



Third Party Transfer Working Group

First Session Small Group Discussion Notes

Tuesday, September 10, 2019

Co-Chairs:

Louise Carroll, Commissioner, Department of Housing Preservation and Development
Council Member Robert E. Cornegy, Jr., Chair of Housing and Buildings Committee, New York City Council

Description:

As part of the first working group session, participants broke off into smaller groups to discuss the characteristics typical of common property types in New York City, and potential indicators that the property is in crisis (see Appendix 1 for session design). Participants then voted on the three most important crisis indicators that an owner would need to address first to alleviate the potential crisis conditions. The group discussed information sources and thresholds for the selected top three characteristics.

Group A: Tax Class 1

Participants

- Bernell Grier, IMPACCT Brooklyn
- Christie Peale, Center for New York City Neighborhoods
- Eva Alligood, Local Initiatives Support Corporation – New York City
- Harold Schultz, Benavi Advisors, LLC
- Robert E. Cornegy, Jr., New York City Council

Typical Property Characteristics

- 1-3 unit property
- It can be owner-occupied
- Adjacent to vacant land
- It can have commercial space
- Low level of experience with the city's administrative procedures

Typical Characteristics Indicating Crisis with the Property

Characteristic	Information Sources / Crisis Thresholds	Number of Votes*
Visible repair needs	Roof issues Broken windows	3
Estate Disputes	-	0
Tax arrears	If owner-occupied: 2 years of taxes If owner-occupied with renters: 2 years of taxes If just rental: 1 year of taxes	5
Mortgage delinquency	-	0
Water and sewer arrears	-	0
B and C violations (Housing Maintenance Code)	-	2
Abandonment	Neighbor complaints Observations No utilities Boarded up	3
Sanitation and Health violations	-	0
Observations by local community groups	-	2
DOB fines	-	0
Limited number of accessible resources for support / navigation	-	0
Long case in housing court with pro se representation	-	0

Group A

Tax Class 1

- 1 1-3 UNIT PROPERTY
- 2 CAN BE OWNER OCCUPIED
- 3 ADJACENT VACANT LAND
- 4 CAN HAVE COMMERCIAL SPACE
- 5 LOW LEVEL EXPERIENCE W/ ADMIN PROCEDURES
- 6
- 7
- 8
- 9
- 10

Group A

Tax Class 1

VISIBLE
REPAIR
NEEDS

①

1) LEAK ISSUES
2) BULLY BEHAVIOR

ESTATE
DISPUTES

②

TAX
ARREARS

③

OWNER ACC:
5 YEARS OF TAXES
OWNER W/ RENTAL:
1 YEAR
LAST RENTAL: 1-19

MORTGAGE
DELINQUENCY

④

WATER +
SEWER
ARREARS

⑤

B + C
VIOLATIONS

⑥

ABANDONMENT

⑦

1) MORTGAGE LUMP SUM
2) OBSERVATIONS
3) NO VIOLATIONS
4) BACKED UP

SANITATION
+ HEALTH
VIOLATIONS

⑧

OBSERVATIONS
BY LOCAL
COMMUNITY
GROUPS

⑨

DOP
FINES

⑩

LIMITED #
OF ACCESSIBLE
RESOURCES +
FOR SUPPORT /
NAVIGATION

⑪

LONG CASE IN
HOUSING COURT
WITH PRO SE
REPRESENTATION

⑫

13

14

15

Group B: Tax Class 2

Participants

- Chris Bramwell, Shinda Management Corporation
- Derrick Lovett, MBD Community Housing Corporation
- Emilio Dorcelly, Bridge Street Development Corporation
- Sandra Lobo, Northwest Bronx Community and Clergy Coalition
- Ismene Speliotis, Mutual Housing Association of New York Management, Inc.

Typical Property Characteristics

- Has 4+ units
- Rental: privately owned or HDLC
- Likely to have non-transparent ownership structure
- Properties with 5+ units are rent stabilized
- More likely not to be owner-occupied
- More likely to have 3rd party management
- Mix of elevator/non-elevator in the building
- Mix of age of building
- Mix of type of construction
- Different size units (1 bdrm, 2 bdrm, etc)
- Possible mixed use (residential/commercial)

Typical Characteristics Indicating Crisis with the Property

Characteristic	Information Sources / Crisis Thresholds	Number of Votes*
Harassment / displacement	-	0
Previous tax liens sold	-	0
Physical conditions not covered by the Housing Maintenance Code (HPD, DOB)	4-20 units: 4 B+C violations/unit 20-60 units: 3 B+C violations/unit 60+ units: 1 B+C violation/unit Asset management deep dive Field visits Deep analysis (e.g., building violations versus unit violations) Violations (in general)	5
Overleveraged / risky financing	-	2
Unpaid taxes / charges (DEP, ERP)	Tax bills \$2,000/unit	3
Abandoned (no super, non-present owner)	-	0
Non-compliance (not MDR registered; not HCR registered; RPIE)	-	2
Worst landlord list	-	0
Rent arrears / collections / vacancies	Site visits	3

	Rent rolls	
	Affidavits from residents	
Housing Court actions	-	0

Group B

Tax Class 2

- 1 4+ Units
- 2 Rental - Private or HDFC
- 3 Likely to be non-transparent ownership structure
- 4 5+ are rent stabilized
- 5 More likely not to be owner occupied
- 6 More likely to have 3rd party Management
- 7 Mix of elevator / non-elevator
- 8 Mix of Age of Building
- 9 Mix of Type of Construction
- 10 Different Size Units (1 bdrm, 2 bdrm etc.)
- 11 Possible mixed use (residential / commercial)

12

Group B

Tax Class 2

Harassment/
Displacement

Previous tax
liens sold

4-20 units: 4
20-60 : 3 violations
60+ : 1 violation

Violations

Asset management
deep dive

Field visit/
deep analysis
Building violations
is unit ready

Overleveraged/
asset managed;
risky financing

\$2,000/
unit

tax bills
(DEP, HPD,
etc.)

