

**Testimony by
The New York City Department of Housing Preservation and Development
to the
New York City Council Committee on Housing & Buildings
regarding Intro 1757 and 1783**

January 13, 2020

Good morning Chair Cornegy, and members of the Committee on Housing and Buildings. I am Anne-Marie Hendrickson, Deputy Commissioner for Asset and Property Management at the New York City Department of Housing Preservation and Development (HPD). Thank you for the opportunity to testify on proposed amendments to the enacted Local Law 64 of 2018, Introductions 1757 and 1783. I am also joined today by Margaret Brown, Associate Commissioner for Housing Opportunity and Program Services.

Affordable housing is one of the biggest concerns that New Yorkers face. Already, this administration has financed over 135,000 affordable apartments through Fiscal Year 2019, 57,000 of which serve very low-income individuals making less than roughly \$37,000 per year, or \$48,000 for a family of three. Housing Connect, the City's affordable housing lottery system, allows New Yorkers to search for affordable housing, fill out a profile, and apply for multiple homes with a few clicks of a button. Since launching in 2013, over 2 million people have made accounts on Housing Connect, 1.1 million have submitted applications, and 23,000 households have—or soon will—move into new homes. Now six years after this revolutionary application was created, HPD is currently building our new and improved Housing Connect 2.0 system.

Housing Connect 2.0 will also incorporate the changes required by Local Law 64 of 2018, the focus of today's bills. This law sponsored by Council Member Kallos not only expanded the universe of eligible homes for the City's housing lottery, but put unit advertising requirements in place intended to make applying for affordable housing more centralized and streamlined for the ease of New Yorkers trying to navigate the website.

We have also learned a lot through operating Housing Connect over the past six years, and Housing Connect 2.0 (2.0) will provide New Yorkers with a more transparent and user-friendly experience. 2.0 will automate, standardize, and streamline the applicant eligibility review process with an integrated information exchange between housing developers, applicants, and HPD. The new system will also facilitate additional HPD oversight and reporting on housing lottery indicators.

Stakeholder engagement has been critical in crafting this system, as we engaged with housing developers and marketing agents, applicant advocates and service providers, financial counseling experts, several other agencies and, of course, applicants themselves. We are also working with behavioral research experts to ensure 2.0 will more easily guide users through complex questions, such as how to calculate their income and specifying what types of housing best fits their needs.

As we move forward with these innovations, we are looking at every aspect of the Housing Connect system through the lens of fair housing and how we can promote equal opportunities for all New Yorkers. When the Trump administration rolled back the implementation of the Affirmatively Furthering Fair Housing requirement, the de Blasio administration launched our *Where We Live NYC* process that led to the publication of the draft report published just last week. Through this work, the City has developed a draft plan to take bold, transformative action to break down barriers to opportunity and build more integrated, equitable, and inclusive neighborhoods.

As part of the *Where We Live NYC* process, the City has undertaken an inclusive, collaborative, and comprehensive effort to better understand how fair housing challenges like segregation, discrimination, and lack of access to thriving neighborhoods impact New Yorkers' lives and how the City can take action. Since launching, HPD worked with 30 sister agencies and more than 150 stakeholder organizations to study, understand, and address patterns of residential segregation and how these patterns impact New Yorkers' access to opportunities – including jobs, education, safety, public transit, and positive health outcomes.

With these important goals in mind, HPD also updated our marketing policies that developers must follow to further limit how credit history impacts housing applicants, address and clarify complexities in income calculations, ensure special protections for survivors of domestic violence, and make the lottery selection process more efficient. These updates demonstrate the City's continued commitment to create more opportunities for all New Yorkers.

HPD has also been very focused on expanding our existing outreach tools and education efforts. We currently have robust communication requirements during the marketing process, including but not limited to outreach to local Community Boards, elected officials, and the general public through online and print advertisements both citywide and local.

Understanding that some may find applying for projects to be complicated, HPD provides resources to lottery applicants in a variety of ways. Our Marketing program conducts informational seminars for potential lottery applicants two to three times per week to teach them about the process and, also, provides training for community-based service providers to do the same. Our Housing Ambassador program partners with non-profits such as IMPACCT Brooklyn or the Mutual Housing Association of New York, and even Council Offices, who help individuals prepare and apply for open lotteries. HPD's Ready to Rent initiative also provides free one-on-one financial counseling and assistance with affordable housing applications; and our resource fairs, marketing seminars, and mobile van allow us to assist New Yorkers directly in their communities. Thanks to the City Council, we've also been able to translate application guides into 17 languages.

With this robust and aggressive work in mind, we appreciate the Council's shared goals to increase access to our lottery system and address issues as we work to implement the specifics of Local Law 64. For example, we are interested in discussing the removal of buildings utilizing HPD financial support for the Lead Hazard Reduction and Healthy Homes – Primary Prevention Program (PPP). Addressing lead hazards is a top concern for both this Administration and the Council, and we want to make sure we are not discouraging potential users of this program—

which is not intended for affordability—from utilizing this financing resource of federal dollars to reduce the risk to children. We therefore support the intent of Council Member Kallos' bill and would like to continue conversations about the specific language to ensure there are no unintended consequences to the bill. We also support Council Member Levine's bill to remove cooperatives from the requirements of the bill, a unique and critical piece of affordable housing stock.

Thank you again for the opportunity to testify.

COOPER SQUARE MUTUAL HOUSING ASSOCIATION

59-61 East 4th Street, 4th Floor New York, NY 10003 Phone: 212-477-5340 Fax: 212-477-9328

Testimony before the City Council Committee on Housing and Buildings; January 13, 2020

Dave Powell, Executive Director, Cooper Square Mutual Housing

Thank you members of the committee for the opportunity to testify. My name is Dave Powell and I am the Executive Director of the Cooper Square Mutual Housing Association.

Cooper Square Mutual Housing Association (CSMHA) is a low-income housing cooperative and non-profit organization formed in 1991 on the Lower East Side of Manhattan. Our mission is to manage and preserve a scattered-site HDFC co-op of 21 buildings so that they are permanently affordable to low-income resident-shareholders, under principles of economic and social justice embodied in our community's history. CSMHA is the product of local residents organizing against their own displacement and governance of the co-op by local residents remains a central dynamic in our organization. The CSMHA also acts as managing agent to several other HDFC buildings (co-ops and rentals) outside of the CSMHA co-op. All together, the organization is responsible for maintaining over 400 units of affordable housing. Most of our buildings are located in City Council District 2, with one being located in City Council District 1.

To achieve our mission, CSMHA works closely with two historically affiliated organizations:

- The Cooper Square Community Land Trust, which owns and stewards the land under our buildings;
- The Cooper Square Committee, which created our organization and provides advocacy services to our residents while continuing to organize against the displacement of low-income residents in our larger community.

While well-intentioned the imposition of a Local Law 64 (LL 64) upon HDFCs, Mutual Housing Associations, and Community Land Trusts is both a capacity and monetary burden that challenges small organizations and standalone co-ops to affectively carry out their mission. Additionally, where organizations and HDFCs have a proven track record of transparent admissions that are codified in City and State agreements and reported to HPD via annual asset management submissions, the listing of individual apartments on the housing portal as they become vacant and is both redundant and a challenge to the autonomy of local organizations. This

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is particularly true of Community Land Trusts (CLTs) and Community Land Trust-connected projects, whose model relies deeply on strong local governance by everyday people and whose existence is forged by local anti-displacement campaigns and the need for deeply and permanently affordable housing -- the kind of which is not often offered by other City-sponsored housing programs.

I am testifying today in support of Intro 1783-A which as currently written would exempt HDFC co-op units from LL 64 and mandatory use of the housing portal, including Cooper Square MHA. In particular 1783-A as amended is a significant improvement from the original. **CSMHA strongly supports 1783-A.**

Having said that, there are still significant issues that are not addressed by 1783-A or Intro 1757 and it is on those outstanding issues that I will focus my testimony today:

- **HDFC rental buildings also need relief** and will not get it under 1783-A or Intro 1757 as currently drafted. This includes three HDFC rental buildings (66 units) that CSMHA manages in Manhattan's Council District 2 (346 East 21st Street HDFC and 230 East 4th Street & 280 East 3rd Street – aka Two Buildings Tenants United HDFC). There is no good reason why these rental HDFCs shouldn't receive a cutout as the co-ops may be granted under 1783-A. It could even be argued that these HDFC rentals **need the cutout from LL 64 MORE than the co-op buildings** since rental HDFCs can't access the income that a coop can with the sale of apts.
- Similarly the Council should consider a further cut-out to Local Law 64/the housing portal for CLTs/CLT-connected projects and organizations. CLTs are also burdened by the expense and capacity drain of using the housing portal for small numbers of vacancies. In addition, the mandated city-wide marketing of CLT-connected housing that communities have fought to establish as local anti-displacement resources with a locally accountable governance structure, undermines the CLT model and the community efforts to establish them. The housing portal is also a redundancy where organizations and HDFCs have a proven track record of transparent admissions that are codified in City and State agreements and reported to HPD via annual asset management submissions.

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Currently it appears that all existing or burgeoning CLTs/CLT-connected projects would be protected by any legislation that covers ALL types of HDFCs (co-op and rental). That said, in the future it is possible that there may be CLTs/CLT-connected projects that are not HDFCs. **For that reason, exempting all CLTs/CLT-connected projects that meet the definition of CLTs enshrined in Local Law 67 would be preferable than just exempting all HDFCs.**

- **At CSMHA we mostly fill vacant apts through internal transfer or “additional apt.” requests.** We are in the midst of negotiating a new regulatory agreement with HPD and understand that transferring an entire household from (for example) a one-bedroom to a two-bedroom apt. to alleviate over-crowding, IS still allowed under current HPD policy and LL 64. HOWEVER offering (for example) the younger generation that grew up in our housing their own apt to alleviate overcrowding is NOT – despite the fact that our 2012 offering plan with the NYS Attorney General’s office explicitly does allow this and lays out specific criteria¹. HPD also tells that their current policies (and secondarily, LL 64) will prevent us from taking emergency housing referrals from local tenant advocacy and social service organizations for households in our community threatened with displacement. At the same time, HPD has told us they reserve the right to make these direct emergency housing referrals to CSMHA as it sees fit.

Both of these limitations also have as much to do with HPD’s fear and limiting of so-called “community preference” which they are being sued over by one of the fair housing groups that allege (short-sightedly in my opinion) that this re-enforces housing segregation. However, there is a tie-in with LL 64 because these units that cannot be transferred to existing residents through an additional apt. request would be subject to marketing on the housing portal. Our shareholders signed up to become a co-op with the specific understanding that apts would be available for future generations as enshrined in our offering plan. **We ask the City Council to allow us to continue this practice of offering additional apts to needy families that are already residents of CSMHA.**

- All of our buildings in CSMHA co-op are walk-ups – we do not have a single elevator building. This is the case with many HDFCs. Some of

¹ MHA is not yet subject to LL 64 because we have a regulatory agreement that was signed before 1/1/18. For this reason we have until 7/1/21 to comply.

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59-61 East 4th Street, 4th Floor New York, NY 10003 Phone: 212-477-5340 Fax: 212-477-9328

our seniors and mobility-impaired residents have tried to apply to Essex Crossing and other senior developments or HPD supported housing because these are elevator buildings. **HOWEVER if you go to Housing Connect there is a clearly stated eligibility requirement that excludes you if you are a shareholder in a co-op!** This needs to be amended for all limited-equity housing cooperatives that are still resale-restricted. At Cooper Square MHA our resale prices are purposely and severely restricted; our original site tenants purchased their apts for \$250 (two hundred and fifty dollars) and our current sales price for any apt is \$1,800 (one thousand eight hundred dollars). These residents – not-with-standing minor adjustment under the Consumer Price Index – can essentially only resell their apts what they paid for them: \$250 or \$1,800. They arguably have far less assets than rent stabilized tenants (who until recently were routinely offered buy-outs of five or six figures) and YET HDFC shareholders are barred from applying to affordable housing. Essentially this is an accessible housing issue; the majority of HDFC shareholders in such a situation who would apply for housing would do so because their current housing is in a walk-up building.

###

NYC HOUSING CONNECT <https://a806-housingconnect.nyc.gov/nydottery/lottery.html#current-projects> Search

NYC Housing Connect Find and Apply for Affordable Housing

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Instructions

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Use this section to start, save, and complete your household information. You must complete all the required fields, including detailed income and employment information for you and all members of your household, before submitting an application to a particular property.

- SUBMIT ONLY ONE APPLICATION PER HOUSEHOLD.** You will be disqualified if more than one application is received per lottery for your household. If you submit an application online, you may NOT submit an application via mail. If you submit an application via mail, you may NOT submit an application online.
- Applications are selected randomly through a lottery. Depending on the volume of applications received, it may not be possible for all of them to be processed. Accordingly, it is possible that you may not receive a response. All applicants are encouraged to monitor the internet resource center established by The City of New York (www.nyc.gov/html/housing/pages/resources/resources.shtml) to keep up with new housing opportunities to which they may apply. Applying to more buildings, including those in locations that might not be your first preference, can only increase the chances that one of your applications will be processed.
- You must complete the first three sections of the application in order for your application to be reviewed if it is selected for further processing. The application should be completed very carefully. Incomplete information for the number and names of household members applying to live in the unit, or their incomes, may result in disqualification.
- The completed application must be submitted no later than the application deadline indicated for each project.
- Only the application should be submitted at this time. If your application is selected for further processing, additional information will be requested at that time.
- No payment should be given to anyone in connection with the preparation or filing of this application. No broker or application fees may be charged at this time. If your application is selected for further processing, a non-refundable credit check fee may be collected by the management company at that time. For units with income limits set at or below 80% of New York City's Area Median Income (AMI) level, the fee is not to exceed \$25 per application (for households with 1 or 2 adult members), or \$50 (for households with 3 or more adult household members). For units with income limits set above 80% AMI, the fee is not to exceed \$50 per application (for households with 1 or 2 adult members) or \$75 per application (for households with 3 or more adult members).
- Income Eligibility:** Please review the chart in the project's advertisement which breaks down the mandatory income levels for the HPD/HDC housing program of the building you are applying to, based on household size. All income sources for all household members should be listed on the application. In general, gross income is calculated for most applicants, except that net income is analyzed for self-employed applicants. Net business income from current and prior years is considered for self-employed applicants, and such applicants must have at least two (2) to three (3) complete years in the same self-employed field. Further, please note that all sources of income must be able to be documented and verified. If your application is selected for further processing you will be contacted, via the method you select on the application (email or paper mail), with a list of such documentation that you will need to provide at that time.
- Other Eligibility Factors:** In addition to the income requirements, other eligibility factors will be applied. Eligibility factors, but are not limited to:
 - Credit History
 - Rent Payment History
 - Criminal Background Checks
 - Qualification as a Household - HPD/HDC's affordable housing programs are designated for individuals, families and households who can document financial interdependence as a household unit. These affordable programs are not intended for "roommate situations" and so such applicants may not be eligible under this household criterion.
 - Continuing Need - Applicants to HPD/HDC's affordable housing programs must demonstrate a continuing need for housing assistance through an analysis of their assets and recent income history.
 - Property Ownership - Applicants to rental units may not own residential property, or shares in a co-op, in or within one hundred (100) miles of New York City.**
 - Asset Limits - There is a limit to the amount of total household assets allowed (excluding specifically designated retirement and college savings accounts). The household asset limit for rental units is equal to the maximum income limit for a four (4)-person household at the area median income (AMI) level for which the unit is designated.
- Application Preferences and Set Asides:** There is a general preference in the lottery for current New York City residents. Households outside of New York City are free to apply, but their applications will be assigned a low priority and processed only after all NYC resident applicants. A percentage of apartments are set aside for persons with mobility, hearing, and vision disabilities, and there are additional preferences for persons residing in this development's community board and persons who are municipal employees of the City of New York. Project:

property [Highlight All](#) [Match Case](#) [Whole Words](#) 2 of 5 matches



new destiny
housing

12 W 37th Street, 7th floor
New York, NY 10018

646 472.0262
646 472.0266 fax
newdestinyhousing.org

**Testimony of New Destiny Housing Corporation
Joint Hearing by Committee on Housing & Buildings with Committee on Oversight and Investigation**

January 13, 2020

**Presented by
Carol Corden, Executive Director**

Thank you for the opportunity to testify today at this Joint Oversight Hearing regarding updates to the Housing Connect portal. My name is Carol Corden and I am the Executive Director at New Destiny Housing Corporation, a 25-year old not-for-profit committed to ending the cycle of domestic violence and homelessness by connecting families to safe, permanent housing and services. New Destiny currently owns and operates six service-enriched affordable housing projects where at least half of the apartments are set aside for homeless domestic violence survivors and their children. Three other projects are under construction.

