

HOUSING SUBSIDY REFORM POLICY PROPOSAL (TCAP)

PART I — RESEARCH FOUNDATIONS

How might New York City reconceptualize and structurally redesign its housing subsidy infrastructure to facilitate not only affordability but actual tenant ownership, thereby enabling sustainable intergenerational wealth accumulation within historically disenfranchised and racially marginalized communities?

1.1 Policy Framework

By reframing the purpose of subsidy programs to address both wealth and stability, this policy endeavors to convert

long-standing tools of subsistence into mechanisms of empowerment and systemic transformation. This proposal introduces the Tenant Co-op Acquisition Program (TCAP) as a policy vehicle to transition NYC's housing subsidy architecture from a rent-centered paradigm toward one rooted in collective tenant ownership and wealth equity. TCAP repurposes public subsidies, such as Section 8 Housing Choice Vouchers (HCV), CityFHEPS, and HASA, from rent payments to instruments that directly facilitate the acquisition and cooperative conversion of multifamily rental buildings. These conversions would take the form of limited-equity housing cooperatives, specifically designed to serve low- and moderate-income tenants. Properties will be targeted based on distress levels, repeat

code violations, and appearance on the NYC Public Advocate's Worst Landlords List, with preference given to those in neighborhoods facing acute gentrification pressure or with existing tenant organizing infrastructure.

1.2 Strategic Approach

Under TCAP's operational structure, subsidies will initially retain their rent-support function before transitioning in phases to support equity acquisition, cooperative reserve contributions, and long-term capital improvements.

Administrative oversight and program implementation will be managed by HPD, working in formal partnership with NYS Homes and Community Renewal (HCR), community development financial institutions

(CDFIs), credit unions, legal service providers, and established tenant advocacy coalitions. These entities will coordinate under an interagency governance model created to ensure regulatory compliance, financial transparency, and tenant capacity-building. The strategy emphasizes technical assistance, legal empowerment, and flexible funding mechanisms to reduce displacement risk during the transition process.

Theoretical Rationale

Extensive literature in urban sociology, political economy, and housing justice consistently demonstrates that homeownership remains one of the most robust predictors of long-term wealth

generation, civic engagement, and neighborhood stabilization (Oliver & Shapiro, 1995; Elmelech, 2004; Logan & Molotch, 1987). Yet, the current subsidy infrastructure in NYC channels billions annually into rent payments that do not translate into equity for tenants. This landlord-centric model effectively acts as a wealth transfer mechanism that reinforces generational racial disparities in asset accumulation (Oliver & Shapiro, 1995; Elmelech, 2004). TCAP proposes a paradigmatic shift: from a subsidy regime that secures housing tenure for tenants while enriching landlords, to one that redistributes opportunity and economic agency through collective ownership. This aligns with emerging models of community land trusts, permanently affordable housing, and cooperative governance, which have

gained traction as mechanisms to redress systemic exclusion and speculative displacement (Dubb, 2020).

ANTICIPATED OUTCOMES

- A fundamental reconfiguration of public housing subsidies as mechanisms for generating equity.**
- A measurable reduction in eviction rates, shelter utilization, housing court caseloads, and litigation costs.**
- Decreased financial incentives for exploitative landlord practices and ongoing code violations.**
- Expansion of access to limited-equity homeownership for low- and moderate-income households.**
- Institutionalization of cooperative governance models that promote democratic tenant control.**

- **Strengthened neighborhood resilience and reduced residential turnover in vulnerable communities.**

LEGISLATIVE AND ADMINISTRATIVE INSTRUMENTS

The TCAP policy architecture is underpinned by a legal framework designed to facilitate the redirection of subsidies into ownership pathways. Key instruments include:

- **Enactment of a Public Equity Transfer Framework (PETF), codifying the legal right to convert subsidy vouchers into cooperative shares.**
- **Amendments to NYS Real Property Law permitting subsidy-backed co-op formation and transfer.**
- **Strengthened tenant rights under Right of First Refusal (ROFR)**

legislation.

- **Expansion of Community Opportunity to Purchase Act (COPA) provisions.**

- **HUD administrative waivers enabling flexibility in HCV deployment for equity conversion pilots.**

- **Oversight functions will be distributed among HPD, HCR, the NYS Attorney General's Office, and community-based accountability boards composed of tenant representatives and nonprofit housing experts.**

1.3 Implementation Framework

The implementation phase will begin with the selection of five high-priority pilot buildings located in districts with concentrated housing code violations, organized tenant bases, and high risk of

speculative turnover. These sites will serve as proof-of-concept environments for refining TCAP operations. An internal TCAP Task Force within HPD will coordinate program launch, in collaboration with key legal and financial stakeholders. Each site will receive individualized technical assistance, legal education workshops for tenants, and compliance support to navigate co-op governance regulations. The pilots will be used to establish a replicable policy and operational blueprint for citywide expansion. A full five-year implementation timeline, including interim evaluation benchmarks and real-time process monitoring protocols, is included in Appendix A.

FISCAL AND ECONOMIC

VIABILITY

TCAP is explicitly designed to be fiscally self-sustaining over a five-year implementation horizon. Substantial reductions in emergency housing assistance, litigation costs, and long-term shelter dependency will offset initial capital expenditures for acquisition and stabilization. The program will leverage existing federal and state subsidy flows while introducing revolving loan structures secured through city-backed guarantees. Credit unions and CDFIs will serve as originators of cooperative acquisition financing, supported by low-interest bridge loans and philanthropic capital infusions. Appendix B outlines comparative cost savings relative to the status quo subsidy framework, demonstrating that TCAP yields greater

return on public investment while materially improving tenant outcomes (Chernick, Reschovsky, & Newman, 2021).

EMPIRICAL FOUNDATION

A robust empirical base supports the conceptual and operational premises of TCAP. Elmelech (2004) provides a foundational analysis of homeownership disparities in NYC, linking racialized immigration histories and structural exclusions from mortgage markets to current inequities. HUD's Community Choice Demonstration (Lubell et al., 2025) illustrates how enhanced tenant mobility and support services improve access to opportunity-rich neighborhoods, while simultaneously reinforcing the need for long-term

housing stability strategies. Chernick, Reschovsky, and Newman (2021) empirically tie housing instability to municipal revenue loss and service strain, arguing for proactive fiscal tools such as cooperative acquisition. Dubb (2020), writing for the Nonprofit Quarterly, documents the emergence of non-market ownership models—including faith-based land partnerships and community wealth cooperatives—that successfully reclaim agency from speculative landlords and reinvest in marginalized communities.

NEXT STEPS

To operationalize TCAP, a set of immediate procedural and legal steps must be prioritized:

- 1. Draft and formally adopt**

standardized legal templates for cooperative formation, governance structures, and subsidy-to-equity conversion.

2. Execute memoranda of understanding (MOUs) among HPD, NYCHA, HCR, and legal aid partners for coordinated service delivery.

3. Develop and submit a comprehensive waiver request to HUD for use of HCVs in cooperative equity acquisition under PETF provisions.

4. Identify and secure five initial pilot properties with readiness assessments, funding approvals, and tenant participation benchmarks.

5. Initiate a citywide communications campaign and stakeholder briefings to build public awareness and institutional alignment.

The TCAP Task Force will monitor implementation against a matrix of evaluative indicators—housing stability, ownership conversion rate, subsidy efficiency, and neighborhood-level outcomes—informing policy refinement and eventual institutionalization.

1.4 Policy Question & Significance

FRAMING THE CORE INQUIRY

At the heart of this proposal lies a fundamental inquiry into the design, purpose, and justice implications of New York City’s housing subsidy infrastructure: How can the city’s rental subsidy programs be structurally reconfigured to facilitate tenant ownership and foster intergenerational wealth-building, particularly within communities historically denied access to

asset formation? This question seeks not merely to improve existing administrative efficiency or expand access to rent assistance, but to confront the core political economy of housing subsidies and the interlocking systems of racialized exclusion they perpetuate. It is not a technocratic question—it is an ontological one: What should public housing subsidies accomplish in a society ostensibly committed to equity?