Abandoned
(no super, non-prudent
owner)
- Lack of mgt

Non-compliance
not MDR registered;
not CPCR registered
(RPIE)

Worst Landlord
List

Rent arrears/
Call Rent
roll

Site
visits

Affidavits

Housing
Court
actions

11

12

13

14

15

Group C: HDFC Cooperative

Participants

- Michael Grinthal, Urban Justice Center
- Salvatore D'Avola, Neighborhood Restore
- Sandra Erickson, Sandra Erickson Development Corporation
- Glory Kerstein, HDFC Coalition

Typical Property Characteristics

1. Multifamily / old law tenements
2. Former landlord abandoned building
3. Self-managed / ethnic minority / female head household / seniors
4. Historic low income neighborhoods
5. Low / mod income
6. Non elevator
7. Delayed / deferred maintenance
8. Low sales turnover

- Group described the need for an early warning system that would help properties mobilize to rectify their issues, before selection into TPT

Typical Characteristics Indicating Crisis with the Property

Characteristic	Information Sources / Crisis Thresholds	Number of Votes*
Insufficient operating income	-	1
Outstanding debt	1 year's worth of municipal debt	2
Challenges with self management		1
Housing Court filings		
Violations	Conditions in the building	4
Board structure (robustness / health)	All board seats are filled	3
	Annual elections	
	Failure to file income taxes	
60 / 40 flip tax		1
% renters versus shareholders		1
Predatory malfeasance		
Financial: A) Resources; B) Income-to-debt	Operating expenses exceed income	2

Group C

HDFC Cooperative

- 1 MULTI FAMILY | OLD LAW
TENEMENTS
- 2 FORMER LANDLORD ABANDONED
BUILDING
- 3 SELF MANAGED | ethnic minority /
FEMALE HEAD HOUSEHOLD / seniors
- 4 HISTORIC LOW INCOME NEIGHBORHOODS
- 5 LOW | mod income
- 6 NON ELEVATOR
- 7 DELAYED MAINTENANCE
DEFERRED
- 8 LOW SALES TURNOVER
- 9
- 10
- 11
- 12

Group C

HDEC cooperative

Early
Warnings

1 YEAR
MUNICIPAL
DEBT

INSUFFICIENT
OPERATING
INCOME

OUTSTANDING
DEBT

CHALLENGES w/
SELF MAINTENANCE

MOVING COURT
FININGS

VIOLATIONS

CONVICTIONS IN THE
BUILDING -

ALL BOARD
SEATS ARE
FILLED

FAILURE TO
FILE INCOME
TAXES

ANNUAL
ELECTIONS

60/40
FLIP TAX

% RENTERS
vs
SHAREHOLDERS

PLENARY
MAINTENANCE

10

FINAL
→ REVENUE
→ INCOME

OPERATING
EXPENSES
EXCEED
INCOME

11

12

13

14

15



Third Party Transfer Working Group

Second Session Small Group Discussion Notes

Wednesday, November 13, 2019

Co-Chairs:

Louise Carroll, Commissioner, Department of Housing Preservation and Development
Council Member Robert E. Cornegy, Jr., Chair of Housing and Buildings Committee, New York City Council

Description

As part of the second working group session, participants broke off into smaller groups to discuss and prioritize the actions and resources property owners need in order to address their properties' crisis conditions (identified in Session 1).

Chart Definitions

- Action / Resource:
 - *Key Action*: An activity an associated party (e.g., the owner, a community-based organization, the City) takes to address and alleviate a circumstance or aspect of the property that is contributing to its crisis conditions. For the purposes of the session 2 conversation, the action should be one that can be taken by a single property (i.e., not policy / systemic change).
 - *Important Resource*: A discrete item that assists the owner, residents and/or associated parties to address and alleviate a condition or aspect of the property that is contributing to its crisis conditions. For the purposes of the session 2 conversation, these items could include (but not be limited to) financial products, access to specialized professionals, legal protections, or informational notices. The resource should ideally assist the owner to place the property into pre-crisis conditions.
- Details: Additional information provided by the group, either directly in the "Details" box of the placards or on Post-It notes attached to the placards.
- Conditions Addressed: See Appendix 1 for a list of all crisis conditions generated in Session 1. Each condition has a unique number.
- Green, "Early Engagement": Team members were asked to indicate, as a team, whether this action / resource would be particularly useful when certain crisis conditions are present but the owner has not received notification of potential loss of ownership or *in rem* foreclosure (nor would it be the first step in receiving said notification).
- Yellow, "Heightened Risk": Team members were asked to indicate, as a team, whether this action / resource would be particularly useful when certain crisis conditions led to the owner having recently received notification of potential *in rem* foreclosure.
- Red, "Immediate Risk": Team members were asked to indicate, as a team, whether this action / resource would be particularly useful when the owner's actions after notification were insufficient to address crisis conditions, and the property is now in the final stage of the *in rem* foreclosure process.
- # of Votes: Individuals team members were each asked to vote for the three interventions that they believed would be most impactful; "# of Votes" reflects the total votes given to that action or resources by all of the team members.