We understand, and wholeheartedly support, Local Law 64's intent of increasing constituent understanding of and access to City-assisted affordable housing in New York City.

However, we are also concerned about the unintended consequences that the proposed legislation will have on very low-income survivors of domestic violence.

New Destiny Housing currently operates a rapid rehousing program called HousingLink in partnership with the Mayor's Office to End Domestic and Gender Based Violence. HousingLink connects victims of domestic violence with vacant re-rental units managed by affordable housing providers throughout New York City.

HousingLink staff are co-located in five borough-based Family Justice Centers, operated by the Mayor's Office to End Domestic and Gender Based Violence, that serve as one-stop comprehensive service centers for victims of domestic violence and sexual assault. The Family Justice Centers offer a range of services to victims in a safe, culturally-sensitive environment. One of the many services provided is housing assistance. The Family Justice Center case managers refer victims requesting housing help to the on-site HousingLink staff.

This unique program is based on a HUD best practice for families at risk of homelessness that has been successfully operated in other parts of the country for domestic violence survivors who are homeless or

at risk of homelessness. HousingLink has also been independently evaluated by ActKnowledge and found to be a promising practice that deserves to be scaled up.

HousingLink offers an alternative to shelter for New York City survivors fleeing domestic violence who are in unsafe or unstable housing and are trying to avoid becoming homeless. Through the program, New Destiny has been able to place 108 households in permanent, affordable housing – helping them to avoid shelter or to significantly shorten their shelter stay. And, the vast majority of those placed have retained their housing for well over one year.

Based on our experience, we know rapid rehousing is a cost-effective approach that can reduce the number of survivors using shelter as well as the traumatic effects of homelessness for victims and their children and can do this even in a high-cost housing market like New York City.

The success of this program, developed and operated with the Mayor’s Office to End Domestic and Gender Based Violence, relies upon strong relationships with affordable housing owners and managers. The program works with landlords to quickly fill their re-rental or turnover units with clients of the Family Justice Centers, survivors of domestic or gender-based violence who are homeless or at risk of homelessness.

City-assisted affordable housing has been the focus of this effort for several reasons. First, it tends to be both high-quality housing as well as affordable to very low-income households who comprise HousingLink’s clients. Secondly, City-assisted affordable housing is rent-stabilized so that it remains affordable over time to the households placed in it.

Local Law 64 will require all City-financed affordable housing units, including re-rentals, to go through the Housing Connect portal and lottery. As currently drafted, individuals and families forced to flee domestic violence will no longer have access to safe, affordable housing through rapid rehousing, a HUD best practice and a valuable tool for preventing homelessness.

Domestic violence is one of the main drivers of homelessness in New York City. In the 2018 and 2019 HUD Point In Time (PIT) Count for New York City, **victims of domestic violence were the third largest homeless sub-population in NYC** after the severely mentally ill and people with substance abuse disorders. Most domestic violence survivors in shelter bring their children with them so the number of people in this group is considerably larger.

These first two extremely vulnerable homeless subpopulations- the severely mentally ill and people with substance abuse disorders-- have access to traditional supportive housing that will be exempt from Local Law 64.

Most survivors of domestic violence, however, do not have access to supportive housing or to homeless set-asides in City-assisted housing. City and State resources for very low-income survivors have been invested in short-term shelter as opposed to prevention and long-term safety.

HousingLink, the rapid rehousing program developed by the Mayor's Office to End Domestic and Gender Based Violence and New Destiny, is an exception to this trend. The partnerships HousingLink has developed with affordable housing landlords have helped survivors of domestic violence obtain affordable permanent housing relatively quickly – to avoid shelter or shorten their stays—and to remain stably housed.

New Destiny recognizes that Local Law 64 was not intended to further marginalize very low-income survivors of domestic violence and recommends that the legislation be amended to facilitate rapid rehousing programs.

We are asking that the City Council clarify the language in Local Law 64 to ensure that the Mayor's Office to End Domestic and Gender Based Violence be included in the exemption from the law for direct referrals from a "government agency or instrumentality." Currently, the law allows for units that will be filled by "direct referral from a government agency or instrumentality" to bypass the lottery system and receive an applicant directly from that referral source. The Mayor's Office to End Domestic and Gender Based Violence, through their five borough-based Family Justice Centers, is the referral source for survivors of domestic violence seeking assistance with housing from HousingLink program.

The inclusion of the Mayor's Office to End Domestic and Gender Based Violence will permit HousingLink to continue its critical work rehousing very low-income victims who are homeless or at risk of homelessness because of domestic violence.

Rapid rehousing programs, like HousingLink, cannot end homelessness caused by domestic violence but they are an important tool for reducing the number of families forced into shelter by their circumstances. Given the large numbers of survivors who become homeless and the large numbers of children impacted by domestic violence, the City must prevent survivors, where possible, from being forced into shelter. Where shelter is the only option, we should seek better outcomes at the end of shelter stays by ensuring equal access to the housing options available to other homeless subpopulations.

We urge the Council to recognize the importance of the work being done by the Mayor's Office to End Domestic and Gender Based Violence and New Destiny and to amend Local Law 64 to protect the continuation of this work.

Thank you for the opportunity to speak today and I welcome any questions you may have.

Contact Information:

Carol Corden

New Destiny Housing

646-472-0262

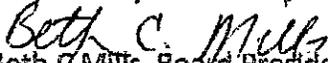
ccorden@newdestinyhousing.org

**1346 Park Place HDFC
1346 Park Place
Brooklyn, NY 11213
Contact: Beth C Mills, Board President
1 917 771-4375**

**NYC Council Hearing: Committee on Housing and Buildings
Council Chambers- City Hall, NYC
January 13th, 2020
10 AM**

Testimony: To support Council Member Mark Levine's Proposed Bill 1783-A; Excluding HDFC Cooperatives from the Housing Portal.

The 1346 Park Place HDFC is not in favor of the LL64 Local Law that requires Lotteries and publication of HDFC Unit Availability as beneficial to HDFCs. We are vetted property owners who have long proven that we are more than capable of managing our existing properties. We have stood the test of challenge and meager to non-existing support from any source except our dogged self-reliance in the face of what to do and how. There are endless stories of courage, bravery and determination that are the cornerstone of our HDFC's. Our HDFC's are still standing in an absolute habitable and managed way. This was no small feat. HDFC's are each uniquely different and have been shaped by the experiences and circumstances of the HDFC community. We are by no means, one size fits all but we are united by the very familiar struggle that began this journey. In the end we understand the need for self-determination, ownership, and the home to call our own. We require assistance at this very moment that I speak. However, with any assistance offered or pondered, we, the people of our HDFC's must be absolutely included in the decision making process and how it is executed. The question is; will the assistance be to the overall greater good that will insure the future of HDFC Property Ownership and its Collective Culture or will this ownership be in the constant threat of political-wrecking ball decisions. As HDFC GateKeepers, it is our collective effort to be included in a most significant and meaningful way in the making of all laws, and decisions that will protect the interest and sustainability of our HDFC's. It is more than necessary. It is a right. We are here today to exercise that right in our show of support for Councilman Mark Levine's Proposed Bill 1783-A.

Respectfully Submitted,

Beth C Mills, Board President

*****Shareholder Signatures on Back**

Shareholder Signatures: 1346 Park Place HDFC Bklyn, NY 11213

Apt:

A1 Donald Dobson for Paul Dobson Donald Dobson /Date 1/12/2020
A2 Steven Bello Steven Bello /Date 1/12/2020
A6 Junior Kentish Out of Town /Date _____

B2 Beth C Mills

Beth C Mills /Date 1/9/2020

B4 Kialee Manlove

Kialee Manlove /Date 1/11/2020

B7 Glinda Andrews

Glinda Andrews /Date 1/11/2020

C3 Donald Corbitt Sr

Donald Corbitt Sr /Date 1/9/2020

C7 Deborah A Weston

Deborah A Weston /Date 01/09/2020

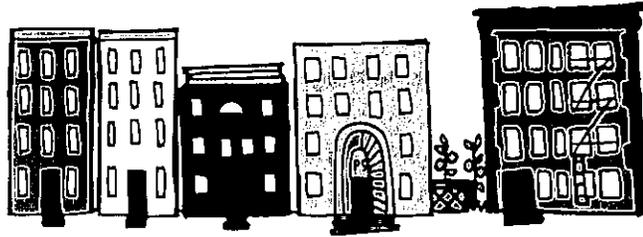
D2 Donald Powell

Donald Powell /Date 1/9/2020

D3 Idris M Johnson

Idris Johnson /Date 1/9/2020

NYC community land initiative



Testimony to NYC Council Housing and Buildings Committee Regarding Exempting Community Land Trusts from Local Law 64

January 13, 2020

Good morning, Committee Chair Cornegy and members of the Housing and Buildings Committee. Thank you for the opportunity to testify today regarding proposed amendments to Local Law 64, Int. 1757 and Int. 1783-A. My name is Akilah Browne, and I am a Skadden Fellow working on community land trust (CLT) initiatives at New Economy Project. I am testifying today on behalf of the NYC Community Land Initiative (NYCCLI), an alliance of more than 30 organizations working to advance CLTs and community-controlled development. NYCCLI members include existing and emerging CLTs in all five boroughs working to create and preserve deeply- and permanently-affordable housing, affordable commercial space for local small businesses, and other critical community needs.

NYCCLI supports NYC Council's efforts to expand access to affordable housing, especially for New Yorkers who are low, very-low, and extremely-low income, and those experiencing or at risk of homelessness. We understand that the intent of Local Law 64, which requires registration and citywide marketing of affordable housing units, is to hold accountable developers and landlords receiving public subsidies, and ensure that New Yorkers can fairly and efficiently apply for affordable housing. We support these aims, as well as appropriate exemptions to Local Law 64 to prevent adverse, unintended consequences for certain affordable housing providers, including CLTs and nonprofit developers in our coalition.

NYCCLI urges City Council to exempt from Local Law 64 community land trusts (CLTs), as defined in NYC's administrative code, and properties on CLT land. We also support broadening Int. 1783-A to exempt both cooperative and rental Housing Development Fund Corporations (HDFCs).

CLTs are community-led nonprofits that own and steward land for the public good. CLTs lease use of land for affordable housing and other community needs -- typically through 99-year renewable leases that establish affordability, resale and other restrictions. In recent years, City Council has supported the expansion of CLTs, in recognition of their proven ability to ensure permanently-affordable housing; combat speculation and displacement; protect public subsidy; and foster democratic decision-making over housing and land use. Cooper Square CLT/MHA,

for example, has provided hundreds of units of deeply-affordable housing to families earning as low as 30% Area Median Income. More than a dozen other CLTs have incorporated or are in formation in low-income neighborhoods of color across the city.

As currently written, Local Law 64 could have adverse consequences for CLTs, including:

1. Undermining CLTs' ability to prioritize housing for, and combat displacement of, local and longtime neighborhood residents -- a core part of CLTs' mission. Communities are organizing CLTs precisely to combat rapid gentrification and displacement, and to enable community members to plan for their long-term stability. In order to do so, it is important that some measure of mobility be accommodated within the community, whether that means having the ability to move back to one's home community after an episode of homelessness, find a more appropriate unit for a growing or shrinking household, or find affordable housing in one's neighborhood in order to maintain the place-based support networks that enable people to survive and thrive.

As community-governed and -accountable entities, CLTs dedicate tremendous resources to educating, organizing, and engaging neighborhood residents, and developing a culture of stewardship. Among other activities, CLTs work to ensure that housing applicants understand the advantages and obligations that come with residing on CLT land. Local Law 64's requirements would complicate and potentially undermine this critical work. Moreover, many community residents that CLTs seek to serve, including those with limited proficiency in English and/or technology, would be at a competitive disadvantage through an online portal system.

2. Imposing cost-prohibitive requirements on CLTs. CLTs and community-based affordable housing providers operate with limited budgets and just enough staff and overhead to provide proper stewardship and maintenance. In order to comply with Local Law 64, CLTs would incur additional and unsustainable staffing and other expenses, including to review and respond to the large volume of applications that would inevitably be received through a citywide housing portal -- for small numbers of vacancies. On top of existing annual reporting requirements to the NYC Department of Housing Preservation and Development and under New York Not-for-Profit Law, CLTs would struggle to allocate additional resources, which would otherwise be used for community-based stewardship, to comply with Local Law 64.

For these reasons, in particular, we urge City Council to exempt CLTs and the modest number of properties on CLT land from Local Law 64's requirements. Thank you for your consideration. NYCCLI members would welcome continued dialogue with City Council on these critical issues.

We Shareholders, as part of the urban homesteading program in the 1980's dedicated 9 years of our lives to the complete gut renovation of one of many abandoned city-owned buildings.

These buildings were the sore reminder of a city that almost had gone into bankruptcy, a city of landlords that abandoned thousands of buildings all around NYC, creating a blight that could be seen on every block in this neighborhood. Many of these buildings were used as shooting galleries, they were dangerous for many reasons. The East Village had lost its community. There was no tax revenue coming in on any of these buildings.

We Shareholders contributed our own money to buy tools and rent many dumpsters. We put in "sweat equity" doing development work, completing demolition, pointing the brick, digging the subfloor, and took out loans to be able to hire professional contractors to put in all new building systems and renovate the units.

All we wanted was a home and the security a home brings. We wanted to stay here and build on our future.

The loans that paid for the renovations have been repaid in full by our coop and we fulfilled the requirement of our regulatory agreement with the city, which expired 14 years ago. During the 36-year history with our building and over 28 years since we received our C of O and have occupied the building, we have taken great care to responsibly maintain our home and remain financially healthy through our own hard work and resources. Doing so brought new business and people started to come back to the EV.

In 2012, we ourselves paid for a complete roof replacement.

Given the history of our building, and many other healthy HDFC's, including us in Local Law 64 would be a violation of our co-op and shareholder's rights as homeowners. It would be grossly unfair and we strongly urge the passage of the proposed amendment to exclude HDFC's from Local Law 64.

MaryBeth O'Hara
102 Avenue B
NY NY 10009
Cell: 646.202.3102

Testimony by Victor Morisete Romero before the New York City Council Committee of Housing and Buildings

Date: January 13, 2020 at 10 AM – City Council Chambers, City Hall, New York.

My name is Victor Morisete Romero, I am member of the HDFC Coalition and an executive officer at ATAX Franchise. I want to thank chairman Robert Cornegy, Jr., councilmembers Levine, Kallos, Rosenthal, Rivera, Rodriguez, Cohen, Chin and Yeger and other members of the Housing and Building committee for holding this public hearing today regarding the negative impact of local law 64 for small Housing Development Fund Corporations (HDFCs) in the City of New York.