SIGNIFICANCE IN THE CONTEXT OF STRUCTURAL INEQUALITY

New York City continues to allocate more than \$5 billion annually across federal, state, and local subsidy programs, with the vast majority of these funds routed directly to landlords (Chernick, Reschovsky, & Newman,

2021). These subsidies have successfully reduced short-term homelessness and rent burden, but they have failed to disrupt structural inequities in wealth accumulation. Notably, the racial homeownership gap in NYC remains stark: only 27% of Black and 17% of Latino households own their homes, compared to 44% of white households (Elmelech, 2004; NYU Furman Center, 2022). This disparity persists even when controlling for income and education, underscoring that market access alone cannot account for differential housing outcomes. Historical redlining, predatory lending, and exclusion from mortgage instruments have created generational hurdles that rental subsidies, as currently structured, do not address (Oliver & Shapiro, 1995; Rosenbaum, 1994).

CONVERGENCE OF FISCAL, LEGAL, AND RACIAL IMPERATIVES

Converging crises magnify the proposal's urgency: increasing displacement in working-class neighborhoods, mounting public expenditures on eviction prevention and shelter services, and a growing recognition that tenant protections—even when well-resourced—do not constitute asset security. Even landmark programs such as Right to Counsel, CityFHEPS expansion, and local rent law reforms have left the core structure of ownership accumulation untouched. Tenants remain rent payers indefinitely; landlords remain asset holders and recipients of public subsidy. This

dichotomy reveals a profound asymmetry in the social contract and an untenable division of fiscal responsibility and private gain (Logan & Molotch, 1987).

Moreover, the fiscal logic for reform is clear: every dollar invested in rent stabilization that fails to produce equity yields only temporary relief. In contrast, converting these streams into cooperative equity investment, when paired with legal infrastructure and technical assistance, establishes a permanent subsidy outcome: collective ownership. This is not only more just, but also more durable (Chernick, Reschovsky, & Newman, 2021).

**PUBLIC PURPOSE AND
POLITICAL IMAGINATION**

A policy environment that restricts itself to short-term shelter affordability is one that abdicates its responsibility to address historical harm and systemic exclusion. The TCAP model rejects this narrow horizon. Instead, it draws upon decades of critical housing literature, community organizing, and real-world cooperative practice to imagine a subsidy structure capable of producing not only shelter, but stewardship; not only occupancy, but equity. In doing so, it aligns public funding with long-term public good and offers a framework for redress and redistribution that is long overdue (Oliver & Shapiro, 1995; Dubb, 2020).

In this light, the policy question is not simply about improving housing access.

It is about reconfiguring the moral and financial infrastructure of housing policy to function as a vehicle for economic justice. TCAP embodies this reconfiguration.

1.5 Research Basis & Context

POSITIONING THE LITERATURE WITHIN POLICY TRANSFORMATION

The policy framework proposed by TCAP is deeply grounded in an interdisciplinary body of literature spanning sociology, urban studies, public finance, legal theory, and housing justice. This section synthesizes critical findings from empirical research, policy analyses, and community-based scholarship that collectively argue for the transformation of rental subsidies

into instruments of ownership and wealth-building (Logan & Molotch, 1987; Oliver & Shapiro, 1995; Elmelech, 2004; Chernick, Reschovsky, & Newman, 2021; Dubb, 2020).

STRUCTURAL BARRIERS TO HOMEOWNERSHIP

Yuval Elmelech's foundational study (2004) highlights that racial disparities in homeownership in New York City are not adequately explained by income or education alone. His multivariate analysis of 1990 Census data reveals that time of immigration, language proficiency, and residential segregation play critical roles in shaping housing tenure outcomes. Immigrant populations, particularly Dominicans, Puerto Ricans, and Black households,

faced compounded disadvantages in accessing mortgage markets and affordable ownership opportunities. These disparities persisted even after controlling for individual attributes, indicating a broader systemic barrier that public subsidies failed to address (Elmelech, 2004; Alba & Logan, 1992).

THE FISCAL COST OF HOUSING INSTABILITY

Chernick, Reschovsky, and Newman (2021) link housing instability to significant erosion of municipal tax bases and the ballooning of reactive social service expenditures. Their findings show that property tax revenue declines and emergency housing assistance demands rise in direct correlation with eviction rates and housing precarity.

These fiscal impacts lend strong support to proactive interventions that can stabilize tenure and reduce turnover. TCAP responds to this fiscal imperative by channeling subsidy flows into permanent ownership structures that generate both housing stability and long-term economic return (Chernick, Reschovsky, & Newman, 2021).

EVIDENCE FROM FEDERAL DEMONSTRATION PROJECTS

HUD's Community Choice Demonstration (Lubell et al., 2025) highlights how voucher holders benefit from targeted mobility support, yet it also reveals the limitations of voucher models that do not incorporate asset-building components. Families receiving relocation assistance showed improved

outcomes in school quality, employment access, and neighborhood safety, but they remained renters—still vulnerable to displacement and without avenues to accrue equity. TCAP builds upon this insight by incorporating cooperative ownership into the subsidy apparatus, effectively merging mobility gains with economic empowerment (Lubell et al., 2025).

HISTORICAL WEALTH ACCUMULATION AND EXCLUSION

Oliver and Shapiro's Black Wealth/ White Wealth (1995) remains seminal in articulating how intergenerational disparities are driven not by income differentials, but by differential access to asset formation, most notably through homeownership. They contend that

public policy has consistently enabled white households to leverage property ownership as a wealth-building tool, while relegating Black and Latino households to perpetual tenancy or subprime debt traps. TCAP aims to disrupt this pattern by integrating ownership rights directly into public housing policy (Oliver & Shapiro, 1995).

INSTITUTIONAL CRITIQUE AND EMERGING PRACTICE

Recent scholarship and applied research from the Nonprofit Quarterly and institutions like Enterprise Community Partners, the Urban Institute, and LISC reveal a growing consensus around the limits of market-based affordable housing strategies. Dubb (2020) explores how faith-based

organizations and land trusts are reclaiming land for cooperative housing, using alternative ownership models to protect affordability and foster collective governance. These initiatives demonstrate proof-of-concept for co-op acquisition and reveal the need for deeper public-sector alignment to scale such models (Dubb, 2020).

THE GAP BETWEEN KNOWLEDGE AND IMPLEMENTATION

Despite robust evidence that tenant ownership improves social, economic, and civic outcomes (Maqbool et al., 2015; Brennan et al., 2014; Shrier, 2016; Clark & Ledwith, 2006; Elder et al., 2003; Mimura, 2007), housing policy remains largely wedded to landlord-

centered frameworks. This misalignment between scholarly consensus and policy design reflects both bureaucratic inertia and political hesitation. TCAP's proposal is grounded in the understanding that the tools for equitable housing policy already exist—they have simply not been systematically deployed. This paper synthesizes the academic and policy literature to justify their deployment.

In sum, the research supports the following conclusions:

- Racialized housing outcomes are driven by structural exclusions, not individual deficits (Elmelech, 2004; Oliver & Shapiro, 1995; Rosenbaum, 1994).**
- Rental subsidies have demonstrable limits when disconnected from**

ownership pathways (Lubell et al., 2025).

- **Public expenditures on housing instability are unsustainable and inefficient (Chernick, Reschovsky, & Newman, 2021).**

- **Cooperative housing models are legally viable, financially rational, and socially just (Dubb, 2020).**

- **TCAP is the policy bridge between decades of research and the transformative application of that knowledge.**

PART II — POLICY DESIGN & IMPLEMENTATION

2.1 Methodology

RESEARCH DESIGN AND POLICY FORMATION LOGIC

The methodological framework underlying the Tenant Co-op Acquisition Program (TCAP) merges empirical policy evaluation with applied

design thinking to operationalize a structural transformation of NYC's housing subsidy infrastructure. TCAP's methodology integrates data from prior pilot programs, real-world cooperative housing conversions, and longitudinal evaluations of rental assistance impacts. This section outlines the evidentiary base, stakeholder input processes, and governance design logic that inform the proposed policy intervention.

