Molly Wasow Park  
Deputy Commissioner for Development  
New York City Department of Housing Preservation and Development  
100 Gold Street – 9th Floor  
New York, NY 10038  

Re: TPT Tenant Petitions  

Dear Deputy Commissioner Wasow Park:

The New York City Bar Association (“City Bar”), through the Committee on Housing & Urban Development (the “HUD Committee”), is writing to address an issue that touches on two topics that are important to HUD Committee: affordable homeownership and community land trusts (“CLTs”). We are encouraged by HPD’s ongoing support for affordable homeownership. Third Party Transfer, the Affordable Neighborhood Co-op Program and the newly created Open Door program all point to a strong commitment to furthering opportunities for low- and moderate-income New Yorkers to own their own home. We strongly believe that affordable homeownership, by its very nature, stabilizes both the families who live in the units as well as the communities in which the units are located. Homeownership gives New Yorkers a real stake in their building, their community and their city and passes that connection on to future generations. Because we agree with HPD on the goal of furthering affordable homeownership, we believe that HPD missed an opportunity in TPT Round X to leverage CLTs to further affordable homeownership in small buildings.
Specifically, we were surprised that TPT Round X continues to prevent buildings with fewer than ten dwelling units from becoming HDFC co-ops.\(^1\) Although we are not privy to the specific thinking behind this exclusion, we are aware of the arguments against smaller HDFC co-ops given our members’ extensive representation of HDFC co-ops. Smaller buildings can struggle when leadership is not strong or when the shareholders are overwhelmed by the property’s capital needs. However, we strongly believe that the CLT structure effectively addresses these concerns by providing stewardship, training and support to the HDFC co-op board.

HPD’s regulations provide that, in selecting a property for the Third-Party Transfer program, it should consider, among other things, “residential management experience,” “ability to work with government and community organizations” and “neighborhood ties.”\(^2\) These are precisely the strengths provided by membership in a CLT. Although the board of a small HDFC may not have already developed these capacities, the CLT structure can help educate, empower and embolden the new shareholders. HDFCs on CLT land benefit from both a horizontal relationship with other HDFCs in the CLT and a vertical relationship with the CLT. An HDFC on CLT land can also benefit from a network of similarly situated buildings within the CLT. Importantly, the CLT has the power to play a leadership role with respect to the HDFC. The unique CLT structure connects an HDFC co-op to community groups and housing experts. This is the type of support that during the foreclosure crisis resulted in lower delinquency and foreclosure rates on CLT homes compared to the population as a whole.\(^3\) Further, the long-term character of CLT membership ensures that HDFCs co-ops on CLT land will be permanently affordable.

To conclude, we share the goal of creating home ownership opportunities for low and moderate income New Yorkers who cannot compete on the open market and we believe that the CLT structure has the unique power to provide tenants with the support they need to make good on the opportunities provided to them. For this reason, the City should allow, at a minimum, tenants of buildings with fewer than ten units to file tenant-petitions if the building is part or will be part of a CLT.

We would greatly appreciate the opportunity to discuss this policy with you and your staff and we hope that you have found this letter to be helpful. Moreover, we would welcome an ongoing dialogue on issues involving affordable homeownership more broadly, and hope this is the beginning of a working relationship on this very important topic.

Sincerely,

Daniel Weisz, Co-Chair
Housing and Urban Development Committee

Cc: Maria Torres-Springer, Commissioner
    Lisa Talma, Assistant Commissioner Property Disposition & Finance

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\(^1\) See R.C.N.Y. § 8-03(e)(9)(iii)(A).
\(^2\) See R.C.N.Y. § 8-03(e).
\(^3\) See https://www.lincolninst.edu/publications/articles/outperforming-market, accessed on May 16, 2018.