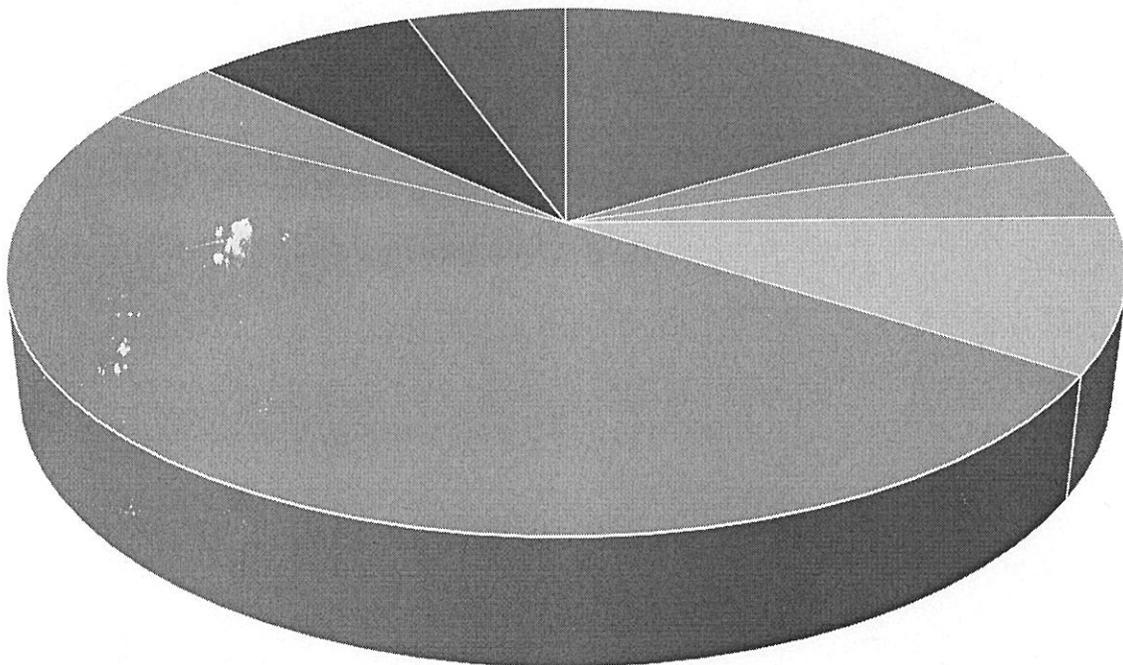
I am here to support proposed Int 1783A, a “local Law to amend the administrative code of the city of New York, in relation to excluding cooperatives from the housing portal”. Additionally, I request that Local Law 64 of 2018 be amended to exclude HDFC cooperatives and shareholders due to the financial burden it imposes on them. As you know, Local Law 64 requires essentially all affordable housing units (including HDFC co-ops) to be listed by their owners on a new HPD Housing Portal by July 1, 2020, and failing to do so could cost owners up to \$2,000.00 per month in fines. While it may be appropriate to require that big developers comply with all the requirements of Local Law 64, it is not fair to force small HDFCs homeowners to be include^d with the requirements of this local law. Local Law 64 will place a huge financial burden to small HDFCs by imposing penalties, forcing them to spend money by hiring marketing consultants, developing marketing plans, advertising in large circulation newspapers such as the New York Times, hiring translators and holding community forums among other onerous requirements. ATAX Accounting Services conducted a financial impact of Local Law 64 on HDFCs and found the following financial burden to these entities:

1. The need to hire a Consultant to develop and write up a marketing plan in compliance with HPD Housing Portal requirements under Local law 64 at an estimated cost of \$7,500.00. *Please see attached list of items required by HPD for the marketing plan*
2. Establishment of Caller Services Box (dedicated PO Box for all applications and inquires) at the United State Post Office at an annual cost \$1,925.00
3. Contracting a Marketing Agent to coordinate the marketing of available units at an estimated cost of \$4,300.00 per unit. This cost will increase based on the number of units to be sold or rented.
4. Advertising in Major Circulation Newspapers and local ethnic publications at an estimated cost of \$4,500.00

5. Contracting staff to evaluate applications, response to inquiries by applicants, enter all qualified applicants in the HPD Housing Portal, sending mailings at an estimated cost of \$22,200 for eight months.
6. Contracting translator services to provide translating services to potential applicants that may not speak English at an estimated cost of \$50 per hour.
7. Postage and mailing at an estimated cost of \$250.00
8. Note: Average cost can range from \$42,250.00 for marketing 1-2 units to \$64,075.00 for 6 units depending on the number of applications received. The process of selling or renting can last up to 8 months from marketing to occupancy.

In conclusion, Local Law 64 in its current form is overly burdensome and cost prohibitive for HDFCs, especially homeowners of affordable units. This is one of the reasons why we urge you to pass Int 1783A, to amend the administrative code of the city of New York, in relation to excluding **HDFC** cooperatives from the housing portal.

Financial Analysis of Complying with Local Law 64



- Marketing Plan Developer
- Marketing Agent
- Caller PO Box at US Postal Office
- Newspaper Adverstisement
- Project Manmanagement Staff
- Translating Services
- Legal Fees
- Postage

7. Attachments Marketing Plan Required Documents

1	A-1	Notice of Intent to Begin Marketing
2	A-2	Marketing Agent Approval Request Form
3	B	Marketing Plan Summary
4	C-1	Language Access Plan
5	C-2	Guide to Language Access for Marketing
6	D	Community Contact Letters
7	E	Outline for Management Plan
8	F-1	Advertisement Instructions
9	F-2	Rental Advertisement
10	F-3	Homeownership Advertisement
11	F-4	Routing Slip of Advertisement Approvals
12	F-5	Evidence of AFHM
13	F-6	Project Site Marketing Sign
14	G-1	Rental Application
15	G-2	Homeownership Application
16	H-1A	Eligibility and Appointment Scheduling Notice
17	H-1B	Eligibility Appointment Confirmation Notice
18	H-1C	Document List
19	H-2	Ineligibility Notice
20	H-3	Approval Notice
21	H-4	Rejection Notice
22	H-5	Low Priority Notice
23	H-6	Waiting List Notice
24	H-7	Appeal Rejection Notice
25	H-8	No Unit Available Notice
26	I-1	Sample Unemployment Affidavit
27	I-2	Certification of Disability for Set-aside Unit
28	I-3	Sample Employment Verification Form
29	I-4	Guidance for Documenting Self-Employment
30	J-1	Student Status Affidavit at Initial Certification
31	J-2	Household Student Status Affidavit at Recertification
32	K	Notice of Remarketing
33	L-1	Checklist for Income Certification
34	L-2	TIC Submission Cover Letter
35	L-3	TIC (Low-Income)
36	L-4	TIC (Middle-Income)
37	M	Applicant Information Form (AIF)
38	N-1	Pre-lease Acknowledgement and Certification
39	N-2	Primary Residency Affidavit - Rentals
40	N-3	Primary Residency Affidavit - Homeownership
41	O	HDC Rider to Standard Rent Stabilization Lease (Low-Income)
42	P	HDC Rider to Standard Rent Stabilization Lease (Middle-Income)
43	Q	Reaffirmation of Income
44	R-1	IRS Form 4506-T (DOI/HDC) & (DOI/HPD)
45	R-2	IRS Form 4506-T (Blank for Agent)
46	R-3	IRS 4506 (DOI/HDC) & (DOI/HPD)
47	R-4	NYS DTF-505 Form (DOI/HDC) & (DOI/HPD)
48	R-5	Authorization to Release Information Form
49	R-6	Affidavit of Non-filing of Income Tax
50	S-1	Broker/Third Party Certification (<165% AMI)
51	S-2	Broker/Third Party Certification (>165% AMI)
52	T	Asset Certification
53	U	Apartment Distribution Chart
54	V-1	Certification for Deep Rent Skewed Projects (HDC)
55	V-2	Certification for Mixed Income / "Non-Deep Rent Skewed" Projects (HDC)
56	W	Owner Certification of Initial Move-In Date
57	X	Unit Inspection Form
58	Y-1	Unit Vacancy Report Instructions
59	Y-2	Unit Vacancy Report
60	Z	VAWA Marketing Guidance

Memorandum in support of the HDFC Self-Determination and Affordability Act of 2019

Steven Siegel, Esq.¹

SUMMARY OF PROVISIONS

This proposed legislation is designed to assist and strengthen housing development fund companies (HDFCs) – a vital part of New York City’s housing stock. Most New York City HDFCs are organized as housing cooperatives. Beginning in the early 1980s, the City of New York, through its Department of Housing Preservation and Development (HPD), converted hundreds of City-owned tax-foreclosed multifamily buildings into HDFC co-ops. The buildings were turned over to the tenants to own and manage. Most buildings were in poor condition at the time of transfer to the tenants. The tenant-shareholders of the newly created HDFC co-ops worked hard to stabilize and upgrade their buildings. Today, there are 1,048 HDFCs in New York City containing approximately 25,000 apartments. Approximately 75,000 New Yorkers make their homes in HDFC co-ops.

This vital housing resource is at a crossroads. All City-sponsored HDFC co-ops, at their inception, were subject to regulatory agreements or resale restrictions that required that the housing remain affordable for a fixed term. For HDFC co-ops created in the early 1980s this term was ten years. For HDFCs co-ops created in the late 1980s and thereafter, the term was 25 years. Consequently, the HDFC co-ops that were created in the 1980s and 1990s have regulatory

¹ Of Counsel, Cullen and Dyckman, LLP. This Memorandum was prepared on behalf of the HDFC Coalition in connection with that organization’s legislative advocacy. I gratefully acknowledge the invaluable research assistance and editorial suggestions of John McBride. Publication date: August 20, 2019. Contact: sns26@caa.columbia.edu.

controls that already have expired or will soon expire. For this class of HDFC co-ops, there is a great deal of uncertainty as to their legal status and their financial future.

This proposed legislation clarifies the legal status of HDFC co-ops with expired regulatory controls. More particularly, the proposed legislation has two overriding goals: (1) protecting and promoting the self-determination of HDFC co-ops; and (2) providing strong incentives for HDFC co-ops to voluntarily agree to remain as affordable housing. *These two objectives are complementary.*

The bill's basic approach is to clarify that HDFC co-ops may exercise control over their own destinies when restrictions expire -- but also provide substantial tax incentives so that HDFCs will affirmatively choose to remain as affordable housing subject to income restrictions - - consistent with democratic principles of self-governance. This approach is a matter of basic fairness and justice; is consistent with the promises given to HDFCs over the past thirty years; and is in full accord with how all other government-sponsored private housing is treated. Furthermore, this approach is wholly consistent with *existing* Article 11 of the PHFL that governs HDFCs.

The need for this legislation is compelling. The existing law governing HDFCs is not a model of clarity and has resulted in a great deal of ambiguity and confusion as to the rights of and obligations of HDFCs with expired regulatory agreements or resale restrictions. Furthermore, the City of New York recently has proposed local legislation governing HDFCs. The City's proposed legislation, if enacted, would subject HDFCs to an entirely new regulatory regime, or, in the alternative, eliminate the existing tax incentive that was promised to run through at least 2029. The City's proposed legislation is contrary to the letter and spirit of the existing law, and to the promises made to HDFC over the past three decades that are embodied in

co-op governing documents sponsored by the City itself.

This legislation would preempt the City's efforts and would provide a clear and equitable framework for the preservation of this essential portion of the City's affordable housing stock.

A. Background

HDFC co-ops are income-restricted housing cooperatives that are established under the authority of Article 11 of the Private Housing Finance Law (PHFL). Article 11 was enacted in 1966. Beginning in the early 1980s, New York City adopted the HDFC form of housing cooperative as a means to revitalize its tax-foreclosed multifamily housing stock. The concept was simple: turn over the ownership and management of City owned tax-foreclosed multifamily buildings to the existing tenants. Previously, the City has sold at auction all of its tax-foreclosed multifamily property to private investors – and that traditional approach to disposing of tax foreclosed property had led to an accelerating cycle of housing disinvestment and abandonment.

Over the past few decades the City's HDFC initiative proved to be one of New York's most enduring housing success stories. Tens of thousands of resident-shareholders of HDFCs played an important role in the stabilization and preservation of New York City's housing stock in the period following the City's fiscal crisis of the 1970s and 80s. The City's large-scale creation of HDFC co-ops was a major policy innovation and was an important part of the City's response to the housing crisis of that era. All government and community stakeholders benefitted from the large-scale creation of HDFCs. The City benefitted by reducing its enormous portfolio of tax-foreclosed apartment buildings at a time when the buildings were a substantial burden to the City and when there was little in the way of a private market for these properties. The residents benefitted by the preservation and upgrading of their own buildings and by

becoming homeowners for the first time. And the surrounding communities benefitted by the stabilization of the neighborhood, the upgrading of housing and the by the transformation of a rental community into a homeownership community.

As previously noted, the regulatory controls placed on HDFCs were time-limited. Consequently, the HDFCs that were created in the 1980s and 1990s have regulatory controls that already have expired or will soon expire. For this class of HDFCs, there is a great deal of uncertainty as to their legal status and their financial future. This proposed legislation clarifies the legal status of HDFCs with expired regulatory controls in a way protects and promotes their autonomy and self-governance while strengthening the inducements for these HDFCs to voluntarily agree to continue to operate as affordable housing.

An important feature of City-sponsored HDFCs is the City's use of its authority under the Act to enter into a "regulatory agreement" with the HDFC. Under PHFL § 576, either the State or the municipal "supervisory agency" (*i.e.*, HPD) may enter into a regulatory agreement with an HDFC if the agency advances public funds to the HDFC.

Under PHFL 576, every HDFC regulatory agreement must provide that:

- Households must meet income eligibility guidelines, which is defined by statute as six times the annual rent plus six percent of the shareholder's "original investment" in the HDFC. *See* PHFL § 576(1)(b).
- Profits must be used only for capital improvements or to reduce rent/maintenance. Dividends cannot be paid to owners. *See* PHFL § 576(1)(c), (d).
- The property may not be sold or transferred without HPD approval for so long as the regulatory agreement remains in effect and/or unless and until any funds or mortgages owed to the City are paid in full. *See* PHFL § 576(1)(e).

- The HDFC may not be dissolved without HPD approval for so long as the regulatory agreement remains in effect and/or unless and until any funds or mortgages owed to the City are paid in full. *See* PHFL § 576(1)(e).

Thus, under Section 576 of the Act, the City's authority to impose on HDFCs certain key restrictions remains in effect only for so long as a regulatory agreement remains in effect. Put differently, the City's authority to impose Section 576 restrictions (including restrictions on dissolution of HDFCs and on the sale and disposition of HDFC property) is limited to only those HDFCs that are subject to a regulatory agreement and does not extend to HDFCs in which a regulatory agreement or mortgage is no longer in effect.

The City applied its Section 576 authority to HDFCs in two ways: *i.e.* (1) the terms of the Section 576 "regulatory agreement" were incorporated into various HDFC incorporation documents and in the deed conveying title to the property;² and (2) the regulatory agreement was incorporated into mortgage documents when the City made loans to HDFCs to finance capital improvements. In each case the City imposed resale restrictions that had a fixed term. At the inception of the HDFC program in the early 1980s, city-sponsored resale restrictions imposed by the sale documents expired in ten years. By the late 1980s, city-sponsored resale restrictions imposed by the sale documents ran for 25 years. Furthermore, resale restrictions that were made a part of city-sponsored rehabilitation loans to HDFCs ran for the life of the loan -- *i.e.*, usually 15 to 25 years.

² When the City first created HDFCs in the 1980s, the City did not require a newly created HDFC to enter into a document that was formally titled a "regulatory agreement." Instead, the City required the newly-created HDFC to enter into certain documents (such as deeds and certificates of incorporation containing limited-term controls over shareholder income and dissolution of the corporation. Beginning in 2003, the City required newly created HDFCs to enter into a document that was formally titled a "regulatory agreement" consistent with PHFL §576.