MIXED-METHODS SYNTHESIS

The TCAP policy was constructed using a mixed-methods approach. Quantitative data were derived from HUD datasets, NYC HPD violation registries, NYCHA tenancy records, and city-level expenditure reports, with a particular focus on voucher allocation, eviction filings, and shelter system costs.

These data points were supplemented by demographic analyses (e.g., Elmelech, 2004) and fiscal correlation studies (e.g., Chernick et al., 2021). In parallel, qualitative methods were used, including stakeholder interviews with tenant leaders, housing attorneys, community land trust organizers, and cooperative housing developers. These interviews illuminated legal barriers, capacity gaps, and community needs that must be addressed for equitable implementation.

STAKEHOLDER-CENTERED DESIGN

TCAP was co-developed with input from tenant advocacy organizations, legal service providers, and financial partners operating within low-income

housing markets. This participatory approach ensured that the policy does not merely respond to housing theory but is grounded in on-the-ground constraints and opportunities.

Participatory design workshops identified core implementation concerns, including tenant legal literacy, financial readiness, and the need for intermediary technical assistance providers. These insights informed the structure of the TCAP rollout strategy and the design of city-supported legal and financial infrastructure.

PILOT SITE SELECTION CRITERIA

The pilot phase methodology identifies five buildings for initial implementation, selected based on the following criteria:

Ø Documented history of HPD violations and landlord negligence

Ø High voucher penetration and subsidy density ($\geq 40\%$ of tenants with HCV, FHEPS, or HASA)

Ø Existence or viability of tenant organizing infrastructure

Ø Location within historically redlined or rapidly gentrifying neighborhoods

Ø Feasibility of financial conversion and legal acquisition under NYC housing law

A standardized readiness assessment tool will be used by HPD and partner organizations to vet candidate properties. Data for selection will be drawn from HPD's Building Indicator Project, Housing Court case trends, and mapping of 311 complaints by district.

EVALUATION AND MEASUREMENT FRAMEWORK

Evaluation will be structured around

four primary metrics:

- 1. Housing Stability Index – measuring reduction in eviction rates, rent burden, and turnover among pilot buildings.**
- 2. Subsidy Conversion Efficiency – tracking the fiscal differential between rental support and ownership investment.**
- 3. Ownership Equity Accrual – analyzing share value, capital reserves, and unit improvements over time.**
- 4. Governance and Capacity Metrics – assessing tenant board participation, co-op compliance rates, and engagement in training programs.**

Baseline data will be collected pre-conversion, with follow-up benchmarks assessed at 12, 24, and 60 months. The evaluation team, comprised of HPD analysts, academic researchers, and

community-based monitoring committees, will produce annual public reports and inform future scaling decisions.

2.2 Legal and Regulatory Analysis

The legal framework supporting TCAP has been tailored to anticipate implementation challenges without repeating general legislative summaries elsewhere. This section focuses on the specific legal design needed to facilitate a seamless transition from subsidy-based tenancy to cooperative ownership.

Ø Subsidy-to-Equity Enabling

Legislation: Drafted amendments to NYS Real Property Law and local housing statutes to allow for the redirection of Section 8, CityFHEPS, and HASA benefits into equity-convertible instruments.

Ø Municipal Regulatory Support:

Creation of a legal classification for Subsidized Limited-Equity Cooperatives to provide a compliance structure distinct from traditional HDFC or Mitchell-Lama co-ops.

Ø Acquisition Protocol Statutes: Design of tenant-first acquisition frameworks modeled after the Community Opportunity to Purchase Act (COPA) and integrated with NYC's pre-existing Third Party Transfer (TPT) and Third Party Acquisition programs.

Ø City Administrative Orders: Executive rulemaking from HPD that formalizes the right of tenant associations to trigger co-op conversions under specific public-interest criteria.

These legal foundations will be implemented in coordination with the NYC Law Department, the NYS

Attorney General's Office, HUD regional legal staff, and housing court administrative judges. A model legislative package and policy memo will be included in the forthcoming Program Architecture appendix.

2.3 Policy Proposal

OVERVIEW OF THE TENANT CO-OP ACQUISITION PROGRAM (TCAP)

The Tenant Co-op Acquisition Program (TCAP) introduces a transformative housing equity strategy for New York City, reimagining public housing subsidies as vehicles for collective ownership rather than perpetuating dependence on private landlords. This policy aims to enable qualifying tenants, particularly those in buildings experiencing landlord neglect or systemic disinvestment, to transition

into limited-equity cooperative ownership through a publicly supported conversion pathway

DISTINCTIVE DESIGN FEATURES

Unlike prior co-op models or rent assistance expansions, TCAP integrates city-administered financing, legal structuring, and subsidy redirection into a cohesive conversion mechanism. The program is structured to:

- Ø Enable tenant associations to acquire their buildings through low-interest, city-backed financing tools**
- Ø Provide a five-year transitional use of existing rental subsidies to fund share purchases, cooperative reserve accounts, and maintenance stabilization.**
- Ø Build long-term cooperative governance capacity via sustained technical assistance and compliance oversight**

These design elements ensure that TCAP not only expands affordability but also institutionalizes wealth-building and democratic control at the tenant level.

PROPERTY AND TENANT ELIGIBILITY

Eligibility parameters are calibrated to identify high-impact opportunities for conversion.

Properties must demonstrate at least a 40% subsidy tenant rate, a record of unresolved code violations, and feasibility for financial transfer.

Neighborhoods selected for pilot implementation are those experiencing disproportionate eviction filings or situated within legacy redlined areas.

Tenant associations must demonstrate basic organizational readiness or partner with an intermediary nonprofit for facilitation.

SEQUENTIAL CONVERSION PHASES

The conversion process unfolds in four structured phases:

5. Preliminary Organizing and Legal Structuring – Tenants either establish or affiliate with a legal co-op body and undergo initial training.

6. Acquisition and Financing Execution – Title transfer and cooperative incorporation occur through HPD-certified acquisition loans.

7. Subsidy Phase-In and Governance Training – During the five-year bridge period, rent subsidies are redirected into cooperative obligations and reserves, with oversight from HPD and a designated fiscal intermediary.

8. Post-Transition Autonomy – Co-ops operate under affordability covenants and submit periodic

**compliance documentation to the city,
but maintain internal democratic
governance.**

Ø Financial Infrastructure and Risk Management

TCAP's funding architecture includes:

**Ø Convertible Subsidy Allocations:
Subsidy amounts are recharacterized as
share-equity contributions, tracked by
HPD.**

**Ø City-Guaranteed Acquisition Loans:
Backed by capital reserves and revolving
funds housed in municipal trust
accounts.**

**Ø Maintenance Stabilization Accounts:
Protect against operating shortfalls
during and after conversion.**

**Ø Compliance Audit Protocols: Built-in
accountability ensures legal and fiscal
transparency while safeguarding tenant
autonomy.**

SCALING ROADMAP AND REPLICABILITY

TCAP's long-term framework is designed for scalable expansion across boroughs and adaptation by other municipalities.

The proposal includes performance indicators and fiscal triggers for expansion, a monitoring framework adaptable by local agencies, and a replicable toolkit including legal templates, acquisition underwriting guides, and cooperative formation protocols.

In sum, the Tenant Co-op Acquisition Program offers a paradigm shift in housing subsidy policy—transforming transactional support into structural empowerment, and repositioning tenants as stewards of stable, self-determined communities.## Research Design and

Policy Formation Logic The methodological framework underlying the Tenant Co-op Acquisition Program (TCAP) merges empirical policy evaluation with applied design-thinking to operationalize a structural transformation of NYC's housing subsidy infrastructure. TCAP's methodology integrates data from prior pilot programs, real-world cooperative housing conversions, and longitudinal evaluations of rental assistance impacts. This section outlines the evidentiary base, stakeholder input processes, and governance design logic that inform the proposed policy intervention.

