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THE CITY OF NEW YORK  
MANHATTAN COMMUNITY BOARD SIX  
211 EAST 43RD STREET, SUITE 1404  
NEW YORK, NY 10017

**Manhattan Community Board Six  
Meeting of the Housing, Homeless, & Human Rights Committee  
March 18, 2019, 6:30pm  
CB6 Office • 211 East 43rd Street, Suite 1404**

**Meeting Minutes**

Present: Members Carin Van der Donk (Chair), Claire Brennan, Aaron Humphrey, Rich Mintz, Rajesh Nayar, Joseph Parrish, Matt Roberts, Claude L. Winfield.

Absent: Kyle Athayde, Andrew Gross, Abigail Krusemark, Joseph Parrish, None.

Guests: CB6 Assistant District Manager Cody Osterman; CB6 residents William Romano, Ashley Nawalinski, Letty Simon, Caroline McKew, Lawrence Scheyer, Max Burns, Jason Scherer, Pete Harrison; CB8 resident Luis Cisneros; Asher Baumrin on behalf of State Senator Brad Hoylman; Julia Duranti-Martinez, Community Land Trust Learning Exchange Coordinator at New Economy Project (NEP); Andrew Reicher, Executive Director at the Urban Homesteading Assistance Board (UHAB); Karen Narefsky, Organizing, Policy & Research at UHAB.

**Call to Order and Adoption of the Agenda**

Ms. Van der Donk called the meeting to order at 6:35pm.

A motion to adopt the agenda, amended to provide for presentations by guests to take place before any other business, was made, seconded, and passed.

**Committee Business**

**Item 1: Presentation from the Urban Homesteading Assistance Board and New Economy Project on cooperative housing ownership and community land trusts.**

First, Mr. Reicher and Ms. Duranti-Martinez addressed the Committee on behalf of the Urban Homesteading Assistance Board (UHAB) and New Economy Project (NEP).

They introduced NEP as a nonprofit focused on economic justice, racial justice, and environmental sustainability, which undertakes a variety of economic development

activities. NEP is a co-convenor of the New York City Community Land Initiative (NYCLI), a 6-year-old organization that advocates for a variety of alternative forms of housing ownership, under the principle that housing is a human right.

A **community land trust (CLT)**, they explained, is a shared ownership structure that advances land ownership and community control. Land trust ownership is often used for affordable housing, but it can be used for any purpose.

Under such a structure, the land trust owns the land, and the buildings are owned separately, with the owners typically holding a 99-year ground lease for the land underneath. Residential buildings under such a scheme can be subjected to affordability constraints, including income restrictions. The benefits of land trust ownership are (1) that it removes the cost of land from the unit cost of development, reducing the cost of building new housing and the rents necessary to amortize that cost; and (2) enables organized community control over the use of the land within the project.

Land trust projects are typically governed in a shared structure involving residents, members of the surrounding community, and professional advisors (public stakeholders) often via a three-part board.

To enable land trust projects, a community land trust will typically acquire property via public disposition of vacant parcels, bequests, Tenant Opportunity to Purchase agreements, foreclosure, direct purchase (via nonprofit fundraising), and occasionally eminent domain.

There are now 225 CLTs in the United States, encompassing 12,000 homes (both owned and rented), along with other uses. The Cooper Square CLT, one of the oldest, was formed in 1959. Here in New York, 12 CLTs are working together to advocate for affordable housing in many ways, including by pressing for enabling legislation at the state level to divert a portion of foreclosure settlement funds controlled by the New York State Attorney General to fund the CLT Learning Exchange, a capacity-building project; and by collaborating with other organizations focused on affordable housing, including developers and lenders.

NEP's experience has led to some lessons:

- (1) CLT projects work better if their organizers think beyond housing to the broader needs of a community.
- (2) The long-term success of CLT projects requires intergenerational organization and education, to ensure that there is a succession of responsible leadership.
- (3) CLT projects in a city like New York require the support, but not the control, of the city.

Next, Mr. Reicher and Ms. Narefsky addressed the Committee on behalf of the Urban Homesteading Assistance Board (UHAB). UHAB has worked to develop and support limited-equity housing cooperatives in New York City for more than 45 years, first by

establishing an “urban homesteading” model built on the sweat equity of its owner-residents, and then in other ways.

UHAB was founded in 1973 to take advantage of “surplus buildings” resulting from arson and disinvestment during a period of economic trouble in the city. The city was repossessing buildings due to unpaid taxes—in 1978, 11,000 buildings (of which 4,000 were occupied) were repossessed in this way, with an average of 25 units per building. UHAB developed the Tenant Interim Lease program in response, to train and facilitate cooperative conversions for these buildings under the leadership of their residents. An additional 1,800 units were converted to cooperative ownership through the Third Party Transfer program, in which troubled buildings were converted to cooperative ownership with UHAB serving as or arranging for a fiduciary sponsor during an interim period.

Their work has showed them that cooperatives need ongoing services, training, and support (e.g., bulk purchasing, group insurance, rehabilitation financing assistance).

Now, at a time when the city is gentrifying, UHAB has an organizing and policy department, working to organize in rent-stabilized multifamily buildings at risk of destabilization.

In limited-equity or restricted cooperatives, the cooperative association owns the land and buildings, and residents are corporate shareholders, with restrictions on how and to whom they may dispose of their shares. There are roughly 70,000 units extant under the Mitchell-Lama structure and 30,000 units under the HDFC structure. They called the Committee’s attention to Amalgamated Houses, Co-Op City, Cooperative Village on the Lower East Side, as well as (within Community District 6) East Midtown Plaza, 210 East 17th Street, and 227 East 14th Street.