Thus, the City used PHFL § 576 as a means to impose additional terms and conditions (including resale restrictions) on the operation of the HDFC for a fixed term following the establishment of the housing cooperative or during the life of a City-sponsored loan to the HDFC. For the vast majority of HDFCs, these PHFL §576 restrictions have expired.³

As previously noted, there are presently 1,048 HDFCs in New York City containing approximately 25,000 apartments. Of the 1048 HDFCs, 207 are subject to regulatory agreements. A substantial number of non-regulated HDFCs date from the 1980s and 1990s. These older HDFCs are no longer subject to City resale restrictions that expired after either ten years or 25 years following the incorporation of the HDFCs.

For as long as a particular City-imposed resale restrictions remained in effect, an HDFC is subject to a detailed scheme of regulations imposed by the City pursuant to PHFL 576. In general, HPD resale restrictions govern such important issues of HDFC governance as income limitations for purchasers, succession rights, sublet rights, flip taxes, HPD consent as a precondition to the sale of an HDFC building and HPD consent to the dissolution of an HDFC. Upon the expiration of the City-imposed restrictions, the HDFC is no longer subject to these externally imposed regulations.

An HDFC with an expired regulatory agreement nevertheless remains subject to Article 11 of the PHFL as well as to various governing documents, such as its Certificate of Incorporation, deed restrictions, proprietary lease and by-laws. Most importantly, an HDFC is required to provide housing for "persons of low income," PHFL § 573(3)(a). However, once an

³ HPD reports that of the 1048 HDFC co-ops, 207 are subject to regulatory agreements. A substantial percentage of the balance (841 HDFCs) is no longer subject to the City resale restrictions that were imposed as part of the creation of the HDFC co-op. See City of New York, Department of Housing Preservation and Development, *Preserving Affordable Home Ownership: HDFC Coops and Our Community*, <http://www1.nyc.gov/assets/hpd/downloads/pdf/Owners/hdfc-coop-december-shareholderforum>.

HDFC regulatory agreement or other HPD-imposed income restriction has expired, nothing in the PHFL expressly precludes these HDFC co-ops from converting to a non-HDFC co-op by reincorporating as a conventional co-op (and thereby opting out of the remaining statutory restrictions imposed by the PHFL). That circumstance raised the possibility that some HDFCs may opt-out of the HDFC statute and become market-rate housing – which would represent a loss to the City’s inventory of affordable housing stock.

A City-established HDFC is eligible to receive a partial real estate tax exemption granted by the City pursuant to PHFL §577. Pursuant to this authority, the City in 1989 enacted a partial tax exemption for most city-sponsored HDFCs. The tax exemption is generally referred to as the “Division of Alternative Management Programs” tax exemption, or “DAMP tax exemption.” The tax exemption runs for forty years and will expire in 2029.⁴ A condition of the DAMP tax exemption is that the HDFC remain an HDFC for the duration of the tax exemption. Hence, an HDFC that opt-outs of the HDFC statute and become market-rate housing

Recently, the City has proposed local legislation that would revoke the DAMP tax exemption from any HDFC that declined to sign a new Regulatory Agreement with the City. The proposed new Regulatory Agreement would contain many provisions that would largely deprive HDFCs of autonomy and self-determination, including the imposition of external fiscal monitors paid for by HDFC income, new restriction on apartment sales and subletting, and

⁴ In general, the DAMP tax exemption is the same as the exemption that is applicable to one- and two-family houses. The exemption began in 1989 with a taxable assessed valuation capped at \$3,500 per apartment. In subsequent years the exemption increases by 6% per annum, but by no greater than 20 percent over five years. In some cases, HDFCs receive no tax benefit, because their real estate taxes are less than the tax cap.

In City tax year 2019-20, the DAMP tax exemption imposes a cap on the assessed value of HDFCs of \$10,452 per apartment in an HDFC building. Thus, in a 20-unit HDFC, the DAMP tax exemption caps the assessed value of the HDFC at \$207,480 and thereby effectively caps the HDFC’s resulting real restate liability (at a current tax rate of 12.892%) at \$26,748.

limitations on the assets and other real property owned by HDFC shareholders. The fate of the City's proposed local legislation is uncertain.

The City's proposed local legislation was met with widespread opposition by HDFC community groups and other stakeholders. Most HDFCs understand that if they continue to receive the benefits of the DAMP tax exemption then they must remain subject to the HDFC program and subject to the pre-existing income limitations. However, HDFCs vigorously oppose the City's proposal to unilaterally revoke the DAMP tax exemption unless the HDFC "voluntarily" subjects itself to a new draconian regulatory regime that was not part of their original regulation.

In light of the uncertainty of the continued availability of the DAMP tax exemption beyond 2029 (and perhaps sooner if the City's proposed local legislation were to be enacted and, as a consequence, the DAMP tax exemption were to be revoked for certain HDFCs that decline to agree to the City's new conditions and regulations), this amendment to the PHFL would make permanent the DAMP tax exemption for HDFCs. Importantly, this change in law would apply to all HDFCs, including those with expired regulatory agreements and other City-imposed income limitations that elect to remain as HDFCs. As an important corollary, the amendment clarifies that HDFCs that elect to remain as HDFCs agree to certain income restrictions under the PHFL as a condition of continued receipt of the DAMP tax exemption.

B. Summary of provisions

Section 1

Section 1 would clarify that HDFCs with expired regulatory agreement or other City-imposed income restrictions are permitted to reincorporate as a private cooperative corporation – consistent with the intent of the 1966 enactment of Article 11 of the PHFL. Nothing in Article 11 precludes dissolution of an HDFC once a regulatory agreement or other valid city-imposed income restriction expires.⁵ However, as described below, there has long been uncertainty as to the legal status of HDFCs with expired regulatory agreements or expired City-imposed income restriction expires. This section removes that cloud of uncertainty.

Section 573(5) of the PHFL requires permission of the HPD commissioner when an HDFC desires to amend its certificate of incorporation but not when the shareholders of an HDFC elect to dissolve the HDFC. Section I preserves that distinction in law. Section 1 makes clear that the corporate law concepts of “amendment” and “dissolution” – as recognized in the Business Corporation Law (BCL) – are separate and distinct, and may not be conflated. Section I incorporates by reference the BCL’s separate treatment of “amendment” and “dissolution.”

Section 1’s clarification of the meaning of “amendment” in section 573(5) of the PHFL -- by reference to sections 801 and 805 of the Business Corporation Law -- is also appropriate in light of the fact that most City-sponsored HDFCs are incorporated under **both** the PHFL and the BCL. By incorporating into the PHFL the long-established BCL approach to the distinct concepts of “amendment” and “dissolution,” Section 1 removes uncertainty by harmonizing the

⁵ Absent a statutory provision to the contrary (and subject to the rights of creditors and taxing authorities), any corporation or other business entity may exercise its right to dissolution by a vote of its constituent shareholders.

respective provisions of the PHFL and BCL – each of which presently apply to most City-sponsored HDFCs.

The reasons for Section 1 not only relate to a clarification of the legislative intent (*i.e.*, that HDFCs coops are not restricted from reincorporating once regulatory agreements and other City-imposed income restrictions have expired).⁶ The need for Section 1 also arises on equitable grounds – *i.e.*, as a fulfillment of the express promises set forth in City-drafted HDFC governing documents and property deeds that accompanied the formation of City-sponsored HDFCs from the early 1980s onward. As previously noted, the resale restrictions entered into by and between the City and 1980s and 1990s-era HDFCs expressly state that the HPD Commissioner’s authority to consent to the transfer of real estate held by HDFC remains in effect only for the term of the regulatory agreement. In the 1980s this period was ten years. By the late 1980s, the City extended this period to 25 years for newly incorporated HDFCs. More particularly, the express language in both the HDFC deed and the Certificate of Incorporation set forth a fixed term for the duration of the HPD Commissioner’s authority to consent to the transfer of HDFC property and a fixed term for the Commissioner’s authority to consent to HDFC dissolution. HDFC homeowners reasonably relied on language in their governing documents (including the HDFC Certificate of Incorporation and the property deed) that conferred authority on the HPD Commissioner to regulate the HDFC only for so long as these restrictions remained in effect.

Moreover, the entire 35-year history of the City’s HDFC program further supports the conclusion that HPD’s authority over HDFCs is not perpetual and, further, that HPD did not intend to assert heavy-handed regulatory authority over HDFCs after the expiration of resale

⁶ Additionally, an HDFC is not eligible to re-incorporate unless and until it renounces any tax incentives that it receives pursuant to section 577 of PHFL (*i.e.*, the DAMP tax exemption). For further discussion of this point, see Section 2 of the proposed legislation.

restrictions. As one commentator has observed:

The prevailing narrative is that as prices have risen HDFCs and their shareholders have perverted the intent of the HDFC coop program which was always intended to preserve their coop apartments for low income occupancy in perpetuity.” In fact, this ... has never been the program of HPD... The program has **not** been designed to preserve apartments for low income occupancy in perpetuity.

[Larry McGaughey, “New HPD Regulatory Agreement for HDFCs,” unpublished paper presented at the Council of New York Cooperatives, November 13, 2016, at 7 (emphasis added)].

Notwithstanding all of the foregoing, the City’s present position is that it retains the authority to regulate HDFCs in perpetuity – even though nothing in the PHFL provides the City with that authority. To the extent that there is any lingering uncertainty in the PHFL concerning this issue, Section 1 clarifies that the City lacks such authority for perpetual regulation of HDFCs once any regulatory agreement or other income restriction expires.⁷

The salutary public purpose served by Section 1 is the protection and promotion of the autonomy and self-determination of the residents of HDFC co-ops. HDFC residents are entitled to realize at least some of the benefits of homeownership and “the American dream” (after a fixed period of years in the program) in the same way that tens of millions of other American

⁷ In 2015, the New York Attorney General issued an opinion to the effect that HDFC cooperatives could never opt-out of the PHFL and that they were subject to the perpetual regulation of the HPD Commissioner. See New York Attorney General, “Guidance on Housing Development Fund Corporations Seeking to Transfer or Sell Property for, or Otherwise Convert Property to Market-Rate Use” (hereafter “Guidance”). The Attorney General reached this conclusion based on his determination that the statutory term “amendment” – as used in Section 573(5) of the PHFL – encompassed and implied the Commissioner’s *additional* authority to consent to the dissolution of an HDFC. The Attorney General’s Guidance is incorrect as a matter of law, in that it misconstrues the plain text of the HDFC statute as well as ignores the distinct treatment of the concepts of “amendment” and “dissolution” in other New York corporate law settings, including the BCL. In any event, Section 1 of the proposed legislation eliminates any ambiguity with respect to this issue that was created by the Attorney General’s 2015 Guidance.

homeowners have acquired a nest egg. Indeed, every other form of government sponsored cooperative housing in New York is given the opportunity to opt-out of the program after a fixed period of years (usually 20 years), including, for example, residents of Mitchell-Lama middle-income co-ops and Redevelopment Companies.⁸ From an equitable standpoint, there is no reason to treat the resident-owners of HDFCs differently than the resident-owners of Mitchell-Lama co-ops, Article V co-ops or all other forms of housing authorized by the PHFL.

The strengthening of HDFC self-determination and autonomy is an important objective of this legislation. But so too is the promotion and protection of HDFC affordability. *These two objectives are not inconsistent.* As previously noted, the proposed legislation advances both objectives by providing inducements for HDFCs (with expired regulatory agreements or resale restrictions) to voluntarily agree to remain as affordable housing. This approach is consistent with the legislative approach formally adopted in all other forms of government-sponsored or -assisted housing authorized by the PHFL. Indeed, this approach is wholly consistent with the *existing* Article 11 of the PHFL.

⁸ Limited-profit housing companies (popularly known as “Mitchell-Lama housing”) are permitted by statute to go private after 20 years. See PHFL § 35(2). Limited-dividend housing companies (a program quite similar to the Mitchell-Lama program) also are permitted by statute to go private after 20 years. See PHFL § 96(1). Redevelopment companies are permitted to go private after the expiration of the tax exemption granted to the company. See PHFL § 123(1).

As more fully discussed in the text above, the HDFC Act (i.e., Article XI of the PHFL) also allows HDFCs to go private but does so in a different way than the above-cited counterpart statutory provisions that govern other forms of government-assisted housing. The HDFC Act does not set forth a fixed term of years after which HDFCs may exercise their option to go private. Instead, the HDFC Act provides that the HPD Commissioner’s authority to control HDFCs (including granting or withholding consent to HDFC dissolution and granting or withholding consent to the conveyance of HDFC real property) remains in effect only for so long as the HPD regulatory agreement remains in effect. See PHFL § 576(1)(e). Furthermore, an HDFC co-op that opts-out of the program would be required to forsake the DAMP tax exemption. See PHFL § 577.

Section 2

Section 2 restates explicitly what is implicit in the current law. In particular, Section 2 clarifies that an HDFC that is no longer subject to a regulatory agreement or is no longer subject to City-imposed contractual and/or deed restrictions shall continue to be subject to the regulation and oversight of the commissioner or supervisory agency *provided* that the HDFC continues to elect to receive a tax exemption pursuant to section 577 of the PHFL. However, if an unregulated HDFC elects not to receive a tax exemption pursuant to section 577 of the PHFL, then it shall cease to be subject to the regulation and oversight of the commissioner or supervisory agency. In that event, the HDFC is free to consider other ownership and management options, including re-incorporation under a law other than the PHFL.

Section 3

Section 3 implements the affordability provisions of the proposed legislation. This section codifies into the statutory law the inducements for HDFCs (with expired regulatory agreements or resale restrictions) to voluntarily agree to remain as affordable housing: *i.e.*, the continued availability (and strengthening) of tax incentives and/or subsidized financing. Section 3 removes the 40-year fixed term of the existing tax exemption and makes the tax exemption permanent.⁹

Section 3 also codifies a new tax benefit for HDFCs: a real estate tax abatement equivalent to 150 percent of the tax abatement for most conventional housing cooperatives authorized by Real Property Tax Law 467-a. The rationale for this new tax benefit is based on a quirk in current law. By way of background, the Legislature (subsequent to the enactment of

⁹ As previously noted, this approach is consistent with the legislative approach formally adopted in all other forms of government-sponsored or -assisted housing authorized by the PHFL.

PHFL 477) enacted RPTL 467-a, which granted a real estate tax abatement to virtually all housing cooperatives in New York City *other than HDFCs*.¹⁰ The conventional tax abatement contains no income restrictions or similar eligibility requirements. A luxury co-op on Park Avenue is eligible for a conventional co-op tax abatement.

Currently, a conventional co-op that is assessed at \$50,000 per unit or less is eligible for a tax abatement of 28.1 percent. A conventional co-op that is assessed above \$60,000 per unit – without any upper limit to assessed value – is subject to a 17.5 percent tax abatement. However, under current law, HDFCs that receive the DAMP tax exemption are **not** eligible to receive either the 28.1 percent conventional tax abatement or the 19 percent conventional tax abatement. See RPTL § 467-a(b) (providing that housing cooperatives that receive most other real estate tax incentives are not eligible to receive the conventional co-op tax abatement). This places many income-restricted HDFCs co-ops in the anomalous position of receiving *less* of a tax benefit than a conventional co-op without any income restrictions whatsoever.

Although HDFCs *do* receive the DAMP tax exemption in lieu of the conventional co-op tax abatement, the application of the DAMP tax exemption to many HDFC co-ops is not nearly as valuable as would be the application of the conventional co-op tax abatement. This is so because the conventional co-op tax abatement provides a dollar-for-dollar reduction in real estate tax liability. By contrast, the DAMP tax exemption merely provides a cap on assessed valuation (and thereby a cap on the resulting real estate tax liability). If an HDFC's assessment is already

¹⁰ A housing cooperative is ineligible to receive conventional co-op tax abatement if it receives certain other real estate tax incentives. Because City-sponsored HDFC co-ops receive the DAMP tax exemption, these co-ops are ineligible to receive the conventional co-op tax abatement.

below the DAMP “cap,” then the HDFC receives no tax benefit at all.¹¹

Section 3 remedies this anomaly by providing that HDFC co-ops are entitled to *either* the benefits of a conventional co-op tax abatement and the DAMP tax exemption.¹² The point is that – as a matter of fairness and equity -- an HDFC income-restricted co-op should receive *at least* the tax benefit that a market-rate co-op receives. Section 3 goes further – and provides that HDFC co-ops are entitled to the greater of 150 percent of the conventional co-op tax abatement or the DAMP tax exemption. This increased benefit is a recognition that HDFC co-ops are entitled to greater benefits than market-rate co-ops – as a vital means to promote and protect housing affordability in New York City and as a means to provide financial stability to HDFCs. The benefit also is intended as an inducement for current HDFC co-ops (with expired regulatory agreements or expired income restrictions) to make a long-term commitment to remain as income-restricted HDFCs – rather than exercising their right to reincorporate as another form of housing cooperative that is not subject to income restrictions.