Group A: Tax Class 1

Participants

- Bernell Grier, IMPACCT Brooklyn
- Christie Peale, Center for New York City Neighborhoods
- Eva Alligood, Local Initiatives Support Corporation – New York City
- Harold Schultz, Benavi Advisors, LLC

Note: This group did not vote on individual items, and explained that all six of the actions / resources generated by the team should be contemplated as a full intervention / support system.

Actions / Resources Owners Need to Address Property Crisis Conditions

Action / Resource	Details	Conditions Addressed	Green	Yellow	Red	# of Votes
Conduct targeted outreach to “small arrears” owners (letters / calls) to raise awareness of the importance of addressing arrears.	<ul style="list-style-type: none"> • The agencies must confirm contact with every “at risk” property • Identify the most vulnerable populations • \$ [Cost-bearing suggestion] 	3	Yes	No	No	
Train “community navigators” who understand multiple agencies’ processes and can provide targeted assistance.	<ul style="list-style-type: none"> • Help homeowners and anyone else naïve to the process • Situated in trusted CBOs (“Come for your mortgage check-up.”) • Resolution-focused • \$ [Cost-bearing suggestion] 	1 thru 12	Yes	Yes	Yes	
Create ombuds-teams within each agency that communicate between agencies, with City Council and the Mayor’s Office (or conduct cross-training within and between agencies).	<ul style="list-style-type: none"> • Internal coordination with both physical and financial issues • Teams would collaborate to raise up critical admin issues, “untangle the knots” • Teams would have a customer service orientation (not a “pay now” approach) 	3, 7	Yes	Yes	Yes	

	<ul style="list-style-type: none"> • Use a neighborhood stabilization lens, change the message • Use a racial equity lens in the approach • \$ [Cost-bearing suggestion] 					
Provide access to repair capital / affordable home repair resources.	<ul style="list-style-type: none"> • What leverage do we have with banks to promote this idea? • \$ [Cost-bearing suggestion] 	1, 6, 8	Yes	No	No	
Provide access to housing counseling / legal services.	<ul style="list-style-type: none"> • Can help with estate planning and other crisis-avoiding conditions • Homeowner hub • CNYCN network members • City Council discretionary • \$ [Cost-bearing suggestion] 	4, 5, 12	Yes	Yes	Yes	
More live outreach: door-knocking, PSAs on TV (ethnic radio / news sources) → Align the messaging.	<ul style="list-style-type: none"> • Get multiple entities (one city official, one CBO, one City agency) to work together community by community • \$ [Cost-bearing suggestion] 	1 thru 12	Yes	Yes	Yes	

TAX CLASS 1

Property Type: Tax Class 1	
#	Characteristic
1	Visible repair needs**
2	Estate disputes
3	Property tax arrears**
4	Mortgage delinquency
5	Water and sewer arrears
6	Open B and C violations (Housing Maintenance Code)
7	Abandonment**
8	Sanitation and Health violations
9	Observations by local community groups
10	Department of Buildings fines
11	Limited number of accessible resources for support / navigation
12	Long case in housing court with pro se representation

**Voted as the condition most indicative of crisis for this property type in Session 1.

DEFINITIONS

Key Action: An activity an associated party (e.g., the owner, a community-based organization, the City) takes to address and alleviate a circumstance or aspect of the property that is contributing to its crisis conditions. For the purposes of the session 2 conversation, the action should be one that can be taken by a single property (i.e., not policy / systemic change).

Important Resource: A discrete item that assists the owner, residents and/or associated parties to address and alleviate a condition or aspect of the property that is contributing to its crisis conditions. For the purposes of the session 2 conversation, these items could include but not be limited to financial products, access to specialized professionals, legal protections, or informational notices. The resource should ideally assist the owner to place the property into pre-crisis conditions.

Early Engagement: This action / resource would be particularly useful when certain crisis conditions are present but the owner has not received notification of potential loss of ownership or is in foreclosure (not would it be the first step in receiving said notification).

Heightened Risk: This action / resource would be particularly useful when certain crisis conditions led to the owner having recently received notification of potential loss of ownership.

Immediate Risk: This action / resource would be particularly useful when the owner's crisis after notification with sufficient to address crisis conditions, and the property is now in the first stage of the in rem foreclosure process.

Action / Resource	
IMMEDIATE TARGETED GET READY TO SMALL DEFENSES (WORKS (LIVE DEX) CALLS) TO FAKE AWARENESS IN THE IMMEDIATE OF DEFENSES DEFENSES	
Details	
THE ACHILLES HEEL CENTRAL CENTRAL WITH LYLE "BT 4336" PROTECT	<div> <div>3</div> <div> <div>●</div> <div>●</div> <div>●</div> </div> </div>
<div> <div>Identifying Risk</div> <div>How Risk</div> </div>	

IDENTIFY THE
MOST VULNERABLE
POPULATIONS

Action / Resource	
TERM "COMMUNITY NAVIGATORS" WHY UNDERSTAND HOSPITAL AGENCIES PROCESSES + CAN PROVIDE SUPPORT RELATIONSHIP	
Details	
HELP HOSPITALS + \$ ANYONE ELSE HAVE TO THE FACILITY SITUATED IN TESTED CASES + "LINE FOR YOUR HERITAGE LINE-UP"	<div> <div>1 THEN 12</div> <div> <div>●</div> <div>●</div> <div>●</div> </div> </div>
<div> <div>Identifying Risk</div> <div>How Risk</div> </div>	