The goal of such projects is to establish housing as shelter, not a commodity, keeping the costs of occupancy constrained by enabling the cooperative to be operated at cost, with no profit extracted for a landlord or developer. Typically, these projects are subject to constraints on resale prices and income guidelines for purchasers which target 60-65% of the area median income.

UHAB has learned that building the building is the preamble; developing leadership and human capital is an important part of the project, especially in order to enable association leaders to be able to handle a crisis. Nevertheless, it’s important that coops be legitimately independent, and fully empowered to make their own decisions.

The limited-equity cooperative structure is facing pressures: pressures by residents to privatize and lift selling prices to market rate; the impending expiration of the DAMP tax abatement; and pressures to amend regulatory agreements, in light of the fact that the City has an economic interest in seeing rising sale prices.

The UHAB speakers noted that they participate in NYCLI and are a co-founder of the Interboro Community Land Trust.

The Chair asked how a new CLT might work in Community District 6, and what kinds of buildings or opportunities we should look out for. The speakers responded that the oldest CLT, RAIN, was a 12-building Catholic Charities homesteading project; the CLT structure provided stewardship and permanence when conventional financing was not available. They noted that there might be HUD rental properties in CD6 that were approaching the end of their terms. They also observed that in some localities, a CLT might own the limited-equity or limited-income units generated by inclusionary zoning regulations.

The Chair asked about the decommissioned Catholic Church properties in the East Village, and the speakers replied that the Cooper Square CLT is organizing on the issue.

A member asked about the situation of Mitchell-Lama buildings. The speakers replied that those buildings and developments could enter a CLT ownership arrangement if their owners could be convinced of the benefits, which include tax abatement.

A member asked about the Comptroller's proposal for a land bank. The speakers replied that CLTs and land banks are not in opposition, and that Philadelphia has both in operation in their housing market, but if both are present, the question becomes which parcels are subjected to which structure and how to ensure that affordable housing remains a priority in perpetuity. They noted that land banks can be tax-exempt and (unlike CLTs) can issue bonds.

Mr. Humphrey asked whether CLT ownership is feasible in Manhattan. The speakers noted that CLT projects are everywhere, and that UHAB has 1,300 of them distributed across the city.

Mr. Harrison noted that Houston has a municipal land trust, and asked whether this model might be feasible in New York. The speakers replied that CLTs are part of a landscape of affordable housing models, and that NYCHA is currently behaving like a CLT on one Rental Assistance Demonstration (RAD) public-private partnership project, but that NYCHA is not interested in investing holistically in their neighborhoods.

1. The Chair noted that an RFP is out in our Community District for a RAD project [at 344 East 28th Street] but that nonprofits are not eligible to bid. The speakers noted that they have done collaborative limited-equity cooperative projects with NYCHA, especially in connection with nonstandard buildings that had come under the management of NYCHA. Mr. Osterman noted that the Manhattan Borough President has formally requested that, due to the size of the project, NYCHA break down the 344 East 28th Street RFP into multiple subprojects that could be bid on separately.

## Item 2: Discussion of PACT conversion of 344 East 28th Street

The Chair presented to the Committee on PACT conversion. She noted that NYCHA housing (administered under Section 9, which covers publicly owned housing project) is being undermaintained, and that Congress is reluctant to adequately fund Section 9 housing. The Obama administration created the RAD program, which converts Section 9 housing to Section 8 (administered via per-unit rent subsidies paid directly to private owners or private master leaseholders), with 99-year leases extended to private developers, who would then invest in tenant-in-place renovations as a condition of their master leases.

This model is working in other cities, including Cambridge, Massachusetts, where the Chair recently toured a successful project.

NYCHA is converting 62,000 units to Section 8 via its RAD program implementation known as PACT, and one project in Community District 6 is potentially eligible, at 344 East 28th Street.

Mr. Humphrey called on us to intervene to protect residents. He noted that tenant associations are concerned because there are already two tiers of leases in play (Sections 8 and 18) with different terms and conditions. He noted that Section 8 leases are mandated to renew but Section 18 leases may lapse when the program sunsets, and NYCHA is not responding to inquiries by tenant associations. He called for any resolution we adopt to include language requiring transparency toward tenants per HUD regulations.

The Chair noted that the success of PACT does depend on continued funding by Congress, and one way to help ensure that is to ensure that a qualified team is chosen via the RFP process (who will then presumably advocate in their own interest for continued funding, given that a portion of their market-rate rent is paid via federal subsidy). The best team will also be open to tenant input, as (she noted) was the case in Cambridge.

The Chair noted that our resolution could ask NYCHA to be required to permit tenants to make a Statement of Need. Mr. Humphrey replied that substantive issues like major repairs and succession rights are more important.

Mr. Harrison asked what would happen to a unit if the tenants left, under the PACT proposal. The Chair replied that the next eligible tenant from the existing NYCHA waiting list would get the unit, with the affordability retained.

The Chair noted that one issue with Section 8 is that the tenant's rent payment is not fixed, but could increase if their income increased.

Mr. Humphrey noted that his tenant association is concerned about the reputation of the developer in his building, and would like a representative in the room when decisions are made.

The Chair placed a resolution on the table in favor of advocating for tenant participation in the PACT process at 344 East 28th Street. Mr. Mintz moved to adopt the resolution. Ms. Brennan seconded the motion. The motion passed unanimously.

### **Adoption of Minutes**

A motion to adopt the minutes from the meeting of February 07, 2019 was made by Ms. Brennan, seconded by Mr. Humphrey, and passed unanimously.

### **Chair's Report**

The Chair waived giving a report.

### **Old/New Business**

There was no discussion of old or new business.

### **Adjournment**

Mr. Roberts made a motion to adjourn, which was seconded by Ms. Brennan and passed unanimously. The Chair declared the meeting adjourned.

Minutes submitted by: Rich Mintz