¹¹ Many of the HDFC co-ops that do not receive *any benefit whatsoever* from the current DAMP tax exemption are located in the lowest income neighborhoods. The reason is obvious: real estate values are generally lower in the lowest income neighborhoods. Because the DAMP tax exemption provides only a cap – not a reduction – in taxable assessed valuation, HDFCs co-ops in the lowest income neighborhoods often are assessed at under the DAMP cap and hence receive no tax benefit. *However, these HDFC co-ops are among those most in need of financial assistance.* Section 3 redresses a major inequity in the current system of tax benefits provided to HDFCs by providing assistance to all HDFCs, including HDFCs that do not benefit from the current DAMP tax exemption.

¹² Section 3 adopts the current level of the DAMP tax exemption – a cap of \$10,452 per dwelling unit for tax year 2019-20 – and limits future increases in the cap to 2.5 percent per annum. Under current law, the DAMP tax exemption cap automatically increases at the rate of 6 percent per annum. That increase is far in excess of recent annual increases in the cost of living. For example, the U.S. Department of Labor reports that the New York/New Jersey Consumer Price Index increased by 1.7 percent for the 12 months ending as of July 2019. Thus, an annual increase in the DAMP tax exemption cap of 2.5 percent is fair and reasonable – in that it is fully consistent with recent historic trends in cost-of-living increases.

Section 4

Section 4 extends the authority of the City of New York to offer special tax relief to HDFC co-ops that are in severe fiscal distress and that are in danger of tax foreclosure by reason of unpaid real estate taxes. Such tax relief is conditioned on the HDFC co-op agreeing to enter into a special regulatory agreement in which the City exercises appropriate oversight and monitoring of the HDFC.

Current legislation was enacted in 2002 and authorized tax forgiveness only for HDFCs that “[as of] January 1, 2002 had outstanding municipal real estate taxes relating to any period prior to January 1, 2001.” This baseline year for tax forgiveness (i.e., tax arrears as of 2001) has never been updated to a more current tax year.

Section 4 updates the baseline year so that the City has the flexibility to offer tax forgiveness (in appropriate cases and subject to strict controls set forth in current law) for HDFC co-ops that are at risk of tax foreclosure.

In this way an HDFC co-op is saved from tax foreclosure, and may thereby provide sustainable and affordable housing for years to come. This is critically important -- not just for the HDFC shareholders themselves – but also for neighborhood stability.

Testimony of the HDFC Coalition Policy Committee: Michael J. Palma, April Tyler, John McBride, Tina DiFelicianantonio, and Peter S. Green

To the Committee on Housing and Buildings: Chair Robert E. Cornegy, Jr., Fernando Cabrera, Margaret S. Chin, Rafael L. Espinal, Jr., Mark Gjonaj, Barry S. Grodenchik, Farah N. Louis, Bill Perkins, Carlina Rivera, Helen K. Rosenthal, and Ritchie J. Torres

Testimony in favor of Int. No. 1783-A: A Local Law amending the administrative code of the City of New York to exclude HDFC cooperatives from the housing portal.

January 13, 2020, City Council Chambers – City Hall

TESTIMONY:

Thank you Council Member Cornegy, Jr. and members of the Committee on Housing and Buildings for the opportunity to testify in support of Int. No. 1783-A, which would provide a much-needed amendment to Local Law 64 by excluding HDFC cooperatives from HPD's housing portal.

My name is Michael Palma, and I am seated here with April Tyler, John McBride and Tina DiFelicianantonio of the HDFC Coalition's Policy Committee.

On behalf of the HDFC Coalition and the 30,000 families who live in 1,200 HDFCs, we would like to express our strong and emphatic support of Int. 1783-A.

The HDFC Coalition has been, and remains, ever vigilant when City or State policy is developed for HDFCs, especially when well-meaning legislation has adverse, unintended consequences for HDFC coops and their shareholders.

The HDFC Coalition began its advocacy work in 1992. Twenty-eight years later, we continue our efforts to assist HDFC shareholders in preserving and protecting their homes.

We work with city and state elected officials, community boards, and HDFCs throughout the City, primarily in Manhattan, Brooklyn, and the Bronx — where the majority of HDFCs are situated.

Through our collective efforts, we have been successful in preserving HDFC affordable homeownership by:

- Securing HDFC's an exemption from Tax Lien Sales in 1994.
- Successfully advocating for State-sponsored tax forgiveness in early 2000
- Saving distressed HDFCs from foreclosure, both in the past and the present,
- Objecting to the Third-Party Transfer Program as it devolved into a land grab instead of being used as a mechanism to turn buildings abandoned by landlords into HDFC cooperatives.

- Helping to protect New York City's water supply by fighting against the sale of land around our watersheds.
- More recently, the HDFC Coalition mounted advocacy efforts to prevent HPD from imposing an onerous and impractical one-size-fits-all regulatory agreement. We drafted a Counter Proposal to HPD's proposed RA.
- Additionally, we worked with pro bono attorney Steve Siegel to draft badly-needed changes to update the state's 1960s-era Private Housing Finance Law to ensure the continued viability of the 1,200 HDFC cooperatives located in New York City.

Now, HDFC homeowners are faced with yet another threat to their survival and their right to self-determination by the enactment of Local Law 64.

It is important to note that LL64 was intended to crack down on sophisticated developers receiving 421-a and J-51 tax breaks who were not registering their affordable rental units as being rent stabilized with the New York State Homes and Community Renewal.

However, as it is now written, Local Law 64 requires every single HDFC shareholder to comply with onerous provisions or face fines amounting to tens of thousands of dollars. We need to remember that these HDFC co-op apartments are privately owned homes, not public housing, and should be treated as such.

HDFC home ownership is in danger of diminishing if individual homeowners and HDFC co-ops are forced to comply with burdensome, confusing, impractical, and counterproductive obligations imposed by LL64.

LL 64 presently requires HPD to create a "Housing Portal", which will be a massive government database on which every individually owned HDFC apartment is required to be listed.

Each year, HDFC homeowners will be legally compelled to comply with requirements that are not only burdensome but also constitute a gross invasion of privacy by demanding that substantial personal information is posted on the portal.

In addition, if their apartment becomes available for sublease or sale, every single HDFC shareholder is required to post this information on the HPD website.

The practical difficulties and burdens created by LL64 are summarized in testimony provided by HPD Deputy Commissioner Anne-Marie Hendrickson in hearings before the City Council held in 2016, in which she said:

(1) LL64 "impose[s] new enforcement burdens on HPD by requiring that the agency monitor all owners' acknowledgements and acceptance of applications, enforce penalties flowing from private actions relating to the posting of information and investigate all claims that owners are stalling on reviewing applications or proceeding with rent-up";

(2) LL64 requires "individual owners ... to respond to as many as a thousand individual applications for one unit and spend considerably more funds to manage their leasing process"; and

(3) LL64 "impose[s] significant new obligations" on unit owners.

For example, a homeowner is obligated to respond "to as many as a thousand individual applications for one unit."

An owner who is unable to "reply in a timely manner [to an application] indicating receipt of an application may be sued or fined with substantial penalties."

The demands imposed on thousands of people include fines of up to \$2,000 a month that will need to be paid by low- and middle-income owners, retirees, the elderly, and those on fixed incomes can give rise to fiscal instability.

Keep in mind that the severity of these fees were originally aimed at developers with rental buildings skirting the law, not private homeowners.

Also, keep in mind that those without access to computers, those without technical prowess, those who are limited due to disability, and those for whom English is a second language will likely be unable to comply with the demands imposed by this law.

It is a virtual certainty that a homeowner's obligation to "respond to as many as a thousand individual applications for one unit" will cause widespread confusion and anxiety among the most vulnerable of our citizens.

Inexplicably, nothing in LL64 anticipated -- let alone addresses -- any of these complex issues, which will inevitably result in widespread noncompliance. While developers may view financial penalties as part of "the cost of doing business," the imposition of those fees are exorbitant for those who can least afford them.

It is imperative for LL 64 to be amended by enacting Int. No. 1783-A so that the intent of this law is absolutely clear, that is, to regulate the registration of developers' rental units on the housing portal, *not* private coops. It will be of no relief to HDFC homeowners to learn that instead of amending this ill-conceived law, their elected representatives side-stepped this problem and instead left these serious issues to be handled through rule-making under the law or other measures enacted by HPD.

Indeed, HPD itself has acknowledged -- through the testimony of its Deputy Commissioner -- that these concerns are not susceptible to resolution and are intrinsic to the law itself. We share HPD's expressed view that the obligations imposed by LL64 on individual homeowners are overly burdensome, confusing, impractical, and counterproductive.

To these very grave concerns, we add another, that in all likelihood was also unanticipated:

The onerous obligations imposed on HDFCs, as detailed by HPD's Deputy Commissioner, may have a chilling effect on the ability of eligible lower- and moderate income New Yorkers to actually buy a home in an HDFC cooperative.

More specifically, due to compliance and liability issues, lenders may limit their support, and in some cases even withdraw, from the HDFC marketplace. This means that potential homeowners who need to rely on financing would essentially be shut out of homeownership. Instead, those with the resources to pay cash would end-up being the primary purchasers of HDFC apartments.

In its present form, Local Law 64 will have the perverse and unintended effect of making home buying less affordable to the very people who are intended to benefit from the HDFC program, namely, hardworking New Yorkers of low- and moderate-income.

Accordingly, the HDFC Coalition supports Int. 1783-A to limit the applicability of Local Law 64 to landlords and developers of rental buildings, and to fully exempt HDFC private homeowners from the onerous obligations imposed by Local Law 64.

Thank you for your time and attention. We welcome you questions and hearing your concerns.

November 29, 2019

Introduction to the "HDFC Self-Determination and Affordability Act of 2019"

Dear fellow HDFC shareholder:

The HDFC Coalition Policy Committee worked with attorney Steven Siegel in 2018-2019 to develop a legislative proposal to change the New York State Private Housing Finance Law (PHFL) entitled the "HDFC Self-Determination and Affordability Act of 2019." The PHFL regulates how corporations such as Housing Development Fund Corporations (HDFCs) can operate, and changes to the PHFL can be powerful.

We undertook this effort to draft legislation ourselves because we feel that HDFC shareholders are the most important stakeholders in the shaping of our collective future. And we don't believe that recent efforts by government to overregulate HDFC co-ops have been designed to properly assist or respect the HDFC shareholders who saved their buildings and the neighborhoods that they live in, and by doing so helped restore the real estate tax base of NYC following the City's fiscal crisis.

The tax break for HDFCs, known as DAMP, that allows our co-ops to be affordable expires in 2029. And HDFC co-ops have for decades have to some degree been left in a legal limbo as to their rights and status. Although these issues need addressing, we feel that recent attempts by government to restrict and reform HDFC co-ops have been, overall, an attempt to convert our privately-owned homes into public housing.

The HDFC Policy Committee's original plan was to first complete the draft of our "HDFC Self-Determination and Affordability Act of 2019" and then to share it citywide with HDFC shareholders. After getting comments, ideas and input on the draft from the HDFC shareholder community, we were to then revise the draft as needed and present it to elected officials for consideration.

We recently learned, however, that Assembly Member Harvey Epstein, who represents District 74 of Manhattan's Lower East Side, plans to soon introduce his own draft of a bill to amend the PHFL. We understand that Assembly Member Harvey Epstein has consulted on his draft with the New York City Department of Housing Preservation and Development (HPD), UHAB, the New York State Attorney General's office, Legal Aid, the NYS Department of Housing and Community Renewal (DHCR), attorneys in private practice and other elected officials. (Epstein's anticipated new bill would be in addition to the already introduced bill A06992-2019, which would renew tax forgiveness for HDFCs with tax arrears.)

Because it has become clear that an effort to change the PHFL is already underway, the HDFC Coalition Policy Committee felt it best to publicly share our draft now and to seek comment from the HDFC shareholder community and others. The HDFC Coalition Policy Committee welcomes your comments, ideas and suggestions.

This is an introduction to a new legislative proposal that is intended to resolve important issues facing over 1,100 housing cooperatives formed as housing development fund corporations (HDFCs) under Article 11 of the New York Private Housing Finance Law (PHFL). The proposed legislation and memorandum in support are enclosed.

The statute governing HDFCs was enacted over fifty years ago. The statute does not reflect the current realities affecting this vital sector of affordable housing. Tens of thousands of HDFC shareholders and their families need timely legislative intervention to ensure the continued affordability and preservation of their homes -- and in a manner that does not infringe upon the right of self-determination of each HDFC cooperative.

Most HDFC cooperatives were sponsored by the New York City Department of Housing Preservation and Development (HPD). These co-ops are bound by time-limited restrictions, as is also the case with every other type of government sponsored private housing authorized by the PHFL. For a substantial portion of these HDFCs, the time limited restrictions have expired.

The proposed legislation has three overriding goals: (1) to protect and promote the self-determination of HDFC co-ops; (2) to provide strong incentives for HDFC co-ops with expired controls to agree to remain as affordable housing; and (3) to ensure that the HDFC co-ops that agree to remain as affordable housing are in sound condition and are economically self-sufficient. These three overriding objectives are complementary.

To achieve these objectives, the bill would make clear that HDFC co-ops may exercise control over their own destinies when restrictions expire. At the same time, the bill would provide substantial tax incentives so that HDFCs will affirmatively choose to remain as affordable housing subject to income restrictions, consistent with democratic principles of self-governance. This approach is a matter of basic fairness and justice; is consistent with the promises given to HDFCs over the past thirty years; and is in full accord with how all other government-sponsored private housing under the PHFL is treated (such as Mitchell-Lama housing and Article V redevelopment companies). Most importantly, this approach will ensure the long-term economic viability of affordable HDFC co-ops.

The particular financial and legal challenges facing HDFCs today cannot be fully understood without an appreciation of the extraordinary role that HDFCs played in New York's housing crisis of a generation ago. Beginning in the early 1980s, New York City adopted the HDFC form of housing cooperative as a means to divest itself of -- and revitalize -- its tax-foreclosed multifamily housing stock. At the time the City was experiencing large-scale abandonment of its private low- and middle-income multifamily housing stock. In response to this housing crisis, the City determined to turn over the ownership and management of many City-owned tax-foreclosed multifamily buildings to the existing tenants in the form of HDFC co-ops. Over the past few decades the City's HDFC initiative proved to be one of New York's most enduring housing success stories. Tens of thousands of resident-shareholders of HDFCs played an important role in the stabilization and preservation of New York City's multifamily housing stock in the period following the City's fiscal crisis of the 1970s and 80s. The City's large-scale creation of HDFC co-ops was a major policy innovation and was an important part of the City's response to the housing crisis of that era.

All government and community stakeholders benefitted from the large-scale creation of HDFCs. The City benefitted by reducing its enormous portfolio of tax-foreclosed apartment buildings at a time when the buildings were a substantial burden to the City and when there was virtually no private market for these properties. The residents benefitted by the preservation and upgrading of their own buildings and by becoming homeowners for the first time. And the surrounding communities benefitted by the stabilization of the neighborhood, the upgrading of housing and by the transformation of a rental community into a homeownership community.