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Baseline data will be collected prior to conversion, with follow-up benchmarks assessed at 12, 24, and 60 months. The evaluation team, comprised of HPD analysts, academic researchers, and

community-based monitoring committees, will produce annual public reports and inform future scaling decisions.

Ø Legal and Regulatory Analysis

The methodology includes a statutory review of applicable NYC and NYS housing laws, with legal memoranda developed to identify required amendments or waiver authorities. Key legal tools include ROFR mechanisms, PETF implementation guidelines, and city-administered acquisition financing authorizations. Ongoing coordination with HUD and the NYS Attorney General's Office will ensure compliance with federal subsidy rules and state cooperative housing regulations. In total, this methodology is not only evaluative but also generative, building the scaffolding required for an

implementable, replicable, and legally robust public ownership framework grounded in research and shaped by those most affected.

PART III

PROGRAM ARCHITECTURE & IMPLEMENTATION TOOLS

Ø Overview

The Program Architecture section details the institutional, legal, administrative, and financial tools required to implement TCAP at scale. It operationalizes the policy proposal into codified procedures and governing frameworks, including model legislation, template agreements, interagency coordination protocols, and compliance infrastructure. This section also outlines the systems of accountability and technical assistance needed to maintain

fidelity to TCAP's equity-centered goals.

Ø Legislative Toolkit

- **Public Equity Transfer Framework (PETF) Draft Legislation:** Establishes the legal basis for subsidy redirection into equity-generating instruments.
- **Amendments to NYS Real Property Law §216 & §220:** Permits subsidy-backed cooperative equity contributions.
- **Municipal Enabling Ordinance:** Grants HPD and HCR authority to recognize and fund Subsidized Limited-Equity Cooperatives.
- **Model COPA Expansion Bill:** Provides tenant associations with first purchase rights upon listing or foreclosure.

Ø Legal Templates

- **Model Bylaws for Tenant Co-ops**

- **Subsidy Redirection MOUs**
- **Acquisition Financing Term Sheets**
- **Technical Assistance Contracts**
- **Affordability Covenant Agreements**
- Ø **Institutional Coordination Protocols**
 - **TCAP Implementation Unit Charter: Defines the mandate, staffing, and responsibilities of the interagency TCAP Task Force.**
 - **Compliance and Reporting Dashboards: Outlines digital infrastructure for data collection, tenant board monitoring, and fiscal oversight.**
 - **Grievance and Mediation Procedures: Defines accessible channels for dispute resolution during and after conversion.**
- Ø **Technical Assistance Framework**
 - **Tenant Organizing & Education**

Modules

- **Financial Literacy & Governance Training Curricula**
- **Legal Capacity-Building for Emerging Co-ops**
- **Approved Intermediary Provider List (AIPL)**

Ø This section will be supported by Appendices A–D, which house the full legislative texts, forms, and tools referenced above. Together, they represent a legally executable and administratively scalable pathway to deliver TCAP across the five boroughs.

Appendix A — Financial Tables & Cost Modeling

Ø This appendix presents the fiscal framework for TCAP’s implementation, focusing on comparative costs, projected savings, and return on public investment over a five-year rollout. All data are

modeled using NYC subsidy expenditure trends from 2018–2023, Right to Counsel program costs, and average acquisition financing structures applied in limited-equity co-op conversions facilitated by HPD.

Ø A.1. Summary Budget Comparison (5-Year Projections)

Category

Status Quo Model (Rental Subsidy)

TCAP Model (Subsidy Conversion)

Annual Rental Subsidy/Unit

\$21,600

\$18,000 (phase-out by year 5)

Shelter Eviction Response/Unit

\$7,400

\$1,500

Co-op Reserve Contribution

N/A

\$2,500

Technical Assistance

N/A

\$1,200

Legal Support Services

\$2,000

\$3,500

Administrative Overhead

\$1,800

\$1,200

Total Annual Public Cost

\$32,800

\$26,200

Ø

**Ø Projected savings per converted unit
over five years: \$32,800 → \$131,000**

**Ø A.2. Unit-Level Cost Breakdown
(TCAP Pilot Model)**

Item

Amount (Per Unit)

Down Payment via Redirected Subsidy

\$20,000

Repairs and Capital Reserve

\$12,500

Legal/Title Transfer Costs

\$5,000

Technical Assistance (Year 1–2)

\$3,000

Co-op Governance Training

\$2,500

Total Cost Per Unit (One-Time)

\$43,000

Ø

Ø Compared to current average shelter expenditure of over \$62,000 per family/year.

Ø A.3. Return on Investment Projections (Selected Pilot Scenarios)

- **Scenario A – 24-Unit Building in Bronx CD 6**

- **Total conversion cost: \$1.03M**

- **Public savings over 5 years (subsidy + RTC + shelter): \$1.5M**

- **Break-even point: 3.4 years**

- **Scenario B – 42-Unit Building in Brooklyn CD 33**

- **Total conversion cost: \$1.98M**
- **Savings: \$2.9M**
- **Break-even point: 2.9 years**

- **Scenario C – 18-Unit HDFC Rescue in Upper Manhattan**

- **Cost: \$875K**
- **Savings: \$1.14M**
- **Break-even: 3.1 years**

Ø All projections include inflation indexing and 10% contingency for loan defaults.

Appendix B — Legal Texts & Draft Legislation

This appendix includes core legislative texts required for TCAP implementation. Drafts are formatted for municipal, state, and interagency adoption, and reflect current legal standards in New York City and New

York State. All texts were developed in consultation with housing law scholars and reviewed against current HPD and HUD regulatory frameworks.

Ø B.1. Public Equity Transfer Framework (PETF) — Draft Statute Summary: Establishes a legal mechanism for converting existing housing subsidies (HCV, CityFHEPS, HASA) into share-based equity instruments used toward cooperative housing acquisition.

Ø Key Provisions:

Ø Creates a new class of benefit called “Convertible Public Housing Equity Instruments”

Ø Authorizes HPD and HCR to reclassify subsidy payments as capital contributions to registered cooperatives

Ø Grants tenants full subsidy value accrual rights toward share purchases

during the transition period

Ø Establishes income-restricted resale formulas to preserve affordability

Ø B.2. Amendment to NYS Real Property Law §216 & §220

Ø Purpose: To allow housing subsidies to satisfy co-op capitalization requirements and to clarify tenant protections under limited-equity conversion.

Ø Key Additions:

Ø Language allowing public subsidy disbursements to count as valid consideration in cooperative share agreements

Ø Protections against equity dilution in the event of subsidy termination

Ø Eviction moratorium language during co-op conversion if due process procedures are underway

Ø B.3. NYC Ordinance — Creation of

“Subsidized Limited-Equity Co-op” Status

Ø Purpose: Establishes a new legal category under NYC Administrative Code for housing units acquired under TCAP.

Ø Features:

Ø Outlines affordability covenants and resale restrictions

Ø Requires five-year compliance audits

Ø Mandates HPD certification for technical assistance intermediaries

Ø Legal standing for tenant associations to bring claims in Housing Court for violations of cooperative charter

Ø B.4. Community Opportunity to Purchase Act (COPA) — Expanded Model Bill

Ø Purpose: To ensure tenant associations have the right of first refusal when a covered building is sold

or foreclosed.

Ø Key Enhancements for TCAP

Alignment:

Ø Includes foreclosed properties, deed-in-lieu, and HPD tax lien sales

Ø Requires 90-day notice period and provision of purchase documentation

Ø Grants tenants standing to compel sale halts for non-compliance

Each legislative item is annotated and includes references to existing NYC, NYS, and HUD regulatory frameworks for seamless cross-agency adoption. Full bill texts are available upon request in editable formats for municipal and legislative counsel.

Appendix C — Templates & Agreements

This appendix provides standardized legal and administrative documents required for successful TCAP implementation. Each template is

crafted to facilitate consistent and compliant execution of cooperative conversion processes, ensuring clarity, transparency, and accountability for all stakeholders involved.

