

Tenant Co-op Acquisition Program (TCAP)

Date: June 3, 2025

Prepared by: Seth Foss, Public Policy Research Scholar

Contact: sfosss@icloud.com | 917-971-2922

What Is TCAP?

The Tenant Co-op Acquisition Program (TCAP) restructures NYC's housing subsidy system by converting qualifying rental vouchers into down payment and equity-building assistance. Through the Public Equity Transfer Framework (PETF), tenants gain cooperative ownership of distressed buildings, replacing landlord-controlled subsidies with equity-based stability.

Key Goals

- Replace rental vouchers with equity transfer subsidies
- Transition distressed buildings into limited-equity co-ops
- Build intergenerational wealth for historically excluded tenants
- Reduce eviction rates and housing court burdens
- Ensure public oversight and compliance through PETF

Who Benefits?

- Tenants in buildings with high code violations or on the Top 100 Worst Landlords list
- Households currently using CityFHEPS, HASA, FHEPS, and Section 8
- Working-class and disabled residents at or below 80% AMI

How It Works

1. A qualifying building is flagged for conversion.
2. Tenants vote to support cooperative acquisition.

3. Vouchers are reclassified to support ownership (ETVs).
4. Credit unions issue backed loans; PETF holds equity reserves.
5. Tenants receive shares and long-term affordability protections.

Fiscal & Legal Backbone

- Uses existing HUD/HRA voucher streams - no new taxes required
- Monitored by an interagency oversight board (HPD, HRA, DHCR, NYCHA)
- Reduces dependency on emergency programs (Right to Counsel, homeless shelter use)

For legislative packet or detailed implementation memos, contact the author or see attached policy documents.

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

To: NYC Council Housing & Buildings Committee

From: Seth Foss, Public Policy Research Scholar

Date: June 3, 2025

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.