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December 9, 2016

Vicki Been
Commissioner
NYC Housing Preservation & Development
100 Gold Street
New York, NY 10038

Dear Commissioner Been:

As the Council Member who represents Council District 3 in Manhattan, I write to express my concern with the Regulatory Agreement (RA) proposed by the Department of Housing Preservation & Development (HPD) for Housing Development Fund Corporation (HDFC) cooperatives.

My district is home to 1,258 HDFC cooperative units which have provided a path to economic stability for low-and-middle income families for over forty years. While I commend the desire to provide additional assistance to at-risk HDFCs, after discussing the terms of this RA with many HDFC shareholders in my district, I am concerned these regulatory changes will put many cooperatives in good standing at financial risk.

Specifically, I am concerned that this RA appears to be one-size-fits all policy regardless of the financial stability of the HDFC cooperative. I am also concerned about the risk of losing their Division of Alternative Management (DAMP) real estate deduction should an HDFC opt out of the RA. While I believe the City should support cooperatives when they are failing, requiring a third party monitoring firm for all cooperatives and outside managers for buildings that have a history of successful self-management would be onerous for many self-sufficient HDFCs.

That is why I respectfully request that HPD engage with HDFC shareholders to solicit their input and feedback on this RA. My office looks forward to working with HPD and the HDFC shareholders in my district on finding an equitable solution that strengthens and preserves these affordable homes for years to come.

Sincerely,

A handwritten signature in black ink, appearing to be "CJ" or "Corey Johnson".

Corey Johnson
Council Member, 3rd District