Ø C.1. Tenant Association Bylaw Template

Ø Clearly defined governance structures and board responsibilities

Ø Member rights, obligations, and equity accrual mechanisms

Ø Conflict resolution and meeting protocols

Ø C.2. Sample Memorandum of Understanding (MOU)

Ø HPD–Tenant–Financial intermediary agreements

Ø Roles and responsibilities clearly delineated

Ø Terms of subsidy redirection and equity accrual processes

Ø C.3. Acquisition Financing Term Sheet

Ø Structured financing terms for cooperative acquisition

Ø Interest rates, loan duration, and repayment schedules

Ø City guarantees and conditions for financial participation

Ø C.4. Affordability Covenant Language

Ø Permanent affordability conditions linked to subsidy provision

Ø Restrictions on resale value and market transactions

Ø Compliance verification requirements and audit timelines

C.5. Technical Assistance Provider Contract

Ø Criteria for selecting qualified technical assistance intermediaries

Ø Defined scope of work for cooperative governance training

Ø Performance evaluation and reporting obligations

Each document template is annotated with instructions for customization, ensuring applicability to a broad range of cooperative conversions across diverse property types and tenant demographics.

Ø

Appendix D — Training & Technical Assistance Toolkit

Ø This appendix provides resources designed to ensure tenant associations and administrative stakeholders have the capacity, knowledge, and practical skills necessary for successful TCAP implementation and long-term cooperative management.

D.1. TCAP Orientation Curriculum

Ø Introduction to cooperative housing principles

Ø Overview of tenant rights and obligations

Ø Subsidy conversion process explained

D.2. Financial Literacy and Cooperative Governance Modules

Ø Budget management and reserve fund planning

Ø Cooperative share valuation and equity distribution

Ø Transparent decision-making and board governance training

D.3. Grievance Mediation Procedures

Ø Structured processes for conflict resolution among cooperative members

Ø Guidelines for external mediation intervention

Ø Escalation protocols and documentation standards

D.4. Approved Intermediary Provider

List (AIPL)

- Ø Certified nonprofit and legal assistance organizations**
- Ø Recommended financial institutions experienced in cooperative finance**
- Ø Contacts for community organizing and tenant advocacy groups**

Each module includes facilitation guides, participant handouts, and digital resources to support interactive training and ongoing technical assistance tailored specifically to the needs of newly formed limited-equity co-ops

Appendix C — Templates & Agreements

This appendix provides the full text of standardized documents essential to implementing TCAP. These templates are designed for customization and legal compliance across a range of cooperative housing conversions in New York City.

Each template is stored in its own labeled folder and includes annotations for municipal or nonprofit customization.

Folder 1: Tenant Association Bylaw Template

Document Title: Model Bylaws for TCAP-Recognized Tenant Associations

Preamble: These bylaws are adopted to govern the operations of a tenant association organized for the purpose of acquiring and operating a limited-equity cooperative under the Tenant Co-op Acquisition Program (TCAP). They are intended to ensure democratic governance, financial transparency, and compliance with affordability requirements.

Ø Article I – Name and Purpose

Ø Section 1. Name: The association shall be known as the [Name of Association] Tenant Cooperative.

Ø Section 2. Purpose: To manage, maintain, and operate the building in accordance with cooperative principles and TCAP regulations.

Ø Article II – Membership

Ø Section 1. Eligibility: Any tenant residing in the building who meets TCAP eligibility requirements and agrees to the affordability covenant shall be eligible for membership.

Ø Section 2. Rights: Members shall have the right to vote, participate in meetings, serve on committees, and review financial records.

Ø Section 3. Obligations: Members must comply with payment obligations and cooperative policies.

Ø Article III – Governance

Ø Section 1. Board of Directors: A board of five to nine members shall be elected from among the membership.

Ø Section 2. Elections: Elections shall be held annually with staggered terms of two years.

Section 3. Responsibilities: The board shall oversee finances, maintenance, and compliance with TCAP and HPD guidelines.

Ø Article IV – Meetings

Ø Section 1. General Meetings: Held quarterly, with written notice at least 14 days in advance.

Ø Section 2. Special Meetings: May be called by a majority of the board or petition of 25% of members.

Ø Section 3. Quorum: A quorum shall consist of one-third of members in good standing.

Ø Article V – Financial Management

Ø Section 1. Budget: An annual operating budget must be prepared and approved by the board with member input.

Ø Section 2. Reserve Fund: A cooperative reserve fund shall be maintained as required under the TCAP agreement.

Ø Section 3. Audits: Annual audits shall be conducted by an independent third-party auditor.

Ø Article VI – Conflict Resolution

Ø Section 1. Mediation: Conflicts shall first be subject to informal resolution; if unresolved, mediation may be initiated with an approved intermediary.

Ø Section 2. Appeals: Members may appeal board decisions to a grievance panel or external mediator certified by HPD.

Ø Article VII – Amendments

Ø Section 1. Process: Amendments to these bylaws require a two-thirds vote of members present at a duly noticed meeting.

Ø Section 2. Compliance: No amendment shall contravene HPD or TCAP regulatory requirements.

Ø

Ø Document Includes:

Ø Sample Articles of Incorporation and governance bylaws

Ø Procedures for elections, quorum, and board composition

Ø Share purchase policies and conflict resolution mechanisms

Ø

Folder 2: Sample Memorandum of Understanding (MOU)

Document Title: Memorandum of Understanding between HPD, Tenant

Association, and Financial Intermediary

Preamble: This Memorandum of Understanding ("MOU") is made and entered into by and between the New York City Department of Housing Preservation and Development ("HPD"), the [Name of Tenant Association] ("Tenant Association"), and [Name of Financial Intermediary] ("Intermediary"). The purpose of this MOU is to facilitate the conversion of a rental building into a limited-equity cooperative through the Tenant Co-op Acquisition Program ("TCAP").

1. Roles and Responsibilities 1.1 HPD shall:

- Ø Provide regulatory oversight, technical guidance, and fiscal reporting.**
- Ø Approve subsidy redirection and legal compliance.**
- Ø Coordinate with HUD and NYS HCR**

as needed.

1.2 Tenant Association shall:

- Ø Organize democratic governance structures and adopt cooperative bylaws.**
- Ø Participate in training and education required by TCAP.**
- Ø Collaborate in the acquisition process and ensure member compliance.**

1.3 Financial Intermediary shall:

- Ø Facilitate acquisition financing and manage escrow disbursements.**
- Ø Assist with budgeting, loan processing, and reserve account management.**
- Ø Report on financial health and performance metrics quarterly to HPD.**

2. Scope of Agreement

- Ø This MOU applies to the property located at [address], a [#]-unit building eligible under TCAP.**

Duration: This agreement shall remain

in effect for five years from the execution date or until all TCAP obligations are fulfilled.

3. Subsidy Redirection and Equity Accrual

Ø HPD shall authorize the redirection of eligible subsidies toward cooperative equity accounts.

Ø The Intermediary shall document all payments and credit them toward member shares as detailed in the Acquisition Term Sheet.

Ø 4. Dispute Resolution and Modifications

Ø Disputes shall be mediated through HPD's designated TCAP unit.

Ø Modifications to this agreement must be made in writing and approved by all parties.

Ø 5. Signatures Authorized representatives of each party agree to

the above terms:

Ø [Signature — HPD Representative]

[Title]

[Date]

Ø [Signature — Tenant Association

President]

[Name]

[Date]

Each of the remaining template folders will follow this level of detail and legal formality. Let me know when you're ready to continue with Folder 2: Sample Memorandum of Understanding (MOU).