Developing
model

Action / Resource	
SE CREATING CREATE AROUND TEAMS, WITHIN EACH AGENCY THAT COMMUNICATES BETWEEN AGENCY, WITHIN TEAMS THE MESSAGE, STILLS	
Details	
INTERNAL LIVES, WITH TEAMS HAVE LIVES WILL IN EXCEL UP INTERNAL ADMIN LIVES "CONTAIN THE LIVES" HAVE A LIFESTYLE SERVICE OCCUPATION WILL A "PAYING" AGENCY	<div> <div>3, 7</div> <div> <div>●</div> <div>●</div> <div>●</div> </div> </div>
<div> <div>Identifying Risk</div> <div>How Risk</div> </div>	

USE A HELL
SITUATION
LEADS → Δ THE
MESSAGE

Focus on the
the agency

Action / Resource PROVIDE ACCESS TO REFUGE (REFUGES) / REFUGABLE HOME ELITE RESOURCES	
Details WHAT LEVERAGE BY \$ WE HAVE WITH ABOVE TO FIGHT THIS ISSUE?	Circumstances Addressed (Ref) 6, 1, 8 <div> <input checked="" type="radio"/> Existing Home <input type="radio"/> New Home </div>

Action / Resource PROVIDE ACCESS TO HOUSING COUNSELLING / LEAD SERVICES	
Details CAN HELP WITH \$ ESTATE PLANNING / OTHER (ELITE) HOUSING CONDITIONS & HOMEWORK	Circumstances Addressed (Ref) 4, 5, 12 <div> <input checked="" type="radio"/> Existing Home <input type="radio"/> New Home </div>

CANON
 ACTION NUMBER
 17-18 (19-20)
 (19-20)

Action / Resource NINE KEY OUTREACH: ^{ETHEL} ^{EDDIE} ^{REMI} DOOR - KNOWING PERSON TO → OPEN THE MESSAGING	
Details GET MULTIPLE \$ ENTITIES (ONE CITY SPECIAL, ONE CBI, THE CITY AGENCY TO WORK TOGETHER COMMUNITY BY COMMUNITY	Circumstances Addressed (Ref) 1 THRU 12 <div> <input checked="" type="radio"/> Existing Home <input type="radio"/> New Home </div>

Group B: Tax Class 2

Participants

- Chris Bramwell, Shinda Management Corporation
- Derrick Lovett, MBD Community Housing Corporation
- Sandra Lobo, Northwest Bronx Community and Clergy Coalition
- Ismene Speliotis, Mutual Housing Association of New York Management, Inc.
- Judi Kende, Enterprise Community Partners

Actions / Resources Owners Need to Address Property Crisis Conditions

Action / Resource	Details	Conditions Addressed	Green	Yellow	Red	# of Votes
Landlord Ambassador Program	<ul style="list-style-type: none">• Best at 'early' stage of the process (green), but Ambassadors are with properties through the full process (yellow + red)• Needs to be expanded• Properties that are alerted of potential crisis through an early warning system could form the pipeline for the Landlord Ambassador Program• Related to other Action/Resources: 'early warning outreach' and 'asset management services'	13, 15, 16, 17, 19, 21, 22	Yes	No	No	4
"Early warning" outreach	<ul style="list-style-type: none">• If City begins to see back taxes, it reaches out to the property owner(s)• Other potential indicators: vacancy rates, collection rates, etc.• Related to other Action/Resources: 'Landlord Ambassador Program and 'asset management services'	15, 16, 17, 19, 21	Yes	No	No	

Asset management services	<ul style="list-style-type: none"> • A system that flags properties as potentially in crisis (early warning) • Watchlist • Available to some properties already; many properties cannot afford this type of service • Related to other Action/Resources: 'Landlord Ambassador Program and "early warning outreach' 	15, 17, 18, 19, 21	Yes	No	No	
Capital resources: 8A or 8A alternative	<ul style="list-style-type: none"> • Need to have an owner's representative to ensure the capital is being used properly • Could also require 3rd party management in return for access to resources • To ensure there's improvement = ongoing asset management • 8A should be expanded, and revised if revisions would be helpful for owners 	15, 16, 17	Yes	Yes	No	2
Connected agency systems	<ul style="list-style-type: none"> • HPD should be able to look at DOF / DEP arrears in real-time, for example • Clearinghouse concept: centrally trained staff who can tap into a centralized data warehouse • User-centric for owners and staff • Staff should be trained to provide customer service • Very similar to 'clear interagency communication' 	14, 15, 17, 19, 22	Yes	Yes	Yes	
Good City/Agency customer services	<ul style="list-style-type: none"> • Customer service should be judgment free, clear, without too many transfers • Agencies should be tracking all notes/points of contact 	13 thru 22	Yes	Yes	Yes	

	<ul style="list-style-type: none"> • HPD as resource instead of enforcer: HPD shouldn't 'enforce' when someone's reaching out to find out what resources are available to them • Existing customer service programs should be expanded 					
Trainings	<ul style="list-style-type: none"> • Not particularly effective right now as owners don't attend (requires proactive owners to be successful) • Are there incentives? For example, tax discounts 	13 thru 22	Yes	Yes	No	
Clear interagency communication (notifications, outreach, resources)	<ul style="list-style-type: none"> • Owners typically view HPD as enforcer, not as having financial resources • Messaging needs to be consistent and clear across agency documents, and across agencies' documents • Very similar to 'connected agency systems' 	13, 14, 17, 22	Yes	Yes	Yes	4
Phone calls or in-person visits – by CBOs, the City	<ul style="list-style-type: none"> • Owners are in crisis, so they need someone to come in to help provide resources – they won't necessarily make the first move as they are focused on dealing with their crisis • Need to ensure contact was actually made • Current outreach efforts should be expanded 	13, 15, 18	Yes	Yes	Yes	1

