



## Community Board 12 - Manhattan Washington Heights & Inwood

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Shahabuddeen A. Ally, Esq., Chairperson  
Ebenezer Smith, District Manager

April 3, 2017

Hon. Maria Torres-Springer  
Commissioner  
NYC Department of Housing Preservation and Development  
100 Gold Street  
New York, NY 10038

**Re: Resolution in Opposition to HPD's Proposed New Forty (40) Year Regulatory Agreement for HDFCs**

Dear Commissioner Torres-Springer:

At the General Meeting, Tuesday, March 28<sup>th</sup>, 2017 Community Board 12, Manhattan passed the following resolution with a vote of 32 in favor, 0 opposed, 1 abstention requesting our elected officials to reject any proposal put forth to sunset the DAMP tax abatement before 2029 or tie any other real estate abatement to a draconian regulatory agreement and requesting that programs of assistance be developed with the input of HDFC shareholders to assist the 25-28% of the buildings that are in distress to help them become viable and successful cooperatives, instead of pursuing a strategy that penalizes successful HDFC's.

Whereas, The New York City Department of Department of Housing Preservation and Development (HPD) and the Task Force on Housing Development Fund Corporation (HDFC) cooperatives is proposing to require HDFC cooperatives to sign a 40-year regulatory agreement that will fundamentally change the governance structure of their buildings and compel buildings to sign said agreement by proposing to eliminate the existing DAMP tax abatement in 2017 instead of the currently scheduled expiration in 2019 and tie any new tax abatement to a requirement that HDFC's sign a Regulatory Agreement; and

Whereas, HPD seeks to propose an omnibus bill before the City Council to enact this; and

Whereas, These proposals were developed over several years by housing development groups, legal organizations and HPD, with little or no consultation an input from shareholders in HDFC's; and

Whereas, In Manhattan alone there are more than 700 HDFC's consisting of over 19,000 units and citywide the number is over 1,200 and 33,000 units - which represents a large population of homeowners; and

Whereas, HDFC's are incorporated under Article XI of the Private Housing Finance Law, but became cooperative corporations through different iterations of HPD programs and over time have operated under different rules and governing documents; and

Whereas, The overwhelming majority of the existing HDFC's are operating successfully - organizationally, financially and operationally - and are following their governing documents and rules (while according to HPD's own estimate only 25-28% of HDFC's are in varying degrees of distress); and

Whereas, The Area Median Income in the Community District 12 is approximately \$34,000; and

Whereas, The sale of the area HDFC's fall significantly below the suggested price cap; and

Whereas, At several forums and meetings held in CB12 and in other community board districts and beyond, hundreds of shareholders have expressed their opposition to this proposal for many reasons - including the following: the autonomy of shareholders and boards of directors would be minimized or lost by taking operating and decision making control from them and turning it over to an outside manager and monitor; and

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Whereas, The proposed regulatory agreement includes a schedule of price caps that might exempt up to one-third of units in a building from said price caps, it would create two different and unequal classes of shareholders; and

Whereas, It is well recognized that over 33,000 HDFC households have played a significant part in bringing buildings back on the tax rolls and NYC back from the edge of bankruptcy and stabilizing neighborhoods; and

Whereas, the DAMP Tax revocation would make HDFC's unaffordable to existing owners and the current proposal is coercive and violates the terms of the current agreement regarding the 2029 sunset of current DAMP Tax and should be retained for low to moderate income residents; and

Whereas, The proposed regulatory agreement and premature DAMP expiration would unfairly change the rules and regulations of HDFCs more than three decades after many shareholders bought into their buildings under various programs with very different rules and expectations, effectively changing the rules in the middle of the game for these shareholders; and

Whereas, Council Member Mark Levine has already issued a letter in opposition to HPD's proposed new Forty (40) Year Regulatory Agreement for HDFC's; and

Whereas, Instead of pursuing a strategy that penalizes successful HDFC's - HPD should focus its attention and resources on assisting HDFC's that are experiencing distress;

Therefore be it Resolved, That Community Board 12, Manhattan requests the Speaker of the Council, our Council Members Mark Levine and Ydanis Rodriguez, and Councilman Jumaane Williams (Chair, City Council's Committee on Housing and Buildings), the City Council as a whole and the Mayor to reject any proposal put forth to sunset the DAMP tax abatement before 2029 or tie any other real estate abatement to a draconian regulatory agreement; and

Be it further resolved, that Community Board 12, Manhattan requests that HPD develop with the input of HDFC shareholders programs to assist the 25-28% of the buildings, according to widely accepted data that are in distress, help them become viable and successful cooperatives and that all relevant data be made transparent to the communities where they exist.

Sincerely,



Shahabuddin A. Ally, Esq.  
Chairperson

cc: Hon. Bill de Blasio, Mayor  
Hon. Letitia James, Public Advocate  
Hon. Scott M. Stringer, Comptroller  
Hon. Gale Brewer, Manhattan Borough President  
Hon. Scott M. Stringer, Comptroller  
Hon. Jacques Jiha, Finance Commissioner  
Hon. Anne-Marie Hendrickson,  
HPD Deputy Commissioner  
Hon. Eva Trimble, HPD Deputy Commissioner

Hon. Adriano Espaillat, Congressman  
Hon. Marisol Alcantara, State Senator  
Hon. Herman D. Farrell, Jr., Assembly Member  
Hon. Melissa Mark-Viverito, Council Speaker  
Hon. Jumaane Williams, Council Member  
Hon. Ydanis Rodriguez, Council Member  
Hon. Mark Levine, Council Member  
Hon. Margaret Chin, City Council Member  
Hon. Rosie Mendez, City Council Member