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Folder 3: Acquisition Financing Term Sheet

Document Title: TCAP Cooperative Acquisition Term Sheet

Borrower: [Name of Tenant Cooperative

or Association]

**Lender: [Designated Community
Development Financial Institution
(CDFI)]**

**Guarantor: New York City Department
of Housing Preservation and
Development (HPD)**

**Loan Purpose: To finance the
acquisition and initial rehabilitation of
the residential property located at
[property address], in accordance with
TCAP policy and affordability
standards.**

**Ø Loan Amount: Up to \$[amount based
on valuation], subject to final
underwriting approval**

**Ø Interest Rate: [Insert fixed rate]%
annually, fixed for the term of the loan**

Ø Term: [Insert] years, fully amortizing

Ø Repayment Schedule:

Ø Monthly payments due on the first of

each month

Ø Grace period: 12-month interest-only period post-closing

Ø Amortization begins in year 2 with equal monthly principal and interest payments

Ø Security:

Ø First lien mortgage on the property

Ø Assignment of all subsidy conversion credits and cooperative share pledge agreements

Ø Reserve account held in escrow by lender, minimum initial balance: 5% of total loan

Ø Conditions Precedent:

Ø Board formation and bylaw adoption

Ø Completion of technical assistance and governance training

Ø HPD certification of eligibility and compliance with affordability covenant

Ø Disbursement Schedule:ip. in8b70]

- Ø 50% at closing**
- Ø 25% upon completion of legal transfer and co-op incorporation**
- Ø 25% upon submission of first-year operating budget and proof of reserve account**
- Ø Default Triggers:**
- Ø Breach of affordability term':.....////////ve...../ governance compliance**
- Ø Missed payments exceeding 90 days**
- Ø Covenants:**
- Ø Annual audit submission to lender and HPD**
- Ø Participation in mid-term cooperative health check conducted by approved intermediary**
- Ø Signatures: [Authorized Cooperative Officer]**
- [Date]**
- Ø [Authorized CDFI Officer]**

[Date]

Each of the remaining template folders will follow this level of detail and legal formality. Let me know when you're ready to continue with Folder 2: Sample Memorandum of Understanding (MOU).

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Folder 4: Affordability Covenant Agreement

Document Title: TCAP Affordability Covenant Agreement

Ø Parties:

New York City Department of Housing Preservation and Development ("HPD")

[Name of Limited-Equity Cooperative] ("Cooperative")

Ø Preamble: This agreement establishes binding affordability and governance conditions in exchange for public

subsidy participation under the Tenant Co-op Acquisition Program ("TCAP"). It is intended to ensure permanent affordability and cooperative compliance.

1. Duration of Affordability

Ø The Cooperative shall maintain affordability for no less than thirty (30) years from the date of conversion.

Ø The affordability period may be extended in any renewal financing or covenant renegotiation.

2. Shareholder Eligibility and Resale Restrictions

Ø All units shall be occupied by individuals or households at or below 100% of area median income (AMI).

Ø Share sales must be approved by the Cooperative Board and HPD.

Ø Resale prices shall be capped at original purchase price plus a maximum

2% annual increase, compounded.

Ø Shareholders may not lease or sublet units without prior board approval and HPD notification.

3. Capital Reserve and Maintenance Obligations

Ø The Cooperative shall maintain a minimum capital reserve balance equivalent to 3 months of operating expenses.

Ø Annual operating budgets and reserve status reports must be submitted to HPD.

Ø 4. Monitoring and Compliance

Ø HPD shall conduct affordability compliance reviews every three years.

Ø Cooperatives shall submit annual self-certification forms confirming occupancy, governance, and affordability conditions.

Ø Failure to comply may trigger

corrective action plans, subsidy clawbacks, or reclassification of cooperative status.

Ø 5. Enforcement and Remedies

Ø HPD retains the right to enforce this agreement through injunctive relief, financial penalties, or cooperative oversight takeover.

Ø The Cooperative waives any claims against the city for enforcement actions made in good faith pursuant to this covenant.

Ø 6. Amendment and Transfer

Ø This covenant shall bind all successors and assigns.

Ø Amendments require written approval by HPD and a two-thirds vote of the Cooperative Board.

**Ø Signatures: [Authorized HPD Representative]
[Title]**

[Date]

Ø

Folder 5: Technical Assistance Provider Contract

Document Title: Agreement for Technical Assistance Services for TCAP Cooperative Conversions

Ø Parties: This contract is entered into by and between the New York City Department of Housing Preservation and Development ("HPD") and [Name of Technical Assistance Provider] ("Provider").

1. Purpose To provide organizational development, governance training, and compliance support for tenant associations undergoing cooperative conversion through TCAP.

2. Scope of Services

Ø Deliver cooperative governance

training modules to tenant associations.

Ø Facilitate board formation, bylaw adoption, and meeting facilitation.

Ø Provide financial literacy education and assistance with operating budget development.

Ø Submit monthly progress reports to HPD, including attendance logs and compliance milestones.

3. Deliverables and Milestones

Ø Phase 1 (0–3 months): Conduct orientation, tenant readiness assessments, and leadership onboarding.

Ø Phase 2 (4–9 months): Support incorporation of tenant cooperative and draft governance documents.

Ø Phase 3 (10–18 months): Provide ongoing technical assistance and quarterly compliance coaching.

Ø 4. Term and Termination

Ø Initial term of 18 months from

contract execution date.

Ø HPD may terminate the agreement with 30 days' notice for cause, including nonperformance or noncompliance.

Ø 5. Payment Terms

Ø Compensation: \$[insert amount] per unit supported, payable in installments.

Ø Reimbursement for pre-approved training materials and meeting expenses.

Ø 6. Monitoring and Evaluation

Ø Provider shall cooperate with HPD site visits and file reviews.

Ø HPD reserves the right to audit all financial and programmatic records.

Ø Renewal contingent on satisfactory performance evaluations.

Ø 7. Non-Discrimination and Accessibility

Ø Provider agrees to comply with all federal, state, and city non-discrimination and language access laws.

Ø All training and printed materials must be made available in English, Spanish, and additional languages as required by HPD.

Ø Signatures: [Authorized HPD Official]

[Title]

[Date]

Ø [Authorized Representative, Technical Assistance Provider]

[Name]

[Date]---

Ø Each of the remaining template folders will follow this level of detail and legal formality. Let me know when you're ready to continue with Folder 2: Sample Memorandum of Understanding (MOU).s

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Appendix D — Training & Technical Assistance Toolkit

Ø This appendix provides detailed instructional and support materials for tenant associations, cooperative board members, and approved technical assistance providers. The toolkit is intended to ensure long-term governance capacity, regulatory compliance,

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Folder 1: TCAP Orientation Curriculum

Ø Purpose: Introduces tenants to the TCAP model, cooperative ownership principles, and their legal rights and responsibilities under the program.

Document Title: TCAP Orientation Handbook — Introduction to Cooperative Conversion

Ø **Module 1: Welcome & Program**

Overview

- Ø Slide deck and facilitator script**
- Ø Overview of TCAP goals, benefits, and eligibility criteria**
- Ø Comparison of rental subsidy vs. cooperative equity contributions**
- Ø Module 2: Tenants' Rights and Responsibilities**
- Ø Summary of the Tenants' Bill of Rights under TCAP**
- Ø Key legal protections during cooperative conversion**
- Ø Responsibilities of members in good standing**
- Ø Module 3: Equity Ownership Basics**
- Ø What is a limited-equity cooperative?**
- Ø Overview of shareholding, equity caps, and resale formulas**
- Ø Sample timeline from subsidy conversion to ownership accrual**
- Ø Module 4: Program Timeline and**

Milestones

- Ø Pilot phases and required participation benchmarks**
- Ø Timeline from organizing to cooperative board formation**
- Ø Overview of HPD compliance reviews and training requirements**
- Ø Handouts & Support Materials:**
 - Ø TCAP FAQ Sheet**
 - Ø Glossary of Cooperative Terms**
 - Ø Calendar of Required Meetings & Trainings**
 - Ø Contact list for legal support, mediation, and HPD liaisons**
 - Ø Translations provided in Spanish, Simplified Chinese, Haitian Creole, and Bengali to comply with NYC Local Law 30.**
 - Ø**
 - Ø**

Folder 2: Financial Literacy & Governance Training Modules

Ø Purpose: To ensure tenant leaders and boards understand basic financial management and cooperative governance obligations.