As previously noted, the regulatory controls placed on HDFCs were time-limited. Consequently, the HDFCs that were created in the 1980s and 1990s have regulatory controls that already have expired or will soon expire. For this class of HDFCs, there is a great deal of uncertainty as to their legal status and their financial future. This proposed legislation clarifies the legal status of HDFCs with expired regulatory controls in a way that protects and promotes their autonomy and self-governance while strengthening the inducements for these HDFCs to voluntarily agree to continue to operate as affordable housing.

Specifically, our legislative proposal would:

1. **Ensure that HDFCs can remain as affordable housing through a new real estate tax benefit.** The proposed legislation codifies into the statutory law the inducements for HDFCs with expired regulatory agreements or resale restrictions to voluntarily agree to remain as affordable housing with the continued availability (and strengthening) of tax incentives and/or subsidized financing. The bill removes the 40-year fixed term of the existing tax exemption and makes the tax exemption permanent. The bill also codifies a new tax benefit for HDFCs: a real estate tax abatement equivalent to 150 percent of the tax abatement for most conventional housing cooperatives authorized by Real Property Tax Law 467-a. The rationale for this new tax benefit is based on a quirk in current law. By way of background, the Legislature (subsequent to the enactment of PHFL 477) enacted RPTL 467-a, which granted a real estate tax abatement to virtually all housing cooperatives in New York City *other than* HDFCs. The conventional tax abatement contains no income restrictions or similar eligibility requirements. A luxury co-op on Park Avenue is eligible for a conventional co-op tax abatement.

Although HDFCs do receive the DAMP tax exemption in lieu of the conventional co-op tax abatement, the application of the DAMP tax exemption to many HDFC co-ops is not nearly as valuable as would be the application of the conventional co-op tax abatement. This is so because the conventional co-op tax abatement provides a dollar-for-dollar reduction in real estate tax liability. By contrast, the DAMP tax exemption merely provides a cap on assessed valuation (and thereby a cap on the resulting real estate tax liability). If an HDFC's assessment is already below the DAMP "cap," then the HDFC receives no tax benefit at all.

The bill remedies this anomaly by providing that HDFC co-ops are entitled to either the benefits of a conventional co-op tax abatement or the DAMP tax exemption. The point is that – as a matter of fairness and equity -- an HDFC income-restricted co-op should receive at least the tax benefit that a market-rate co-op receives. The bill goes further – and provides that HDFC co-ops are

entitled to the greater of 150 percent of the conventional co-op tax abatement or the DAMP tax exemption. This increased benefit is a recognition that HDFC co-ops are entitled to greater benefits than market-rate co-ops – as a vital means to promote and protect housing affordability in New York City and as a means to provide financial stability to HDFCs. The benefit is also intended as an inducement for HDFC co-ops with expired regulatory agreements or expired income restrictions to make a long-term commitment to remain as income-restricted HDFCs, rather than exercising their right to reincorporate as another form of housing cooperative not subject to income restrictions.

2. **Renew the existing authority under the PHFL for financially distressed HDFCs to apply for real estate tax forgiveness.** Current legislation was enacted in 2002 and authorized tax forgiveness only for HDFCs that “[as of] January 1, 2002 had outstanding municipal real estate taxes relating to any period prior to January 1, 2001.” This baseline year for tax forgiveness (i.e., tax arrears as of 2001) has never been updated to a more current tax year. The proposed legislation updates the baseline year so that the City has the flexibility to offer tax forgiveness (in appropriate cases and subject to strict controls set forth in current law) for HDFC co-ops that are at risk of tax foreclosure. In this way an HDFC co-op is saved from tax foreclosure and may thereby provide sustainable and affordable housing for years to come. This is critically important -- not just for the HDFC shareholders themselves – but also for neighborhood stability.
3. **Clarify that HPD supervision extends to all HDFCs under current deed restriction or regulatory agreement and while the HDFC elects to receive the proposed new tax abatement.** The legislation would clarify that HDFCs with expired regulatory agreements or other City-imposed income restrictions may determine their own future. The legal status of HDFCs with expired regulatory agreements or expired City-imposed income restrictions has long been uncertain. This section removes that cloud of uncertainty.

The strengthening of HDFC self-determination and autonomy is an important objective of this legislation. But so too is the promotion and protection of HDFC affordability. These objectives are not inconsistent. As previously noted, the proposed legislation advances each of these objectives by providing inducements for HDFCs with expired regulatory agreements or resale restrictions to voluntarily agree to remain as affordable housing. This approach is consistent with the legislative approach formally adopted in all other forms of government-sponsored or -assisted housing authorized by the PHFL. Indeed, this approach is wholly consistent with the existing Article 11 of the PHFL. We believe that these proposed legislative changes provide proper balance between the existing property rights of HDFC shareholders and the decades of historically-consistent degree of HPD oversight and income guidelines for HDFCs, with the goals of preserving affordable housing for resident-owners.

Again, we welcome your comments, ideas and suggestions.

Sincerely,

The HDFC Coalition, Policy Committee

February 6, 2018

Hon. Anne-Marie A. Hendrickson
Deputy Commissioner
Office of Asset & Property Management
New York City Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038

Dear Ms. Hendrickson:

In response to your request for comment on HPD's original proposal for a new Regulatory Agreement (RA) for HDFC cooperatives, the HDFC Coalition is pleased to provide such via this letter and our own attached proposal for your review in advance of our upcoming in-person meeting with you and your staff at the offices of HPD.

What does the HDFC Coalition propose for the future of HDFC cooperatives?

Our attached proposal for HDFC co-ops provides four pathways for continued affordability, for co-ops that do, and co-ops that do not, wish to sign a Regulatory Agreement. Our alternative proposal for HDFCs has been extremely well received by the HDFC shareholder community. A first draft was submitted for review to over 1,000 shareholders, and subsequently revised to reflect comments and suggestions from shareholders who responded to our survey.

Some key points of the HDFC Coalition proposal:

- The DAMP tax exemption for HDFC co-ops would be preserved as-is until its legislated expiration in 2029, so that all choices for HDFCs are truly optional.
- A new HDFC tax exemption would overlap, not replace, the DAMP tax exemption.
- Optional plans for HDFCs would be available in 2019, or HDFCs can wait until 2029.
- All participating HDFCs would restrict sales to those making no more than 165% of AMI, and would get a deeper tax exemption reflective of the level of restriction.
- All participating HDFCs would be offered at least twice the discount of the market rate co-op/condo tax abatement, as HDFC co-ops provide affordable housing and our residents need the monthly maintenance charges to remain affordable to their families.
- HDFCs that aren't able to, or do not wish to sign a RA would still receive a tax exemption to preserve affordability (Option "A").
- HDFCs providing annual reports to HPD receive a greater tax discount (Option "B").
- HDFCs signing a basic RA would receive even more tax relief (Option "C").
- HDFCs in financial distress signing a stronger RA would pay no taxes (Option "D").
- Any HDFC desiring greater income restrictions can adopt a lower percentage of AMI.

Why does the HDFC Coalition see HPD's current proposal for HDFCs as problematic?

The HDFC Coalition supports the goal of preserving HDFC cooperatives as both affordable and viable cooperative housing owned and controlled by their resident-shareholders. Unfortunately, we find that HPD's currently proposed RA must be rejected in its entirety, as we see it to be extremely onerous, punitive, complex, and generally unworkable. The HDFC shareholder community is dynamic, proud, vibrant and diverse. HPD's "one-size-fits-all" RA, and proposed revocation of the DAMP tax exemption by the City Council, has been rejected by almost the entire HDFC community and many elected officials.

Further, key parts of HPD's RA proposal for HDFC co-ops are violations of New York Business Corporation Law, such as HPD-approved "monitors" with more power than a co-op's board and "carve-outs" that would make shares of original residents worth less than shares of newer residents. Never-anticipated restrictions, such as price caps on future sale prices, would cause commercial lenders to stop issuing share loans for purchases of HDFC apartments, thereby rapidly destabilizing the market and ensuring even more cash sales. HPD's implementation plan for the proposed RA is premised upon a revocation by the City Council of the HDFC "DAMP" tax exemption before its expiration in 2029, a breach of contract by the City for HDFC co-ops with deeds promising the tax exemption. Revoking the DAMP exemption would also cause many HDFCs that couldn't attain a supermajority shareholder vote in favor of signing the RA to be suddenly charged market-rate real estate taxes by the City, sending HDFC co-ops into rapid economic distress and foreclosure. Moreover, while HPD sold abandoned buildings as HDFC cooperatives to new shareholders with clear time-limited restrictions on deeds, a revisionist history from HPD now purports that HDFC cooperatives are forever beholden to HPD.

Many HDFC shareholders who have given their lives to saving formerly dilapidated buildings are astonished at the City's intent to destroy HDFC homeowner equity, achieved fairly through decades of hard work and personal investment, especially since HPD previously endorsed equity increases by taking 40% of profits from apartment sales in many HDFCs through 25-year "60/40" Security Agreements previously imposed by HPD. And HPD has for decades used the income restriction of 165% AMI for new buyers for HDFCs with expired restrictions, and for many new HDFC co-ops created by HPD. HPD's plan to reduce the AMI level from 165% to 120% AMI for buyers, and sale prices geared to 110% AMI, would reduce shareholder equity by design.

HDFCs are affordable and sell for below market rate. Data from recent sales shows that 32% were below \$100,000 and 75% were below \$326,000. This year, a banker described to us an HDFC co-op selling in Brooklyn for \$300,000 vs. a similar apartment nearby that sold for \$1.3 million, so the HDFC apartment was \$1 million less than the market rate co-op apartment.

It is also frustrating that HPD seems to have completely overlooked the fact that while typically less than 1% of HDFC co-op apartments are for sale in a given year, 100% of HDFC shareholders

must be able to afford their monthly maintenance. *HDFC affordability, then, is determined by the cost of monthly maintenance for all co-op residents, not by sales prices of a very few apartments,* and so any plan that threatens to increase HDFC monthly maintenance fees also threatens HDFC affordability. Moreover, any threat to the affordability of individual resident-shareholders is also a threat to the overall economic viability of the HDFC cooperative itself.

What are next steps?

The HDFC Coalition believes that our proposal offers multiple pathways for preserving the many different types of HDFC cooperatives. We hope to work productively with you, your staff and HPD towards formulation of policies that can help HDFC cooperatives continue to thrive for years to come.

We look forward to reviewing the attached proposal with you.

Sincerely,

Tina DiFeliciano, Peter Green, John McBride, Michael J. Palma
Members, HDFC Coalition Steering Committee
Members, HDFC Coalition Policy Committee

Cc: Mayor Bill de Blasio
HPD Commissioner Maria Torres-Springer
New York City Council Members
HDFC Coalition Members
Betty Little, NYS Senator and Chair, Housing, Construction and Comm. Dev. Committee
Steven Cymbrowitz, NYS Assemblyman and Chair, Housing Committee

**The HDFC Coalition's Alternative Proposal for Continued HDFC Affordability and Viability
In Response to
A 2016-2017 Proposal by the NYC Department of Housing Preservation and Development**

An outline of the HDFC Coalition's positions on many of the key issues affecting the ability of HDFC cooperatives to continue to thrive while remaining affordable to their shareholders.

Housing Development Fund Corporation (HDFC) cooperatives are a unique and vital part of New York City's privately-owned multi-family housing stock. These co-ops were created in both occupied and formerly vacant buildings that had been abandoned by their landlords in a severely dilapidated state. The City, overwhelmed by the sudden responsibility for over 10,000 abandoned buildings, identified the HDFC corporate form as a means to sell distressed buildings directly to residents and thereby avoid auctioning them off to yet another slumlord. The former tenants, and other low-income people desperately needing housing, banded together to form HDFC cooperatives and become homeowners. The new shareholders bought their buildings from the City for cash, and often restored them with their own money, labor and determination.

The HDFC Coalition's mission is to advocate for HDFC cooperatives and their shareholders, and for the right of self-determination of each HDFC to decide what works best for them. We believe that HDFC co-ops must remain independently-run cooperative corporations within a viable legal framework that keeps them financially sound and well maintained, while affordable to their resident-shareholders, and that creates certainty for shareholders, borrowers and lenders.

The strong sense of self-determination that enabled HDFC shareholders to save their buildings decades ago is alive and well today. Thus, while most HDFCs overwhelmingly oppose any imposition of new restrictions by the City, other HDFCs may choose to vote internally on the issue of enacting lower income limits than required as may be consistent with their shareholders' beliefs. The HDFC Coalition supports the right of self-determination and therefore the individual decisions of each HDFC co-op regarding income restrictions.

HDFC cooperative ownership is one of the few successful models for affordable home ownership in the City of New York. To remain successful, all City policies related to HDFCs must respect the property rights of homeowners, both collectively and as individual shareholders.

Protecting HDFCs is urgent. The Mayor's Department of Housing, Preservation and Development (HPD) is currently proposing to ask the City Council to revoke (before its legislated

expiration in 2029) the DAMP real estate tax exemption for HDFCs that helps keep these co-ops affordable, and to replace it with unspecified tax reductions available only to HDFCs that sign away their rights to self-determination in an onerous and legally problematic proposed “Regulatory Agreement”.

The HDFC Coalition believes that the overall success of HDFC cooperatives – that vast majority of which are operating successfully – indicates the vibrancy and resilience of HDFC co-ops and their shareholders. The Coalition is ready to work with City agencies to find solutions for those HDFC co-ops that need and want help. Above all, we believe that any efforts that would change City policy toward HDFC co-ops must begin with the principle *Primum non nocere*: First, do no harm. Recent attempts by the City of New York to re-regulate privately owned HDFC cooperatives fail to respect this principle and are inimical to the stability and growth of HDFC communities across the City.

The 10 to 25 year restriction period during which HDFCs were initially regulated by HPD has or will expire shortly for most HDFC co-ops. The City must recognize the end of this initial regulatory period, and that not one, but multiple fair and reasonable options must now be offered to HDFCs to preserve affordability after the DAMP tax exemption expires in 2029.

This proposal from the HDFC Coalition addresses many, but not all, of the key issues being discussed around the DAMP tax exemption for HDFCs, proposed regulatory agreements, price caps, monitors, managers, etc. This proposal is meant only to be a first step towards further, more detailed discussions between the HDFC Coalition and HPD, elected officials and HDFC shareholders and shareholder groups.

This proposal, therefore, is neither a final nor comprehensive statement from the HDFC Coalition on the many varied and complex issues facing HDFC cooperatives and shareholders as we approach the expiration of the DAMP tax exemption in 2029. The goal of the HDFC Coalition is to continue to engage all appropriate stakeholders so as to fully participate in the crafting of all policy towards HDFCs. The needs of the HDFC community must be properly and thoroughly addressed so that our cooperative corporations may continue to operate as viable going concerns providing safe and affordable housing for our shareholders.

