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THE COUNCIL OF
THE CITY OF NEW YORK

MARK D. LEVINE

COUNCIL MEMBER, 7TH DISTRICT, MANHATTAN

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HOUSING AND BUILDINGS
RULES, PRIVILEGES AND ELECTIONS

November 1, 2016

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

Dear Commissioner Been:

After careful consideration, and dozens of discussions with affected stakeholders in my district, I am writing to express significant concerns regarding the new Housing Development Fund Corporations (HDFC) regulatory agreement being proposed by New York City Housing Preservation and Development (HPD).

For more than 30 years, HDFCs have provided an incredible opportunity for low- and middle-income New Yorkers to achieve homeownership. This program has been a path to economic stability for hundreds of families in my district.

Shareholders who have spent years rehabilitating and managing their buildings have in some cases revitalized their communities, and have collectively contributed to the health of entire neighborhoods in Northern Manhattan.

Not all HDFCs are succeeding however. HPD is right to work towards new solutions for the approximately 25%-30% of buildings which are in a state of fiscal or physical distress. Failure to act would put these building at risk of exiting affordable homeownership and reverting to rentals--a tremendous loss both for residents and our city.

But we must be careful that any solution not harm the majority of HFDCs which are healthy and self-sufficient. Unfortunately the current proposal attempts to use a one-size-fit-all approach to a problem that requires a nuanced response.

The current proposal has caused immense anxiety among newer shareholders who have mortgages that exceed the sales cap, especially in buildings that have more units for which a carve-out exemption would apply. Shareholders in general now face anxiety that the loss of their Division of Alternative Management Program (DAMP) tax abatement could force them to exit the HDFC program altogether.

For these reasons, I do not support HPD's proposed regulatory agreement for HDFCs. Additionally, it is imperative that we do not allow the DAMP abatement to expire.

I believe it is important collect input from a wide cross-section of HDFC shareholders. We must ensure that we do not rush to impose a one-size-fits all solution that harms healthy HDFCs who have played by the rules. Let's work together to ensure we find much-needed solutions for those buildings which are struggling while supporting the broader HDFC movement.

Sincerely,

A handwritten signature in black ink that reads "Mark Levine". The signature is written in a cursive, slightly slanted style.

Mark Levine
Councilmember, 7th District