TAX CLASS 2

Property Type: Tax Class 2

#	Characteristic
13	Tenant harassment / displacement
14	Previous tax liens sold
15	Physical conditions not covered by the Housing Maintenance Code (HPD, DOB)**
16	Overleveraged / using risky financing
17	Unpaid taxes / charges (e.g., DEP, ERP)**
18	Abandoned (i.e., no super or a non-present owner)
19	Non-compliance (i.e., not registered with MDR, HCR, RPIE)
20	On the Worst Landlord List
21	Rent arrears / insufficient collections / vacancies**
22	Housing Court actions

**Voted as the condition most indicative of crisis for this property type in Session 1.

DEFINITIONS

Key Action: An activity an associated party (e.g., the owner, a community-based organization, the City) takes to address and alleviate a circumstance or aspect of the property that is contributing to its crisis conditions. For the purposes of the session 2 conversation, the action should be one that can be taken by a single property (i.e., not policy / systemic change).

Important Resource: A discrete item that assists the owner, residents and/or associated parties to address and alleviate a condition or aspect of the property that is contributing to its crisis conditions. For the purposes of the session 2 conversation, these items could include (but not be limited to) financial products, access to specialized professionals, legal protections, or informational services. The resource should ideally assist the owner to place the property into pre-crisis conditions.

Early Engagement: This action / resource would be particularly useful when certain crisis conditions are present but the owner has not received notification of potential loss of ownership or is in rem foreclosure (nor would it be the first step in receiving said notification).

Heightened Risk: This action / resource would be particularly useful when certain crisis conditions led to the owner having recently received notification of potential or even foreclosure.

Immediate Risk: This action / resource would be particularly useful when the owner's actions after notification were insufficient to address crisis conditions, and the property is now in the final stages of the in rem foreclosure process.

Action / Resource	
Connected agency systems	
Details	Conditions Addressed (H)
<ul style="list-style-type: none"> HPD should be able to look at Out/DEP arrears, for example 	14, 15, 17, 19, 22
<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item	<input checked="" type="radio"/> Green <input type="radio"/> Yellow <input type="radio"/> Red

• Clearinghouse?
 • User - ~~city~~ ~~county~~
 • Train staff
 • Very similar to 'Clearinghouse - Communications'

Action / Resource	
Good City/Agency customer services	
Details	Conditions Addressed (H)
<ul style="list-style-type: none"> Judgement fee clear owners typically not too many transfers tracking all notes/contact 	13-22
<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item	<input checked="" type="radio"/> Green <input type="radio"/> Yellow <input type="radio"/> Red

HPD as resource vs enforcer; HPD shouldn't enforce when someone's ready out to find a resource

Action / Resource	
"Early warning" outreach	
Details	Conditions Addressed (H)
<ul style="list-style-type: none"> if City begins to see back taxes, it reaches out vacancy rates, collection rates, etc. 	15, 16, 17, 19, 21
<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item	<input checked="" type="radio"/> Green <input type="radio"/> Yellow <input type="radio"/> Red

related to 'LAP' & 'asset management services'

Action / Resource	
Phone calls or in person visits - by CBOs, city	
Details	Conditions Addressed (H)
<ul style="list-style-type: none"> owners are in crisis, so they need someone to come in to help city city provide resources need to ensure contact was actually made 	13, 15, 18
<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item	<input checked="" type="radio"/> Green <input type="radio"/> Yellow <input type="radio"/> Red

Action / Resource	
Clear interagency communication (notifications, outreach, resources)	
Details	Conditions Addressed (H)
<ul style="list-style-type: none"> owners typically view HPD as enforcer, not as having financial resources 	13, 14, 17, 22
<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item	<input checked="" type="radio"/> Green <input type="radio"/> Yellow <input type="radio"/> Red

• Very similar to 'connected agency systems'

Action / Resource	
Asset management services	
Details	Conditions Addressed (H)
<ul style="list-style-type: none"> a system that flags properties as potentially in crisis (early warning) 	15, 17, 19, 21, 18
<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item	<input checked="" type="radio"/> Green <input type="radio"/> Yellow <input type="radio"/> Red

- Available Some

Watchlist

related to 'LAP' & 'early warning system'

Action / Resource	
Trainings	
Details	Conditions Addressed (H)
<ul style="list-style-type: none"> not particularly effective as owners don't attend (requires proactive work) what's the incentives? (for owners city) 	13-22
<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item	<input checked="" type="radio"/> Green <input type="radio"/> Yellow <input type="radio"/> Red

Action / Resource	
capital resources; SA or SA alternative	
Details	Conditions Addressed (H)
<ul style="list-style-type: none"> capital resources Owner's rep to ensure capital is being used 	15, 17, 16
<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item	<input checked="" type="radio"/> Green <input type="radio"/> Yellow <input type="radio"/> Red

• Expanded
 • Related to 'early warning system'

insure improved on-going asset management require 3rd party management in return for access to resources

Action / Resource	
Landlord Ambassador Program	
Details	Conditions Addressed (H)
<ul style="list-style-type: none"> Best at 'early' stage (green) Expanded Pipeline: the early warning system 	15, 16, 17, 19, 21, 22, 13
<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item	<input checked="" type="radio"/> Green <input type="radio"/> Yellow <input type="radio"/> Red