The HDFC Coalition believes HPD must be guided by the following principles:

- **Transparency and accountability:** HPD must act in an open and transparent way with HDFC shareholders and their boards of directors, and include them in the formulation of all policy making affecting HDFCs.
- **Decision-making informed by real data:** All policy and regulatory initiatives must be data-driven and based on a full understanding of the facts and figures of HDFC operations, including rigorous feasibility studies of any new proposed regulation. The studies and their underlying data must be published in full, and made available in full to HDFC homeowners and elected officials before any such regulation is formally proposed.
- **HDFC affordability means the monthly cost to shareholders, not sales price:** Data shows that less than 1% of HDFC apartments sell in a given year, while 100% of HDFC shareholders must be able to afford their maintenance every month. Revocation of the DAMP tax exemption for HDFCs would destroy affordability for shareholders in HDFCs. The City's attempt to prioritize the *potential* sales price for *apartments that aren't even on the market* over the monthly costs for shareholders would be extraordinarily harmful and a misguided policy if enacted.
- **The role of the City of New York and its agencies:** The City of New York's primary responsibility to HDFC co-ops should be to create and maintain an environment that enables HDFCs to thrive as financially stable affordable housing. The City must also provide struggling HDFC co-ops all available tools to ensure they remain financially viable and independent affordable cooperative housing for their shareholders.
- **Respect for the legal foundation of HDFC cooperatives.** HDFC cooperatives are autonomous, privately owned corporations formed under the Private Housing Finance Law (PHFL) and for the vast majority also under the Business Corporations Law (BCL). HDFC cooperatives are not City-owned public housing. Aspects of HPD's 2016-2017 proposal, such as "monitors" for co-op boards and "carve-outs" (where original shareholders subjected to apartment sale price caps while more recent shareholders would be exempt) would violate the BCL.
- **Continuity of HDFC regulation required for tax relief:** HPD should refrain from both major and incremental increases in regulatory requirements and Regulatory Agreements. It is unrealistic and problematic for HPD to continually increase regulation of privately-owned buildings saved by their shareholders. Regulatory Agreements should not be required, and optional Regulatory Agreements should be minimal.
- **All HDFCs are not alike.** Deeds, contracts, certificates of incorporation, proprietary leases, bylaws and house rules and HPD programs and policies have varied over the years. That, along with decades of self-sufficiency and self-administration, means that all HDFC co-ops

are not alike. As HPD Assistant Commissioner Christopher Allred noted in a landmark paper on HDFCs, “individual HDFCs have unique attributes ... [and] individual needs.”

- **A recognition of the historical contribution of HDFCs.** HDFC co-op shareholders have saved their own buildings through decades of sweat equity and personal financial investment, enabling low-, moderate- and middle-income New Yorkers to remain in homes they can afford, and to achieve the American dream of homeownership and betterment for themselves and their families. HDFC shareholders have made significant contributions to the stabilization and renaissance of New York City’s most distressed neighborhoods.
- **New York City must acknowledge the actual history of HDFC program and terms of sale:** HPD purposely created time-limited restrictions on income levels and HPD’s regulatory authority that for many HDFCs have expired, just as restrictions expire on other forms of affordable housing. HPD has no legal basis to assert perpetual control over HDFC cooperatives. HPD refused to create price caps for 35 years so they are not part of the HDFC program and cannot be retroactively created for many reasons, including loss of shareholder equity and destruction of market for loans, etc.
- **Market forces exist and cannot be ignored.** Many HDFC co-ops and shareholders have private mortgages that would be affected by a new regulatory regime, and any new restrictions such as price caps, asset caps and income caps must be assessed both for their legality and for their certain impact on the future viability of HDFC co-ops.
 - Efforts to impose price caps on HDFC apartments will prevent many banks from lending to HDFC shareholders and to HDFC co-ops themselves, as price caps would reclassify HDFCs as limited equity cooperatives, causing Fannie Mae to withdraw from the loan market for HDFCs.
 - Price caps also inevitably lead to corruption and the payment of “key money”, diverting funds that might have otherwise gone to preserve the building. Any efforts by the City to help struggling HDFC co-ops should not come with additional rules that - inadvertently or not - cause those HDFC co-ops to fail.
- **HDFC shareholders have earned their equity fairly.** There is no legal basis to deny HDFC shareholders the fruit of their labors, and doing so would not be progressive policy. HDFC co-op shareholders of modest means invested their own money and sweat equity to revitalize their homes and their neighborhoods, in an effort to realize the American Dream.
- **Foreclosures must be prevented.** HPD must ensure that HDFC co-ops in need of assistance can secure affordable financing and reliable expertise to maintain their buildings and reduce operating costs. For HDFC co-ops scheduled for foreclosure, every effort must be made to extend technical assistance, reschedule debts, and forgive debts to the City as appropriate, in order to ensure that these co-ops remain owned by their shareholders.
- **Remaining 60/40 agreements should be terminated.** HPD forced many HDFCs to sign 25-year security agreements requiring co-ops to pay directly to HPD 40% of the profit from the

sale of any apartment. These agreements have allowed HPD to profit from sales of HDFC apartments while siphoning off desperately needed funds that could have been allocated for capital improvements and repairs of HDFC buildings.

HDFC Coalition's Alternative Proposal for HDFC Co-ops for the Next 40 Years.

1. Preserve the City and State laws that have been in place for decades, and that are the basis for the existing agreements between the City and HDFC co-ops. HDFC co-ops rely on these laws and agreements to remain viable and affordable for their shareholders.
 - a. Do not change the NY State Private Housing Finance Law (PHFL) (currently via NY State Senate Bill S6543) to destroy HDFC property rights and property values that have been earned fairly through decades of sweat equity, investment and struggle by shareholders who saved abandoned, dilapidated buildings that the City of New York was unable to maintain.
 - b. Do not revoke the existing NYC "DAMP" tax exemption that was legislated to run from 1989 to June 2029, and is contractually promised in property deeds issued by the city to many HDFCs.
2. Offer all HDFC co-ops twice the tax discount value of the existing Cooperative and Condominium Real Estate Tax Abatement beginning June 2019, as HDFCs provide affordable housing to NYC residents while market-rate co-ops and condos do not, and the income of HDFC shareholders is lower to begin with. Those HDFCs that opt for it cannot simultaneously benefit from the DAMP tax exemption.
3. Create a four-tiered "DAMP 2.0" tax exemption that runs from 2019 to 2069.
 - a. HDFCs have from June 2019 to June 2029 (10 years) to transition from existing DAMP to "DAMP 2.0."
 - b. Under DAMP 2.0, optional Regulatory Agreements are available for HDFCs needing more generous tax exemptions to remain viable and affordable.
 - c. All HDFCs must receive a reduction in real estate taxes that is at least equivalent to double the tax discount that the City provides to market rate co-ops and condominiums (i.e. the Co-op and Condo Real Estate Abatement).
 - d. Any HDFC that does not choose to sign, or is unable to sign, any agreement with HPD by 2029 defaults to a simple extension of its existing regulatory framework and the DAMP (see first column in table on next page).
4. Individual HDFCs that wish to voluntarily adopt even lower AMI levels than this proposal indicates for new purchasers may take a shareholder vote to do so, and HPD has indicated willingness to create Regulatory Agreements with lower income restrictions for those HDFCs that achieve a supermajority vote in favor of doing so.

In summary, this proposal provides practical and meaningful incentives for many different types of HDFCs to remain as HDFCs, and to stay both viable and affordable for the next 50 years.

- All HDFCs may keep the existing DAMP exemption until its expiration in 2029.
- All HDFCs will have access to the existing Co-op and Condo Tax Abatement beginning in 2019.
- An optional “DAMP 2.0” exemption becomes available in 2019 with four levels of real estate tax exemption and income and reporting requirements.
- New efforts should be made to help struggling HDFC co-ops, and those facing potential foreclosure.
- Extend useful and necessary technical assistance to HDFCs that will enable them to remain affordable, efficient and well-run cooperatives.
- Any HDFC that wishes to adopt more restrictive income restrictions may do so.

The table on the next pages compares our proposed four options for HDFCs under “DAMP 2.0.” This proposal would require New York City Council approval of a new multi-tiered tax exemption for HDFCs.

- A. A default extension of the DAMP tax exemption for HDFC co-ops that prefer the status quo and decline or are unable to sign any new agreement with HPD. No Regulatory Agreement or reporting requirements to HPD are required, but buyers’ income must comply with PHFL’s Article XI formula or 165% of AMI.
- B. For healthy HDFCs, a restructured DAMP tax exemption protects affordability for its low, moderate and middle income shareholders and recognizes the good stewardship of the HDFC board of directors. No Regulatory Agreement is required, but reporting of co-op data to shareholders and statement from board to HPD that such was provided to shareholders is required, and buyers’ income must comply with PHFL’s Article XI formula or 165% of AMI.
- C. “RA Lite” for HDFCs needing a more generous DAMP tax exemption to remain viable and affordable. 165% AMI income cap for buyers and annual reporting requirements to shareholders and to HPD.
- D. “RA Heavy” for HDFCs that are severely physically and/or financially distressed. 165% AMI income cap for buyers and annual reporting requirements to both shareholders and HPD. Complete exemption of real estate taxes.

Summary Table: HDFC Coalition’s Alternative Proposal for HDFC Co-ops for the Next 40 Years

New “DAMP 2.0” HDFC Tax Exemption Begin: year 2019 End: year 2069	(A) DAMP 2.0 Extension of original DAMP exemption. Optional before 2029, Default tax benefit in 2029 if HDFC does not choose plan B, C or D.	(B) DAMP 2.0 with No RA	(C) DAMP 2.0 with optional RA “Lite”	(D) DAMP 2.0 with optional RA “Heavy” Only for distressed HDFCs and/or to save HDFCs from foreclosure.
General Description	For HDFCs that prefer the status quo, without RA, and/or cannot get supermajority shareholder vote. No reporting required.	For HDFCs that wish to Opt Out of RA and/or cannot get supermajority shareholder vote. Reporting required.	For HDFCs desiring a deeper exemption to remain viable and affordable. Reporting required.	For HDFCs desiring the deepest exemption to remain viable and affordable. Reporting required.
RA Required?	No.	No, but co-op board must report basic information to shareholders and attest to HPD annually data provided.**	Yes, and co-op board must report basic information to shareholders and HPD annually.**	Yes, and co-op board must report basic information to shareholders and HPD annually.**
Income Cap for New Buyers / New Sublets	Must comply with PFHL’s Article XI income formula, or use 165% AMI. Co-op decides which to use as a maximum. Any HDFC’s shareholders can vote to adopt deeper income restrictions if desired.	Must comply with PFHL’s Article XI income formula or use 165% AMI. Co-op decides which to use as a maximum. Any HDFC’s shareholders can vote to adopt deeper income restrictions if desired.	165% AMI Any HDFC’s shareholders can vote to adopt deeper income restrictions if desired.	165% AMI Any HDFC’s shareholders can vote to adopt deeper income restrictions if desired.
Flip Tax on Profit from any sales of	Co-op shareholders determine amount of	Co-op shareholders determine amount of	10% flip tax to co-op. Co-op shareholders	20% flip tax to co-op. Co-op

shares (Co-op receives \$)	flip tax, if any, to be collected.	flip tax, if any, to be collected.	can vote to raise %. Subtract special assessment fees.	shareholders can vote to raise %. Subtract special assessment fees.
Mandatory Price Caps on Apts. <i>However, any HDFC's shareholders can vote to adopt price caps if desired, via a supermajority vote at a properly noticed shareholder meeting.</i>	No, never part of HDFC program, unfair taking of equity, would prevent banks from lending, future values unknown, room count not good measure of value. <i>However, any HDFC's shareholders can vote to adopt price caps if desired.</i>	No, never part of HDFC program, unfair taking of equity, would prevent banks from lending, future values unknown, room count not good measure of value. <i>However, any HDFC's shareholders can vote to adopt price caps if desired.</i>	No, never part of HDFC program, unfair taking of equity, would prevent banks from lending, future values unknown, room count not good measure of value. <i>However, any HDFC's shareholders can vote to adopt price caps if desired.</i>	No, never part of HDFC program, unfair taking of equity, would prevent banks from lending, future values unknown, room count not good measure of value. <i>However, any HDFC's shareholders can vote to adopt price caps if desired.</i>
Carve-outs: two-tier apartment prices for old vs. new shareholders	No, would be violation of Business Corporation Law, unfair to original shareholders.	No, would be violation of Business Corporation Law, unfair to original shareholders.	No, would be violation of Business Corporation Law, unfair to original shareholders.	No, would be violation of Business Corporation Law, unfair to original shareholders.
Asset Caps for Buyers	No	No	No	No

<p>Real Estate Tax Exemption Level (DAMP currently caps taxes at approx. \$1,260/apt./year) *See NYC DAMP exemption terms Therefore, HDFC w/ 20 apartments = 20 x \$1,260 = \$25,200 (approx. max with DAMP for 20-unit HDFC).</p>	<p>Annual Tax Bill- Tax should be <i>lower amount of either: \$900/apt./year/max</i> -OR- Twice the NYC coop/condo % discount (17.5% to 28.1% x 2= 35% to 56.2% off tax bill) <i>Pro-rata reduction in DAMP for co-ops unable to certify 100% owner occupancy as primary residence. Shareholders attest residency to DOF as per co-op/condo tax abatement.</i></p>	<p>Annual Tax Bill- Tax should be <i>lower amount of either: \$600/apt./year/max</i> -OR- Twice the NYC coop/condo % discount (17.5% to 28.1% x 2= 35% to 56.2% off tax bill) <i>Pro-rata reduction in DAMP for co-ops unable to certify 100% owner occupancy as primary residence. Shareholders attest residency to DOF as per co-op/condo tax abatement.</i></p>	<p>Annual Tax Bill- Tax should be <i>lower amount of either: \$300/apt./year/max</i> -OR- Twice the NYC coop/condo % discount (17.5% to 28.1% x 2= 35% to 56.2% off tax bill) <i>Pro-rata reduction in DAMP for co-ops unable to certify 100% owner occupancy as primary residence. Shareholders attest residency to DOF as per co-op/condo tax abatement.</i></p>	<p>Annual Tax Bill- Total exemption of Real Estate taxes: \$0/apt./year <i>Pro-rata reduction in DAMP for co-ops unable to certify 100% owner occupancy as primary residence. Shareholders attest residency to DOF as per co-op/condo tax abatement.</i></p>
<p>Length of RA Term (HDFCs can either renew or move to another column at end of each RA.)</p>	N/A	N/A	10 years, renewable at choice of HDFC for up to 40 years.	10 years, renewable at choice of HDFC for up to 40 years.
<p>RAs for HPD loans to HDFCs (Grants exempt from RA)</p>	N/A	N/A	RA term defined by length of loan repayment plan.	RA term defined by length of loan or repayment plan.
<p>Managing Agent Required / only HPD-approved Managing Agent</p>	No / No	No / No	No / No	Yes / Yes HPD must certify and oversee managers.
<p>Monitor</p>	No, would be violation of Business Corporation Law,	No, would be violation of Business Corporation Law,	No, would be violation of Business Corporation Law,	No, would be violation of Business Corporation Law,

	never part of program.	never part of program.	never part of program.	never part of program.
Primary Residence Requirement	Yes (as per NYC co-op condo abatement, exemption for medical, educational, military, work requirements)	Yes (183 days/year, exemption for medical, educational, military, work requirements)	Yes (183 days/year, exemption for medical, educational, military, work requirements)	Yes (183 days/year, exemption for medical, educational, military, work requirements)
2 nd Property Restriction	No	No	No	No
Reporting requirement by HDFC board to shareholders / HPD**	No new requirements	Yes: Report to shareholders and attest to HPD annually via checklist.**	Yes and report to shareholders and HPD annually.**	Yes and report to shareholders and HPD annually.**
Annual Minimum Maintenance Increase	Coop determines	Coop determines	2%, unless operating income exceeds operating expenses by 5%	2%, unless operating income exceeds operating expenses by 5%
Required annual contribution to reserve fund	Coop determines	Coop determines	Best practices/3% of annual maintenance until reserve holds 3 mos. of operating expenses	Best practices/3% of annual maintenance until reserve holds 3 mos. of operating expenses
Commercial Lease Restrictions	N/A	N/A	Market value, no conflict of interest, 10 year max.	Market value, no conflict of interest, 10 year max.
Subletting Restriction	Co-op determines.	Max 24 months within any 4 year period, or less if per Co-op rules	Max 24 months within any 4 year period, or less if per Co-op rules	Max 24 months within any 4 year period, or less if per Co-op rules

***Reporting (less reporting for columns A, B): Annual budget, financial statement, certify distribution of financial statement to shareholders, occupants of apts. w/ maintenance/rent and arrears, list of sales, list of leases and sublets approved with names of renters, withdrawals from reserve fund, certify annual election and notice, certify 2% maintenance increase, training plans for board.*

In sum, the purpose of any City policy toward HDFCs should be to firstly seek to help those in distress, and secondly, to ensure the stability and preservation of those more successful HDFCs that have greatly contributed to neighborhood revitalization and community development. We must celebrate the spirit of self-determination and sense of purpose that so many HDFC shareholders embody. The creation of a new and truly progressive program that proactively seeks to help distressed HDFCs on a case-by-case basis, while extending and improving the DAMP tax exemption far beyond 2029 for those HDFC co-ops who want it, will help protect the viability of all HDFC co-ops.

