Complete:** BLDS Design review, DOB pre-filing, Architect's scope of work
- **Tenant Engagement to Date:**
  - 2019 Kickoff
  - August 2022: Design Presentations
  - May 2023: Program Information Sessions at each building
  - June 2023: Materials Board Presentation with RKTB and all cluster residents
  - June 2023: Resident Engagement session with CM Abreu's office
  - August 2023: Additional design presentations
- **In Progress:** BLDS Engineering review, lender selection, finalizing general contractor selection
- **Still to do:** UDAAP approval, Budget (CP) approval, HPD Credit Committee Budget Presentation to residents





# Questions



# Appendix

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## CD 7 – ANCP Predevelopment Pipeline

Council District	Projected Closing	Project	Buildings	Total Residential Units
7	FY 24	<b>48-50 Convent Avenue Cluster</b>	48 Convent Avenue	84
			50 Convent Avenue	
			12-14 Old Broadway	
			453-55 West 125 Street	
7	FY 24	<b>506 West 135th Street Cluster</b>	506 West 135th Street	63
			536-38 West 136th Street	
			507 West 138 Street	

Note: projected closing timelines are subject to change



# TIL/ANCP Timeline

## In Rem Foreclosure (1978-1993)

NYC took title to tax delinquent properties between 1978 and 1993. These properties were often neglected and in poor physical or financial condition.

## Enrollment in TIL (1995-2008)

The TIL development program was targeted to TA's that were investing "sweat equity" and giving these residents an opportunity to form and HDFC. Program evolved over time, with regulatory agreements required by the early 2000s. 950 buildings with 19,100 units were completed through the TIL development program.

## TIL Slowdown (mid 2000's)

Escalating rehabilitation costs, worsening conditions, cuts to capital funding, limited end loan options and mixed record of success rendered the program unsustainable.

## TIL Pilot (2008)

Reso-A funded pilot program in established new program structure.

## ANCP Launches (2012)

New program structure developed to complete substantial rehabs, leverage several sources of funding, and ensure long term affordability and viability of the HDFC.

## TIL/ANCP Hearing (2017)

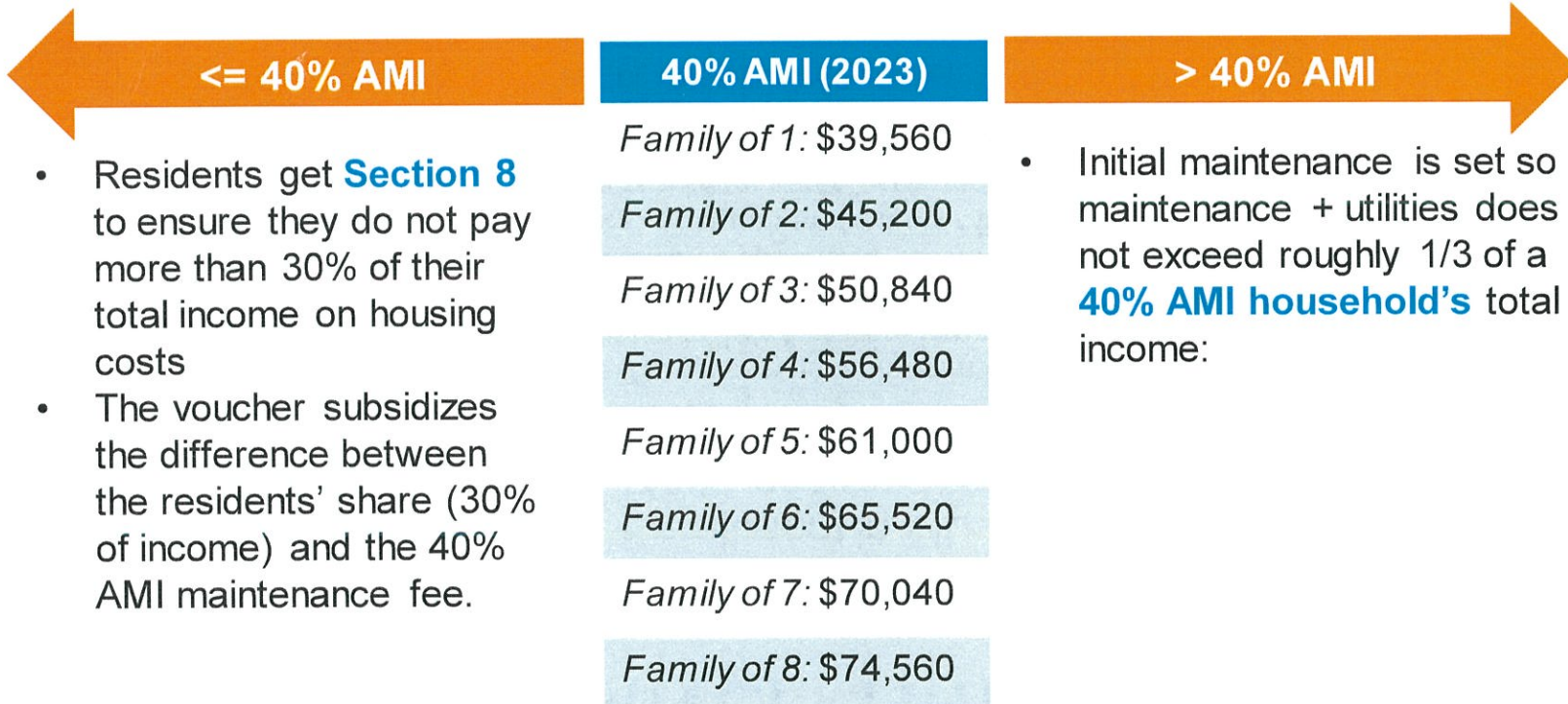
To address concerns, the following changes were made:

- Annual roof to cellar inspections
- Fuel/utility costs covered by HPD
- New Assistant Commissioner of TIL
- New Purchase Savings Program



# Affordability: Monthly Costs

- TIL rents **do not produce enough income to maintain the building**. Expenses include: *Building insurance, heat/hot water, electric in public areas, maintenance staff salaries, water & sewer bills, accountant & legal, extermination, minor repairs*
- For the coop to have enough money to cover expenses, monthly maintenance is set as follows:



- Coop shareholders **collectively decide** how much to increase maintenance annually



# Benefits of Homeownership

- Residents can **sell or transfer units** to their heirs. HPD's goal is to **balance wealth-building** for individuals/families & **permanent affordability** for the community.
- This chart shows **an example of estimated profits** a resident (or their heir) would earn from selling a 2-bedroom unit at different points after coop conversion.

Years after conversion	Estimated Permitted Apartment Sale Price*	Flip Tax (% profit paid to coop) i.e. "collective/ shared equity"	Estimated Resident Profits
1	\$270,326	95%	\$14,000
5	\$304,254	70%	\$91,000
10	\$352,714	20%	\$282,000
15	\$408,892	10%	\$368,000
30	\$637,040	10%	\$573,000

\*Assuming 3% annual increase in sales price and **85% AMI** income restriction for **2 BR** apartment



## Total Monthly Payments for ANCP Household With Income of \$15K /YR

Unit Size	40% AMI Maintenance (2023)	Shareholder Portion	Section 8 Portion
Studio	\$848	\$375	\$473
One-bedroom	\$1,059	\$375	\$684
Two-bedroom	\$1,271	\$375	\$896
Three-bedroom	\$1,468	\$375	\$1,093

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 4119 Res. No. \_\_\_\_\_

in favor  in opposition

Date: 10/11/23

(PLEASE PRINT)

Name: Nina Psoncak

Address: 100 Gold St.

I represent: H.P.D.

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 4119 Res. No. \_\_\_\_\_

in favor  in opposition

Date: 10/14/23

(PLEASE PRINT)

Name: Amit Sathwani

Address: 100 Gold St, New York NY

I represent: HPD

Address: \_\_\_\_\_

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10-11-23

4150  
4151

Appearance Card

I intend to appear and speak on Int. No. 4149 Res. No. \_\_\_\_\_

in favor  in opposition

Date: 10/11/23

(PLEASE PRINT)

Name: Rosa Kelly

Address: 100 Gold

I represent: HPD

Address: \_\_\_\_\_

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Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 10/11/23

(PLEASE PRINT)

Name: ISMENE Speliotis

Address: 470 Vanderbilt Ave 90m Fl Rkyn 11238

I represent: MHA NY

Address: "

Please complete this card and return to the Sergeant-at-Arms