



CB9M

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COMMUNITY BOARD NO.9 - MANHATTAN

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Eutha Prince
District Manager

May 23, 2017

Hon. Maria Torres-Springer
HPD Commissioner
100 Gold Street
New York, NY 10038

Resolution re: HPD Halting Transfer of TIL Buildings and Maintaining a Moratorium

Dear Commissioner Maria Torres-Springer:

At its regularly scheduled General Board meeting held on Thursday, May 18, 2017, Manhattan Community Board No. 9 (MCB9) approved the following **Resolution re: HPD Halting Transfer of TIL Buildings and Maintaining a Moratorium** by a vote of 27 in favor, 0 opposed, 1 abstention, and 1 Present not entitled to vote.

WHEREAS, The Tenant Interim Lease (TIL) program was created to rehabilitate and bring up to building code residential buildings on which the City had foreclosed due to landlord abandonment and nonpayment of municipal charges; and

WHEREAS, Under the terms of the TIL program, the tenants gave up their rent stabilized leases and attendant rights and privileges so the City would repair the building's and then, upon the formation and training of a tenants association (TA) that had demonstrated its ability to run the building, sell the apartments to the tenants for \$250 per unit, allowing the tenants to become shareholder owners in a limited-income residential co-operative through the Housing Development Fund Corporation structure; and

WHEREAS, Many successful HDFCs emerged from TIL, stabilizing and revitalizing communities by creating homeowners in areas formerly harmed by landlord disinvestment and abandonment: and

WHEREAS, The Department of Housing Preservation and Development is the agency that oversees the TIL program and manages the properties for the City; and

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WHEREAS, The firm of Siegel Teitelbaum & Evans, LLP in their report "Broken Promise: New York City's Tenant Interim Lease Program" produced for People Against Landlord Abuse and Tenant Eviction (PALANTE) Harlem and publicly available online at <http://www.palanteharlem.org/BrokenPromisesTIL.pdf>, details the poor conditions of many of the remaining 160+ TIL buildings, despite the fact that the landlord of those buildings is a City with an annual budget of over \$80 billion, with billions of dollars saved in reserves; and

WHEREAS, HPD Is now trying to move TIL buildings into a new program, the Affordable Neighborhood Cooperative Program (ANCP), in which buildings are not repaired by the City, but instead transferred to a third party developer who then takes out a large loan and hires contractors to renovate the building, and then eventually sold to the tenants for \$2,500 per unit, a price out of reach for many low-income tenants, who then must assume the enormous underlying loan that was used to pay for repairs; and

WHEREAS, The lack of oversight of developers borrowing money on someone else's behalf to pay contractors has resulted in buildings with shoddy repairs and massive amounts of debt that make monthly maintenance charges in the future HDFC co-op unaffordable for almost all tenants; and

WHEREAS, HPD promises that it will funnel federal Section 8 subsidies to tenants-turned-shareholders in buildings with high maintenance from debt service obligations due to the ANCP program, diverting federal housing aid that could be better served fighting the City's homelessness crisis; and

WHEREAS, Many buildings have been mismanaged by HPD, including some where tenants have been relocated for many years under the pretext that their building was being renovated, while no renovations took place, tearing apart communities and hobbling TAs; and

WHEREAS, The ultimate fate of HDFCs emerging from ANCP with unsustainable debt burdens and shoddy repairs is likely yet another foreclosure by the lender or the City, as is the case with 938 St. Nicholas Ave, which faces foreclosure; now therefore be it

RESOLVED, That Manhattan Community Board 9 urges the Mayor, the City Council, and HPD to halt any transfer of TIL buildings into ANCP and to maintain such a moratorium; and be it further

RESOLVED, That Manhattan Community Board 9 calls on the City to allow TIL tenants to choose if they would prefer to remain in TIL or move to ANCP, and, if in ANCP, select their third-party developer; and be it further

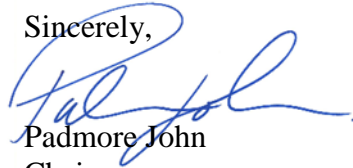
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RESOLVED, That Manhattan Community Board 9 calls on the Mayor and City Council to ensure that HPD quickly makes all necessary repairs in any TIL buildings that choose to remain in TIL so that they can quickly leave the program and become sustainable and functioning affordable homeownership in the form of HDFCs; and be it further

RESOLVED, That Manhattan Community Board 9 calls on the Mayor and HPD to ensure that tenants are allowed to purchase their units for the long-promised \$250, assuring that low-income tenants truly have a chance to become homeowners.

If you have any questions please feel free to contact me or District Manager, Eutha Prince at (212) 864-6200.

Sincerely,



Padmore John
Chair

cc: Hon. Bill DeBlasio, Mayor
Hon. Adriano Espaillat, Congressman
Hon. Gale Brewer, Manhattan Borough President
Hon. Bill Perkins, State Senator
Hon. Marisol Alcantara, State Senator
Hon. Inez Dickens, Assembly Member
Hon. Daniel O'Donnell, Assembly Member
Hon. Herman D. Farrell, Jr., Assembly Member
Hon. Mark Levine, City Councilmember
Hon. Letisha James, Public Advocate