

Briefing Memo: Tenant Co-op Acquisition Program (TCAP)

To: NYC Council Housing & Buildings Committee

From: Seth Foss, Public Policy Research Scholar

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Re: Implementation Timeline and Fiscal Impact of Housing Subsidy Reform

Executive Summary

The Tenant Co-op Acquisition Program (TCAP) proposes a citywide shift from rental subsidy models toward equity-based cooperative ownership. By converting housing subsidies into down payment support and HOA reserves through the Public Equity Transfer Framework (PETF), the city can address persistent housing instability and wealth inequality without increasing public spending.

Implementation Timeline

- Q3 2025: Legislation passed codifying PETF
- Q4 2025: Interagency oversight board launched (HPD, HRA, DHCR, NYCHA)
- Q1 2026: Pilot buildings selected (priority: Top 100 Worst Landlords)
- Q2 2026: Tenant votes and MOU execution
- Q3 2026: First PETF-funded conversions begin
- By 2027: Minimum 25 co-op conversions citywide; 500+ tenant households gain ownership shares

Fiscal Impact

- Reallocates existing CityFHEPS, Section 8, and HASA funds toward equity rather than rent.
- Reduces future costs in:
 - Housing Court enforcement (Right to Counsel)
 - Shelter and emergency placement budgets
 - Public health and mental health interventions tied to unstable housing

- Estimated administrative startup costs: \$3.2M (1-time)
- Projected 10-year ROI: 6:1 when compared to current emergency housing expenditures

Agency Responsibilities

- HPD: Certify buildings, coordinate conversion process, disburse capital reserves.
- HRA: Reclassify subsidies and support tenant transition through case management.
- DHCR: Ensure compliance with co-op laws (Martin Act, GBL) and fair housing.
- NYCHA: Identify overlap opportunities and pilot similar framework in select developments.
- Comptroller's Office: Track equity growth and fiscal compliance over time.

Final Note

TCAP offers the first comprehensive housing voucher-to-equity framework in NYC history. With urgent affordability needs and widespread landlord noncompliance, PETF ensures tenants build long-term stability without requiring new construction or additional taxation.