Expand this program

related to 'early warning system' & 'asset management services'

Group C: HDFC Cooperative

Participants

- Michael Grinthal, Urban Justice Center
- Salvatore D'Avola, Neighborhood Restore
- Sandra Erickson, Sandra Erickson Development Corporation
- Glory Kerstein, HDFC Coalition
- April Tyler, HDFC Coalition

Action / Resource	Details	Conditions Addressed	Green	Yellow	Red	# of Votes
Fuel co-op and other purchasing co-ops	<ul style="list-style-type: none"> • Pooling together of resources 	23	Yes	Yes	No	
Violations	<ul style="list-style-type: none"> • Clean data required: need to ensure which violations are valid and clear still 	27	Yes	No	No	1
Utilize value of asset to refinance tied with a newly created regulatory agreement to protect shareholders	<ul style="list-style-type: none"> • Work with banks and credit unions to develop loan products for HDFCs (with HPD/electeds/CBs/CBOs) • Tiers within regulatory agreements: levels of exceptions relation to the restrictions; align requirements with the loan terms 	24, 25, 32, 33	Yes	Yes	Yes	4
Coordination at HPD for all issues [DEP and DOF]	<ul style="list-style-type: none"> • Have a way to provide coordinated assistance between the agencies 	All	Yes	No	No	
Expand technical assistance to HDFC coops	<ul style="list-style-type: none"> • Address underlying conditions • Organizing/working with shareholders and tenants • Share best practices between coops • Variety of skills at low to no cost: attorneys, property managers, forensic accountants 	All	Yes	Yes	Yes	5

	<ul style="list-style-type: none"> • Assist to understand DOF and DEP charges and how to address • Understand what issues can be addressed through assessments • Ability to replace board • HPD to issue RFP for property management • Technical assistance includes: face-to-face relationship building by trained community organizers; board development; financial analysis to identify fiscal strategies (best at 'yellow' stage) • Technical assistance assigned to specific building by HPD (best at 'green' stage) • Receiving technical assistance should slow down or halt processes currently underway 					
Improved notifications (DOF + DEP) to tenants, shareholders in addition to official board	<ul style="list-style-type: none"> • Sent broader than the board • Change process so shareholder info is sent to DOF to be used for notification -Include how to review and understand bills from DOF, DEP • One stop website to provide status of arrears, water bills, violation status; links to payments; links to getting assistance (best at 'green' and 'red' stages) • City Council and Community Board should receive notices (best at 'green' stage) • Issues related to group dynamics; some of the indicators are not apparent until there's a relationship to the building 	24	Yes	Yes	Yes	4
Grants tied to regulation (tiered based on factors to be deterred)		All	Yes	Yes	Yes	1

Legal assistance for housing court cases	<ul style="list-style-type: none"> • Address non-payment from tenants 	26	No	Yes	No	
Self-assessment survey for shareholders and board	<ul style="list-style-type: none"> • Look at: taxes, board, repair needs • Opportunity for self-diagnosis 	23, 24, 25, 27	Yes	Yes	No	
Opportunities to reduce water debt with existing owner structure	<ul style="list-style-type: none"> • Water Board would be the deciding factor 	24	Yes	No	No	

HDFC CO-OP

Property Type: HDFC Co-op

Characteristic

- 23 Insufficient operating income
- 24 Outstanding debt**
- 25 Challenges with self management
- 26 Housing Court filings
- 27 Violations (e.g., Housing Maintenance Code)**
- 28 Board structure (low robustness / health)**
- 29 Presence of 60 / 40 flip tax
- 30 Larger % of renters versus shareholders
- 31 Presence of predatory malfeasance
- 32 Insufficient financial resources**
- 33 Low income relative to debt**

**voted as the condition most indicative of crisis for this property type in Session 1

DEFINITIONS

Key Action: An activity an associated party (i.e., the owner, a community-based organization, the City) takes to address and alleviate a circumstance or aspect of the property that is contributing to its crisis conditions. For the purposes of the session 2 conversation, the action should be one that can be taken by a single property (i.e., not policy / systemic change).

Important Note: A discrete item that affects the owner, residents and/or associated parties to address and alleviate a condition or aspect of the property that is contributing to its crisis conditions. For the purposes of the session 2 conversation, these items could include but not be limited to financial products, services for specialized professionals, legal proceedings, or organizational matters. The reporter should clearly state the owner to share the property into pre-identified action.

Early Engagement: This action / resource would be particularly useful when certain crisis conditions are present but the owner has not initiated action of potential loss of ownership or in some form forewarned that would be the first step in meeting and addressing.

Intermediate Step: This action / resource would be particularly useful when the owner has initiated action to address the crisis conditions and the property is now in the full range of the in-term forewarned process.