HDFC Coalition Recommendations on HPD Technical and Legal Assistance to HDFC Co-ops

HPD's existing set of programs to assist HDFC cooperatives with financing, reconstruction, physical maintenance, energy-efficiency improvements, and legal and accounting services and advice have failed to provide the needed assistance to HDFC co-operatives, and are often run by contractors more interested in collecting service fees from HPD than in offering viable services for HDFC co-operatives. Many of these programs are complex to navigate for HDFC shareholders and boards of directors. We request that HPD collaborate closely with shareholder groups including the HDFC Coalition to revamp the current programs of assistance to HDFCs, and establish a viable program to extend technical, financial and expert assistance to HDFCs.

- Provide quality technical assistance for HDFC co-ops to lower maintenance and reconstruction costs
 - Maintain a database of qualified architects, engineers, managing agents, energy efficiency experts and service providers, and include feedback from HDFC co-ops that have used these contractors
 - Offer group discounts for items such as window or boiler replacement
 - Offer consultations on energy efficiency
- Assist with good governance:
 - Offer a set of good governance guidelines, and seminars on how to implement them
- Mediation program
 - Encourage use of the NY Bar Association's co-op mediation service to resolve shareholder-board or shareholder-shareholder disputes.

- HPD senior staff to lead quarterly forums directly with shareholders of struggling HDFC co-ops, with participation of representatives of HDFC shareholder organizations, rather than use 3rd party contractors for such outreach and communication. Such an effort would put HPD directly in touch with the HDFC shareholders and vice versa.
- Communications from HPD should be offered in Spanish and other languages at all times.

January 2nd 2020

TO: Jonathan Ettricks
Legislative Documents Unit
New York City Council
GZilkha@council.nyc.gov

FROM: JANA LEO DE BLAS, Shareholder
WEST 144TH STREET
New York NY 10031

Dear Jonathan:

I am in an scholarship in Rome, and I will be unable to go to the hearing

RE: Int 1757 - In relation to modifications to the department of housing preservation and development housing portal. Int 1783 - In relation to excluding cooperatives from the housing portal. that will took place Monday, January 13, 2020 at 10:00 A.M. Please find my testimony attached here.

Thank you very much for letting me know about this important matter.

SUMMARY

I am against including HDFC Coops in Local Law 64

A policy blunder that puts unspeakable pressure on low-to-middle income homeowners has been written into law and must be changed. The new Local Law 64 that is now in effect is a serious burden on owners of small buildings like ours. We are not the landlords for whom this bill was written. We are homeowners in HDFC cooperatives, and now we are asked to comply with endless paperwork and to suffer horrible stress because in July 2020 we will have to register our apartments and pay punitive fines if we are late.

Some of us don't speak or write in English and we don't have computers. BUT WE ARE OWNERS and we have the right to OUR PRIVACY AND DIGNITY. The inclusion of HDFCs in the bill was a mistake (you say). You had very good intentions (you say). You wanted to make houses available to more people, AND YET you act without foresight or care, threatening us with homelessness if we cannot pay the fines that LL64 will impose. The world is filled with people who lost their lives because of the "good intentions" of others.

Int 1757 have robbed me — and all HDFC coop shareholders in this community — of sleep and security. We beg that you immediately correct Local Law 64: Take HDFC coop homeowners out of the wording.

I am in favor of ***Int 1783 - excluding cooperatives from the housing portal***

This bill introduced by Mark Levine would amend Local Law 64 for the year 2018 so that certain dwelling units in buildings owned in the cooperative form of ownership are exempt from the requirements of the housing portal.

DETAIL:

RESASONS WHY as a HDFC shareholder I AM AGAINST Local Law 64 of 2018, also known as the new "Housing Portal" law.

The City Council passed Local Law 64 of 2018 to force big developers to register new affordable rental units, but somehow every individual HDFC apartment owner got caught up in it along the way, and next year we could face fines up to \$2,000 a month for not complying with the law.

If not amended, starting in July of 2020 Local Law 64 will:

- Require every HDFC apartment owner to register their apartment each year on a website run by HPD, and to list their apartment again when it is offered for sale or rent.
- Cause each and every HDFC apartment owner to receive as many as 1,000 applications or more through the HPD website if we sell our apartment, and leave us at risk of being sued for not replying to each application, according to HPD.
- Allow HPD to fine shareholders from \$100 to \$2,000 per month for failing to list their apartment sometime after July 2020, when the HPD website is scheduled to be operational.
- Require all HDFC shareholders to comply, including those whom are elderly, may not use computers, may not communicate primarily in English, and cannot afford to pay such fines.
- Invade our privacy and require us to list our private homes on a government website.
- Possibly cause banks to stop lending for HDFCs or make it more difficult to get a loan or a mortgage.

It makes absolutely no sense for the City to invade our privacy, require the elderly to use computers in a language they may not understand, and then punish HDFC shareholders with fines that they cannot afford to pay. Surprisingly, HPD opposed the enactment of Local Law 64 and testified against it, as did some other organizations. Then again, the law simply doesn't make sense, and this was clear to HPD.

What is Local Law 64 of 2018, and what is HPD's new "Housing Portal" website?

On December 19, 2017, the New York City Council approved Intro 1015, which then became Local Law 64 of 2018, and submitted it to Mayor Bill de Blasio. Mayor de Blasio failed to approve or disapprove the legislation within thirty days, and therefore it became law. Local Law 64 (LL 64) started out as a bill primarily sponsored by Council Member Ben Kallos of Manhattan's Upper East Side. While the bill began as an effort to target big developers who failed to register rent stabilized apartments in new developments, the bill apparently took on a life of its own and was expanded along the way to include other types of housing.

Until recently, many HDFC shareholder were not aware of the potential significance of LL 64 for HDFC cooperatives. The HDFC Coalition was not consulted about the bill, and it's not clear whether or not many of the Council

Members who voted to pass the bill understood what the impact on HDFC shareholders would be.

Local Law 64 requires essentially all affordable housing units (including HDFC co-ops) to be listed by their owners (this means you) on a new HPD website to be launched by July 1, 2020, and failing to do so could cost owners (again, this means you!) up to \$2,000.00 per month in fines.

LL 64 requires HPD to set up the new website and create a reporting process for apartment owners (this means me, or the board of directors of my HDFC if the apartment is a rental owned by the co-op corporation). Unless the law is amended, HDFC owners will be required to provide a significant amount of information to HPD each year, and additional information will also be required whenever an HDFC apartments comes on the market for sale and/or rent.

This law ostensibly creates a more transparent process for the marketing, sale, and rental of affordable housing. However, as it applies to HDFC co-ops, it creates a potentially expensive and time-consuming obligation that could negatively affect the value of, and market for, apartments in HDFC co-ops without offering any obvious benefits to HDFC co-ops, their shareholders or boards of directors.

Much will depend on how HPD constructs the website and the procedures for complying with this law. It appears that HPD will be required to initiate a rule-making process at some point, where a set of draft rules must be provided by HPD for public comment, and HPD will then have to review and respond to the comments received before issuing a final set of rules. If LL 64 is not amended and HDFC shareholders are required to fully comply with this law, the penalties for failing to do so are:

\$100 per month for the first six-month period

\$250 per month for the second six-month period

\$1,000 per month for the third six-month period

\$2,000 per month for the fourth six-month period and for each month thereafter

The HDFC Coalition and many shareholders with the support of many City Councils (including Mark Levine) have been fighting to exclude cooperatives from the housing portal, this is now what I am asking:

Exclude cooperatives from the housing portal,

With Respect

Jana Leo de Blas

Intro 1783-A in relation to excluding certain cooperatives from the housing portal

Please vote yes on Mark Levine's bill 1783-A to amend Local Law 64 of 20&18. As HDFC coop shareholder's we are not landlords. Our 323 W. 43rd St. HDFC has been self managed since 1997. We are up to date with all rules, regulations, laws. Our building is in excellent condition and extremely clean. We all have put in thousands of unpaid hours to be a successful HDFC.

Leslie Johnson
President, 323 W. 43rd St. HDFC
323 W. 43rd St.
New York, NY 10036
212 265 1702
Kungfu323@earthlink.net

For several years, HPD has tried to wrest control of HDFC coops. They arbitrarily attempted to end the DAMP program 12 years before its expiration date and pressured HDFCs to sign on to their one-size-fits-all regulatory agreement. After receiving much pushback, this onerous agreement was not implemented, but HPD tries to force it on us whenever possible. For example, if an HDFC building inquires about a low interest loan to make energy efficiency improvements or needed repairs, they find that a loan is available **IF** they sign the regulatory agreement.

Now we are contending with a new threat. I recently learned that HDFCs are included under Local Law 64. LL64, originally intended for heavily subsidized rental properties, requires every HDFC coop apartment to be listed annually on a NYC government website run by HPD known as the "Housing Portal" and for each sale to be treated as a Housing Lottery. If HDFC coops are not exempted from LL64, all HDFC shareholders could soon be fined up to \$2,000 per month, per unit, if their apartments are not registered each year. While it may be appropriate to require large developers to register rental apartments and fine them up to \$2,000 per month if they don't comply, it is not appropriate to treat small homeowners the same way. These requirements would treat our private homes as if they are landlord owned, rent-regulated apartments. This is blatantly wrong.

I urge you to pass Council Member Levine's bill 1783-A to exempt HDFC coops from these requirements by amending LL64.

The HDFC program allowed the city to unload a lot of decrepit abandoned buildings, while providing housing for people who couldn't afford it. Having affordable housing and home ownership allowed shareholders to improve their buildings, hold steady jobs, provide for their families, pay taxes, support local businesses, and make their neighborhoods more desirable, thereby attracting more businesses and residents and raising the tax base of the city. I would call this a successful program! It would be a shame to undermine it with rash changes that do not take into account the many destructive ramifications they may incur.

Sincerely,

Lisa Harrison
212 West 105 St. HDFC
New York, NY 10025



Council of New York Cooperatives & Condominiums

INFORMATION, EDUCATION AND ADVOCACY

250 West 57 Street • Suite 730 • New York, NY 10107-0700

TESTIMONY TO THE COMMITTEE ON HOUSING & BUILDINGS IN SUPPORT OF INT. 1783-A

January 15, 2020

The Council of New York Cooperatives & Condominiums is a membership organization providing information education and advocacy to housing cooperatives and condominiums located throughout the five boroughs of New York City and beyond. More than 170,000 New York families make their homes in CNYC member buildings, which span the full economic spectrum from very modest, income-restricted housing to solid middle class apartment complexes to some very upscale dwellings. The common thread is that these buildings are owed by their residents and operate as self-governing representative democracies. Many of CNYC's member are HDFC cooperatives. CNYC also works closely with the Urban Homesteading Assistance Board (UHAB), which has helped create, train and maintain hundreds of HDFCs in New York City in the last 45 years.

We write to offer our strong support for Int. 1783-A which recognizes the unique character of housing cooperatives and the need for a careful screening procedure to ensure that prospective cooperative members understand that they are becoming members of a community where their active participation and support will be expected. The smaller the cooperative the more absolutely vital this is.

CNYC applauds the realistic approach of Int. 1783-A in removing cooperatives from the requirement of listing units with the HPD housing connect portal and recruiting prospective new shareholders from that source.

The cooperative model has long been proven the most successful form of affordable housing in our nation. Resident owners take better care of their homes than do renters in affordable housing accommodations. The opportunity to participate in the governance and often also in the day-to-day operation of one's home builds confidence and personal growth along with governance and operational skills.

Our thanks to the City Council and this Committee for this practical and helpful legislation. CNYC remains committed to working with government for the benefit of our membership and the City at-large.

Thank you for this opportunity to express our views.

Mary Ann Rothman
Executive Director

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 1/13/20

(PLEASE PRINT)

Name: Anne-Marie Hendrickson

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 1/13/20

(PLEASE PRINT)

Name: Sasha Brown (Margaret) Brown

Address: _____

I represent: Rise and Roost HPD Elevator Action Group

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: MAMBERN O'HARA

Address: 102 AVE B

I represent: myself and HOSE Shareholders

Address: 102 AVE B

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. 1783 Res. No. _____

in favor in opposition

Date: 01/13/20

(PLEASE PRINT)

Name: MARTHA DANZIGER

Address: 52 EAST FIRST STREET

I represent: myself

Address: same

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783-A Res. No. _____

in favor in opposition

Date: Jan 13, 2020

(PLEASE PRINT)

Name: JOHN MCBRIDE

Address: 241 West 111th

I represent: HDFC Coalition Policy Committee

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783 A Res. No. _____

in favor in opposition

Date: 1/13

(PLEASE PRINT)

Name: April Tyler

Address: 1580 Amsterdam

I represent: HDFC COALITION

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. 1 Res. No. _____

in favor in opposition

Date: 1/13/2020

(PLEASE PRINT)

Name: Beth C. Mills

Address: 1346 Park Place

I represent: 1346 Park Place HDFC

Address: 1346 Park Place, Bklyn NY. 11213

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783-A Res. No. _____

in favor in opposition

Date: 1/13/20

(PLEASE PRINT)

Name: John McBride

Address: _____

I represent: HDFC Coalition

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783A Res. No. _____

in favor in opposition

Date: 1/13/20

(PLEASE PRINT)

Name: TINA D. Feliciano

Address: 130 W. 26th St., #7 NYC 10001

I represent: HDFC Coalition

Address: _____

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

THE COUNCIL
THE CITY OF NEW YORK

#2

Appearance Card

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I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition *Int. No. 1783-A*
Date: *1/13/20*

(PLEASE PRINT)

Name: *Sylvia Tyler*
Address: *1520 Amsterdam*
I represent: *myself*
Address: _____

THE COUNCIL
THE CITY OF NEW YORK

#1

Appearance Card

[]

I intend to appear and speak on Int. No. *1783-A* Res. No. _____
 in favor in opposition
Date: *1/13/2020*

(PLEASE PRINT)

Name: *Michael Palmer*
Address: *601 W 136 St*
I represent: *ADFC COALITION*
Address: *601 W 136 St #1*

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

[]

I intend to appear and speak on Int. No. *1264* Res. No. _____
 in favor in opposition
w/ amendment Date: *1-13-20*

(PLEASE PRINT)

Name: *CAROL CORDEN*
Address: _____
I represent: *NEW DESTINY HOUSING*
Address: *12 W. 37th St. - 7th floor NYC 10018*

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783A Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: VICTOR MORISE TE ROMERO

Address: 611 W 136 ST NYC 10031

I represent: HDFC COALITION

Address: 655 Broadway, Bk, NY 10463

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783A Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: GLORY ANNE KIRSTEIN

Address: _____

I represent: HDFC COALITION

Address: 655 Broadway, NYC

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783-A Res. No. _____

in favor in opposition

Date: 1-13-20

(PLEASE PRINT)

Name: GLORY ANN KIRSTEIN

Address: 111 W 106 HDFC

I represent: HDFC COALITION

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783A Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: David Powell

Address: 59-61 E 4th St. NYC 10002

I represent: Cooper Square MHA

Address: as above

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783-A Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Deyanira Del Rio, NYCCLI

Address: 121 W. 77th St.

I represent: NYC Community Land Initiative

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1783-A Res. No. _____

in favor in opposition

Date: 1-13-20

(PLEASE PRINT)

Name: Sheelina Thomas-Marchison

Address: 248 Madison Street HDFC

I represent: 248 Madison Street HDFC

Address: 248 Madison Street, BKLYN, NY 11216

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