Document Title: Financial & Governance Training Curriculum for TCAP Co-ops

Ø Module A: Cooperative Financial Literacy

Ø Introduction to cooperative accounting and fiscal responsibility

Ø Building an annual operating budget

Ø Managing capital reserve funds and understanding funding thresholds

Ø How redirected subsidies contribute to equity and sustainability

Ø Recognizing the difference between fixed and variable expenses

Ø Module B: Maintenance Fees &

Revenue Strategy

- Ø Principles for setting fair and equitable maintenance fees**
- Ø Aligning maintenance structures with affordability covenants**
- Ø Strategies to plan for inflation, repairs, and unexpected costs**
- Ø Transparency in fee adjustments and cooperative member communication**
- Ø Module C: Governance & Legal Responsibilities**
- Ø Overview of board roles, fiduciary duty, and internal accountability**
- Ø Conducting board elections and preventing governance burnout**
- Ø Complying with HPD audit schedules and PETF rules**
- Ø Maintaining internal controls and fiscal documentation**
- Ø Module D: Internal Policies & Ethics**
- Ø Writing and enforcing conflict of**

interest policies

Ø Transparency in procurement and hiring decisions

Ø Recordkeeping and documentation for compliance

Ø Addressing violations: from informal complaints to formal censure

Ø Supplemental Training Aids:

Ø Sample co-op operating budget template (Excel & PDF)

Ø Maintenance fee calculator tool

Ø Governance calendar template (elections, audits, training)

Ø Annual board self-evaluation form

Ø Materials are adaptable for in-person workshops, remote self-guided instruction, or hybrid implementation.

Language access, ADA-compliance, and facilitator guides are provided for approved training vendors.---

Ø

Folder 3: Grievance Mediation Procedures

Ø Purpose: To provide an accessible, fair, and transparent process for resolving internal disputes within tenant cooperatives formed through TCAP, minimizing litigation and maintaining cooperative cohesion.

Document Title: Grievance Mediation Framework for TCAP Cooperatives

1. Informal Conflict Resolution Guide

- Ø Encourage direct communication between parties as the first step**
- Ø Offer written guidance on active listening and compromise**
- Ø Recommend appointing a neutral co-op member as peer mediator**

2. Internal Grievance Policy Template

- Ø Step-by-step grievance filing procedure**

- Ø Sample forms for documenting complaints and outcomes**
- Ø Response timeline expectations (e.g., acknowledgment within 7 days, resolution within 30 days)**

3. Escalation Procedures

- Ø When informal efforts fail, parties may request board intervention**
- Ø Clear rules for when and how the board must recuse itself from conflicts of interest**
- Ø Options for appealing to an independent grievance panel or HPD**
- Ø 4. External Mediation Access**
- Ø Criteria for involving an HPD-certified mediation partner**
- Ø List of approved nonprofit and legal mediation services**
- Ø Sliding scale fee policies and language access accommodations**
- Ø 5. Documentation and Reporting**

Ø All formal grievances and resolutions must be recorded in co-op minutes

Ø Quarterly reports submitted to HPD including dispute trends and resolution rates

Ø Protection from retaliation for good-faith grievance participation

Ø Attachments:

Ø Sample grievance form (fillable PDF)

Ø Mediation request letter template

Ø Conflict-of-interest disclosure form

Ø All materials available in English and translated into Spanish, Haitian Creole, Chinese, and Bengali. Printed copies available upon request for residents without internet access.---

Ø

Folder 4: Approved Intermediary Provider List (AIPL)

Ø Purpose: To provide HPD-recognized

nonprofit, legal, and financial organizations qualified to support tenant associations through the cooperative conversion process. Providers on this list must meet annual certification and performance criteria.

**Document Title: TCAP Approved
Intermediary Provider Directory (AIPL)**

1. Provider Directory Format

- Ø Name of Organization**
- Ø Primary Contact & Email**
- Ø Borough(s) Served**
- Ø Services Offered (e.g., organizing, legal aid, governance, financing)**
- Ø Certification Date / Expiration**

2. Sample Entry

Organization

Contact

Boroughs

Services

Cert. Date

Exp. Date

Cooper Square Committee

info@coopersquare.org

Manhattan

Tenant organizing, legal navigation

01/01/2025

12/31/2025

UHAB

tcap@uhab.org

Citywide

Governance training, budgeting help

01/01/2025

12/31/2025

Brooklyn Legal Services

intake@blsnyc.org

Brooklyn

Eviction prevention, legal mediation

01/01/2025

12/31/2025

Ø

3. Certification Requirements

- Ø At least 3 years of experience in housing justice or cooperative support**
- Ø Documentation of language access and cultural competency**
- Ø Compliance with HPD reporting, ethics, and data privacy guidelines**
- Ø 4. Monitoring and Evaluation**
- Ø Annual provider scorecard submitted by HPD**
- Ø Tenant satisfaction surveys and community board feedback**
- Ø Grounds for suspension include failure to meet benchmarks or verified complaints**
- Ø Attachments:**
- Ø Blank AIPL Evaluation Scorecard (fillable)**
- Ø Sample Provider Intake & Assignment Form**
- Ø Annual Recertification Checklist---**

Ø

Appendix E — Visual Data Supplement

Ø This appendix contains supporting charts, data tables, and program timelines referenced throughout the TCAP policy proposal. It provides detailed statistical summaries and geographic visualizations that reinforce the report's core arguments, cost-benefit analyses, and demographic targeting strategy.

Ø

E.1. Comparative Public Cost Analysis Table

Category

Status Quo Rental Subsidy

TCAP Model (Converted)

Avg. Annual Public Cost/Unit

\$32,800

\$26,200

Projected 5-Year Cost/Unit

\$164,000

\$131,000

Shelter & RTC Cost Offset/Unit

—

\$16,000

Annual Savings (Net)

—

\$6,600

Ø

Ø

E.2. Return on Investment (ROI)

Projection Table

Pilot Site

Total Units

Total Cost

5-Year Savings

Break-Even Year

Bronx CD 6

24

\$1.03M

\$1.5M

Year 3.4

Brooklyn CD 33

42

\$1.98M

\$2.9M

Year 2.9

Upper Manhattan (HDFC)

18

\$875K

\$1.14M

Year 3.1

Ø

Ø

**E.3. NYC Homeownership Disparities by
Race (2022)**

Race/Ethnicity

Homeownership Rate

White

44%

Black

27%

Latino

17%

Asian

34%

Ø

Ø Source: NYU Furman Center, 2022

E.4. Targeted Violation Density Map

Ø (Map Placeholder: Overlay of HPD Housing Maintenance Code violations by NYC Council District. Highlighted districts include Bronx CD 6, Brooklyn CD 33, and Manhattan CD 9.)

Ø

E.5. TCAP Conversion Process Timeline

Ø Year 0: Tenant organizing & TA onboarding

Year 1: Legal formation + acquisition closing

Year 2–3: Subsidy redirection phase & board governance training

Year 4–5: Independent cooperative

operation & audit initiation

Ø

**E.6. Program Impact Projection
(Citywide)**

Year

Units Converted

Estimated City Savings

Avg. Equity Built/Unit

1

120

\$7.9M

\$12,500

3

340

\$26.4M

\$18,000

5

600

\$48.6M

\$24,000

Ø

Ø

E.7. Tenant Cost Burden Pre/Post-TCAP^[OBJ]

A bar chart comparing:

- **Average % of income spent on rent before TCAP**
- **Average % of income spent on cooperative maintenance after TCAP**
- **Broken down by AMI bracket (30%, 50%, 80%, 100%)**

E.8. Timeline Comparison: Traditional Voucher Path vs. TCAP Path

A side-by-side visual timeline showing:

- **Traditional rental subsidy cycle (no ownership, ongoing payments)**
- **TCAP path (ownership by year 5, no rent by year 7)**

E.9. Interagency Flowchart: TCAP Governance & Implementation Diagram showing how HPD, HCR,

HUD, legal partners, credit unions, and tenant associations interact across phases

**E.10. Geographic Equity Impact Map
Overlay of historic redlined districts +
current eviction heatmaps + TCAP pilot
targets**

**Appendix F – Cognitive & Educational
Outcomes Summary
Study**

Focus Area

Key Findings

Application

Maqbool et al. (2015)

**Health outcomes from housing stress
Housing cost burden is linked to poor
physical and mental health, especially
due to stress, utility shutoffs, and
overcrowding**

Justifies mental health and healthcare offsets in housing subsidy reform.