Intermediate Step: This action / resource would be particularly useful when the owner has initiated action to address the crisis conditions and the property is now in the full range of the in-term forewarned process.

ence for
not shared

Conditions Addressed (Rs)

14 83

25 32

Existing Item ☐ New Item ☐

Action / Resource

Expand Technical Assistance to HOPE Corps

- address int. conditions
- Organizing / working w/ share holders + tenants
- get share best practices between coops

Details

Identify details: attorneys, property managers,

posit to understand DOE + DOE change + how to address interest and what issues that is addressed thru assessment

Ability to register bonds

Conditions Addressed (Rs)

All

Existing Item ☐ New Item ☐

HPO to issue an RFP for property managers

TECHNICAL ASSISTANCE INCLUDES

- FREE-TO-TAKE RELATIONSHIP BUILDING BY TRAINED COMMUNITY PLANNERS
- BOARD DEVELOPMENT
- FINANCIAL ANALYSIS TO IDENTIFY FISCAL STRATEGIES

Technical Assistance designed to specific buildings by HPO

Issues related to gap identified
Some of the barriers are not apparent with the knowledge they

Each person has a specific role in the process
- keeping the relationship
- understanding business case
- business case
- add no more and not in the process

ALL ISSUES [DOF + DOE]

and the relationship

Conditions Addressed (Rs)

All

Existing Item ☐ New Item ☐

Action / Resource

Improved Non Profit Options (DOF + DOE)

tenant, shareholders

in addition to other barriers

Details

sent business - then the board

- change process in shareholder info to sent info. Do to be used for potential
- include how to know + understand the bills (DOF + DOE)

Conditions Addressed (Rs)

24

Existing Item ☐ New Item ☐

One step forward - to provide systems of support, flexibility, volunteer support

- linked - part
- linked to getting assistance

@ 1st City Council
notification - which should happen @ the beginning. Council should also get notice

Action / Resource

Issues



Details



Wanted to see it

Action / Resource

Issues

Details

Action / Resource	
Fuel Cost of OMS-purchasing CO ₂ s	
Details	Conditions Addressed (n)
putting together of resources	23
	
Learning Rate	How soon

Action / Resource	
V10 battery = 87.5 kWh = 100000 kWh by clean power = 100000 kWh clean power 100000 kWh you & 100000 kWh	
Details	Conditions Addressed (n)
	2-7
	
Learning Rate	How soon

Action / Resource	
Utilize value of Asset to refinance ties with A Reg. Agreement to protect simultaneous ^{newly created} diversify	
Details	Conditions Addressed (Rs)
TIER 1 type of RMA. Regulatory - in levels of exemptions related to the Reg restrictions	24 33 25 32
- Align requirements with with loan terms	<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item

work w/ Bank &
Credit Unions
to develop loan
products for HDBs
(HDB/abandoned/CDs/CBS)

HFD to issue an RFP
for property management

Action / Resource	
Expand technical to - Outreach unit - Organizational - go more local	
Details	Conditions Addressed (Rs)
Identify details - others, managers posit to understand diff than to add understand what is addressed there Ability to replace better	

TECHNICAL
- FACT 10-15
BY 10/15
- BARRS 2
- TECHNICAL
- EVALUATION

Action / Resource	
Coordination at HFD for All issues [DEP/DOF] - have a way to provide common sense	
Details	Conditions Addressed (Rs)
	All
	<input checked="" type="radio"/> Existing Item <input type="radio"/> New Item

Action / Resource	
Improve not terant	
Details	Conditions Addressed (Rs)
Get someone to change process so is more def. & reputational include how to the walls low	

Get someone to plan
creation of support team
collaboration team
- include govt
- include to improve

Appendix 1: Crisis Characteristics

Property Type: Tax Class 1

- 1 Visible repair needs
- 2 Estate disputes
- 3 Property tax arrears
- 4 Mortgage delinquency
- 5 Water and sewer arrears
- 6 Open B and C violations (Housing Maintenance Code)
- 7 Abandonment
- 8 Sanitation and Health violations
- 9 Observations by local community groups
- 10 Department of Buildings fines
- 11 Limited number of accessible resources for support / navigation
- 12 Long case in housing court with pro se representation

Property Type: Tax Class 2

- 13 Tenant harassment / displacement
- 14 Previous tax liens sold
- 15 Physical conditions not covered by the Housing Maintenance Code (HPD, DOB)
- 16 Overleveraged / using risky financing
- 17 Unpaid taxes / charges (e.g., DEP, ERP)
- 18 Abandoned (i.e., no super or a non-present owner)
- 19 Non-compliance (i.e., not registered with MDR, HCR, RPIE)
- 20 On the Worst Landlord List
- 21 Rent arrears / insufficient collections / vacancies
- 22 Housing Court actions

Property Type: HDFC Co-op

- 23 Insufficient operating income
- 24 Outstanding debt

- 25 Challenges with self-management
- 26 Housing Court filings
- 27 Violations (e.g., Housing Maintenance Code)
- 28 Board structure (low robustness / health)
- 29 Presence of 60 / 40 flip tax
- 30 Larger % of renters versus shareholders
- 31 Presence of predatory malfeasance
- 32 Insufficient financial resources
- 33 Low income relative to debt



Third Party Transfer Working Group

Discussion Notes: Session 3

Wednesday, February 19, 2020

Co-Chairs:

Louise Carroll, Commissioner, Department of Housing Preservation and Development
Council Member Robert E. Cornegy, Jr., Chair of Housing and Buildings Committee, New York City Council

Description

A portion of this session involved participants conducting breakout group discussions about their reactions to potential enhancements (operational / programmatic) presented by City agencies (HPD, DOF, DEP), and recommended best practices and resources for the City to consider / explore.

