



September 25, 2019

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President, Borough of Manhattan*

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*Eutha Prince  
District Manager*

**CB9M**

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**COMMUNITY BOARD #9, MANHATTAN**

Hon. Robert E. Cornegy, Jr., Chair  
Committee on Housing and Buildings,  
NYC Council Member, 36<sup>th</sup> C.D.  
250 Broadway, Suite 1743  
New York, NY 10007

**Reso re: Third Party Transfer (TPT) Task Force**

Dear Chair Cornegy,

At its regularly scheduled General Board meeting held on Thursday, September 19, 2019, Manhattan Community Board No. 9 approved the following **Resolution re: Third Party Transfer (TPT) Task Force** by a vote of 37 in favor, 0 opposed, and 0 abstentions.

WHEREAS, residents of buildings owned by the City and supervised by the Department of Housing Preservation and Development (HPD) in the Tenant Interim Lease (TIL) program gave up their rent stabilized and rent controlled leases in exchange for the ability to purchase their apartments for \$250 and become a Housing Development Fund Corporation Co-operative (HDFC Co-op) once the City had finished repairing the buildings and a Tenants Association had been established to manage the building and prepare the future shareholders for co-operative ownership; and

WHEREAS, there remain dozens of buildings still owned by the City that were in the TIL program that have not been repaired by the City and have not been placed on the path to becoming an HDFC; and

WHEREAS, in recent years HPD has ceased repairing the buildings it supervises and has instead been moving them, without the tenants' consent, into the Affordable Neighborhood Cooperative Program (ANCP) through the Third Party Transfer (TPT) process, where they are temporarily given to developers who borrow money against the building to pay for repairs before the apartments are sold to the tenants for \$2,500 each, and the new HDFC becomes responsible for paying back the debt taken out by the developers to pay contractors for the repairs; and

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WHEREAS, ANCP has already been proven to put the newly-created HDFCs on the path to insolvency and foreclosure, as the example of 938 St. Nicholas Avenue HDFC (aka. 936-938 Cliffcrest HDFC) has shown, where it faced foreclosure in 2012, just 5 years after becoming an HDFC co-op through ANCP in 2007, when it was created already shouldering millions of dollars of debt; and

WHEREAS, in response to concerns about the long-term affordability of the debt service by the low-income future shareholders of HDFCs emerging from ANCP, HPD has offered to make sure that eligible shareholders receive Section 8 vouchers to pay their monthly maintenance, reducing the number of Section 8 vouchers available for other affordable housing needs in the City; and

WHEREAS, in response to City Council oversight hearings conducting by the Housing Committee and the Committee on Investigations, the City is in the process of creating a TPT Task Force; and

WHEREAS, a similar task force created to investigate the City's behaviors around HDFCs did not include independent representatives from HDFCs or grassroots advocacy groups, instead comprised of representatives from elected officials, developers, and nonprofits with contracts with HPD; now

THEREFORE, BE IT RESOLVED that Manhattan Community Board 9 call upon the Mayor's Office and HPD to ensure that representatives from TIL buildings and TIL building legal representatives and advocacy groups like the TIL Coalition be represented on the proposed TPT Task Force.

If any further information is needed please do not hesitate contacting me, or District Manager Eutha Prince at the board office (212) 864-6200.

Sincerely,



Barry Weinberg  
Chair

cc: Hon. Bill DeBlasio, Mayor  
Hon. Adriano Espaillat, Congressman, 13<sup>th</sup> D-NY  
Hon. Gale Brewer, Manhattan Borough President  
Hon. Brian Benjamin, State Senator, 30<sup>th</sup> A.D.  
Hon. Robert Jackson, State Senator, 31<sup>st</sup> A.D.  
Hon. Inez Dickens, Assemblymember, 70<sup>th</sup> A.D.  
Hon. Daniel O'Donnell, Assemblymember, 69<sup>th</sup> A.D.  
Hon. Al Taylor, Assemblymember, 71<sup>st</sup> A.D.  
Hon. Corey Johnson, New York City Council Speaker, 3<sup>rd</sup> District  
Hon. Mark Levine, City Councilmember, 7<sup>th</sup> C.D.  
Hon. Bill Perkins, City Councilmember, 9<sup>th</sup> C.D.