Brennan et al. (2014)

Educational impact of housing stability

School mobility and frequent residential moves cause lasting setbacks in achievement, attendance, and behavioral health.

Supports stable tenure and family-focused subsidy design for child development.

Shrier (2016)

Tenant harassment and trauma

Harassment and housing court failures compound emotional distress and displacement trauma for vulnerable tenants.

Corroborates legal reform proposals and trauma-informed tenant protections.

Clark & Ledwith (2006)

Mobility effects on neighborhood

perception
Low satisfaction and perceived lack of social cohesion predict higher intent to move, correlating with housing stress. Reinforces place-based vs. hyper-mobile assistance strategy.
Appendix F – Cognitive & Educational Outcomes Summary

 Study	 Focus Area
 Key Findings	
 Application	
 	
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 Maqbool et al. (2015)	 Health
outcomes from housing stress	
Housing cost burden is linked to poor	

**physical and mental health, especially
due to stress, utility shutoffs, and
overcrowding | Justifies mental health
and healthcare offsets in housing subsidy
reform. |**

**| Brennan et al. (2014) | Educational
impact of housing stability | School
mobility and frequent residential moves
cause lasting setbacks in achievement,
attendance, and behavioral health |
Supports stable tenure and family-
focused subsidy design for child
development. |**

**| Shrier (2016) | Tenant harassment
and trauma | Harassment and
housing court failures compound
emotional distress and displacement
trauma for vulnerable tenants |
Corroborates legal reform proposals and
trauma-informed tenant protections. |
| Clark & Ledwith (2006) | Mobility**

**effects on neighborhood perception |
Low satisfaction and perceived lack of
social cohesion predict higher intent to
move, correlating with housing stress |
Reinforces place-based vs. hyper-mobile
assistance strategy. |**

**| Elder et al. (2003) | Life course impact
of instability | Life disruptions
during key stages (childhood,
adolescence) shape long-term cognitive
and psychosocial development |
Theoretical foundation for age-based
targeting of interventions. |**

**| Mimura (2007) | Poverty vs. cost
burden in hardship prediction| Cost
burden alone poorly predicts hardship
unless poverty and race are factored—
Black and Hispanic families face
compounding stress | Improves targeting
methods for economic hardship metrics
in voucher models. |**

Appendix B — Legal Texts & Draft Legislation

This appendix includes core legislative texts required for TCAP implementation. Drafts are formatted for municipal, state, and interagency adoption, and reflect current legal standards in New York City and New York State. All texts were developed in consultation with housing law scholars and reviewed against current HPD and HUD regulatory frameworks.

**B.1. Public Equity Transfer Framework (PETF) — Draft Statute
[existing summary and key provisions]**

**B.2. Amendment to NYS Real Property Law §216 & §220
[existing summary and key provisions]**

B.3. NYC Ordinance — Creation of “Subsidized Limited-Equity Co-op” Status

[existing summary and key provisions]

B.4. Community Opportunity to Purchase Act (COPA) — Expanded Model Bill

[existing summary and key provisions]

B.5. Local Flexibility Voucher Pilot Act

Purpose:

To authorize local housing authorities to pilot flexible voucher programs addressing unique demographic barriers and administrative gaps in current subsidy systems.

Key Provisions:

- **Grants HPD and NYCHA authority to design and implement a local voucher pilot with relaxed eligibility for mixed-status, re-entry, and non-traditional households.**
- **Permits time-limited waivers from certain federal and state rules to test innovative eligibility, portability, and support models.**
- **Requires annual reporting to City Council and HUD on outcomes, cost, and demographic impact.**

Implementation Notes:

- **Designed to address groups highlighted in Appendix G (e.g., mixed-status, formerly incarcerated, single-parent, disabled, and aging tenants).**
- **Subject to sunset review and evaluation after three years.**

B.6. Housing Accessibility and Disability Compliance Act

Purpose:

To mandate accessibility upgrades and compliance with federal, state, and local disability housing standards in all buildings receiving public subsidy or participating in TCAP.

Key Provisions:

- Requires all TCAP conversions and subsidized properties to meet or exceed ADA and local accessibility codes.**
- Establishes a minimum quota (e.g., 10% of units) for fully accessible apartments in all conversions.**
- Provides dedicated funding for accessibility retrofits and technical assistance to tenant associations.**

Implementation Notes:

- **Oversight shared by HPD and Mayor's Office for People with Disabilities.**
- **Applies to both new conversions and existing subsidized housing stock.**

B.7. Aging-in-Place Affordability and Retrofit Act

Purpose:

To support low-income seniors in remaining in their homes by funding retrofits, affordability protections, and supportive services in TCAP and other subsidized housing.

Key Provisions:

- **Allocates dedicated grants for in-unit accessibility modifications, emergency repairs, and age-friendly upgrades.**

- **Caps maintenance increases for seniors on fixed incomes in participating co-ops.**
- **Expands eligibility for in-home supportive services and case management.**

Implementation Notes:

- **Prioritizes buildings with high concentrations of senior tenants.**
- **Coordinates with NYC Department for the Aging and Medicaid waiver programs.**

B.8. Single-Parent Tenant Equity and Protection Act

Purpose:

To address structural barriers faced by single-parent households in accessing and retaining subsidized and cooperative

housing.

Key Provisions:

- **Adjusts income eligibility and rent calculation formulas to reflect child care and single-earner burdens.**
- **Prohibits discrimination against single-parent applicants in all TCAP and publicly funded housing.**
- **Provides legal assistance and trauma-informed supports for single-parent tenants facing eviction or harassment.**

Implementation Notes:

- **Requires annual reporting on single-parent participation and outcomes.**
 - **Integrates with local family support and housing court diversion programs.**
- // Integration of new bills into main body (for reference):**

// - The Local Flexibility Voucher Pilot Act (B.5) is referenced in Appendix G and Section VII as a tool for addressing exclusion of vulnerable populations (see “Barred from Housing Subsidies”).

// - The Housing Accessibility and Disability Compliance Act (B.6) is referenced in the discussion of demographic barriers and technical assistance needs.

// - The Aging-in-Place Affordability and Retrofit Act (B.7) is referenced in discussions of aging adults and affordability protections.

// - The Single-Parent Tenant Equity and Protection Act (B.8) is referenced in the section on single-parent households and targeted legal reforms.

// Insert missing in-text citations where references are mentioned:

// (Oliver & Shapiro, 1995)

// (Elmelech, 2004)
// (Logan & Molotch, 1987)
// (Chernick, Reschovsky, & Newman,
2021)
// (Lubell et al., 2025)
// (Dubb, 2020)
// (Maqbool et al., 2015)
// (Brennan et al., 2014)
// (Shrier, 2016)
// (Clark & Ledwith, 2006)
// (Elder et al., 2003)
// (Mimura, 2007)
// (Rosenbaum, 1994)
// (Alba & Logan, 1992)

Structural affordability gap
Income-to-rent ratios disqualify families
despite high need

Ø Infographic Source File:
Barred_from_Housing_Subsidies.png
(on file)

Ø This chart reinforce the call for:

- A Local Flexibility Voucher Pilot**
- Mixed-status firewall protections**
- Disability-access quotas in all publicly funded housing**
- Expanded funding for Aging-in-Place retrofits**
- Single-parent and trauma-informed eligibility criteria**

Ø For corresponding legislative references, see Section VII: Policy Amendments and the Case Study on Legal Exclusion

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