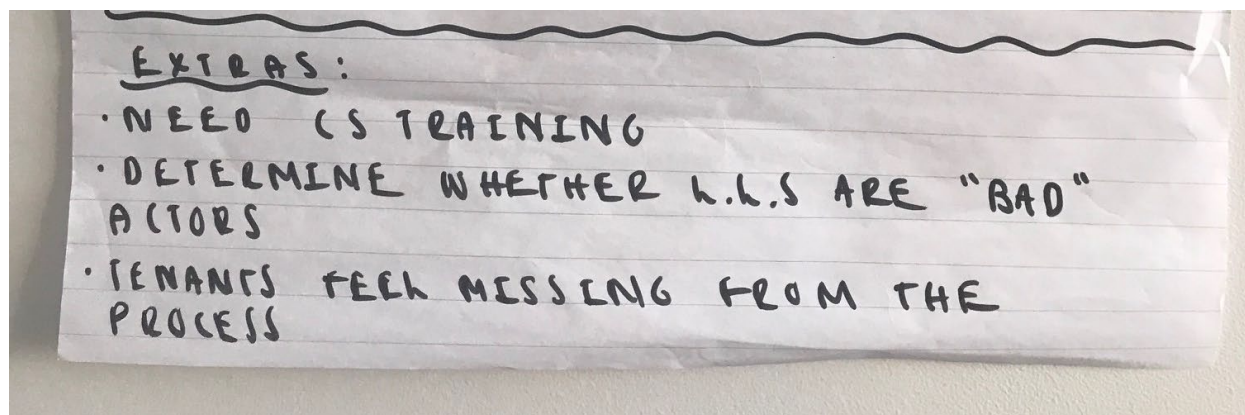
Team One (Red)	Team Two (Blue)	Team Three (Green)
Sandra Erickson (Erickson Real Estate)	Harold Shultz (CHPC)	Eva Alligood (LISC)
Chris Bramwell (CB Emmanuel Realty)	Glory Kerstein (HDFC Coalition)	Sandra Lobo (NWBCCC)
Ismene Speliotis (MHANY)	Naila Moore (IMPAACT Brooklyn)	Michael Grinthal (Urban Justice Center)
Ivy Perez (CNYCN)	Ean Fullerton (Councilmember's Office)	Judi Kende (Enterprise)
	Salvatore D'Avola (Neighborhood Restore)	

General Reactions / Comments

Recording During Full-Group Discussions Before and After Breakout Groups

- Coordinated customer service [among City agencies] = GOOD.
- Community-based organization model [in which the City contracts with CBOs to provide assistance] = not sure how effective this will be.
 - o Preference: Professional assistance
- City's response [to the issues with TPT in the past, by having a Working Group, etc.] = GOOD.
- Listening to what worked / examining past programs = GOOD.
- [The Working Group is] articulating need for more money (especially for Mortgage Assistance Program, or MAP).
- Where's the money for this outreach?
- Outreach should be accompanied with improvements in [agency] tech and public information visualization.
- Evaluate outreach efficacy and customer service – improve and learn.
- Identify best practices from other high-cost cities.
- Conduct more outreach post-major events (i.e., foreclosure notice).
- [Address] need [for] customer service training.
- Determine whether landlords are “bad” actors.
- Tenants feel missing from the process.

In the breakout group notes following (Questions 1-4), items in **bold were raised during the breakout groups and repeated during the full-group debrief.*



GENERAL REACTIONS

- COORDINATED CUST. SUC = ✓
- (BO) MODEL = ? X
 - PREFERENCE → PROF ASSIST.
- (CITY'S RESPONSE) ✓
- LISTENING TO WHAT WORKED ✓
- EXAMINING PAST PROGRAMS ✓
- ARTICULATING NEED FOR MORE \$ (ESP. FOR MAP.)

- Where's the money for this outreach?
- Outreach should be accompanied w/ improvements ~~both~~ in tech + public information visualization
- Evaluate outreach efficacy \$
Customer service - improve \$ learn
- Identify best practices from other high-cost cities
- More outreach ~~before~~ post major events (ie, foreclosure notice)

GENERAL

Question 1:

What are some additional best practices that the City should consider from similar programs (current or former) in other agencies / organizations? In other cities?

- Are these programs missing any key features, and/or might there be any unintended consequences to these programs as designed?

Discussion:

- Look at tenant petition program with fresh perspective [Specifically: Consider options where existing HDFC Co-ops are eligible for the tenant petition program.]
- **Coordinate agencies** [+ ECB and OATH] as closely as possible -> undo the silos (key piece)
- Timeliness / completeness of process -> **certain [negative] outcomes are prevented when the process moves fast**
- Making sure that exemptions for 1-4 unit and multifamily buildings match / are analogous [There is also interest in PTAID for MF buildings.]
- Make it easier to get building info [Specific ideas: One centralized website for viewing all municipal arrears, better understanding how to move forward with payment plans, clarifying how to get more information to address issues.]
- **The agencies should collaborate more broadly / holistically, not just in the context of the individual programs.**
- **We need more money for MAP (mortgage assistance program) + home repair resources (MAP funding = very critical).**
- **There must be help with professional management.**
- **MHANY is willing to help investigate DOF/DEP[-applicable] best practices in other cities.**
- How do we support long-term / intergenerational planning (using CLTs as a platform)?
 - o Oversight for scams
 - o Best practices from CLT governance
 - o [Also: Estate planning]
- Public messaging for broader public
 - o Clarify -> “Why do owners have these difficulties? And why do certain owners get help?” (L.A. might have an interesting model....)
 - o Note / interrogate the racial inequity component.
- Look to the HDFC programs of the past -> What worked?
 - o **Funding for community organizing**

QUESTION 1

- ~~LOOK~~ LOOK @ TENANT RETIRIN PROGRAM WITH FRESH PERSP. + ECB + GATH
- COORDINATE AGENCIES AS CLOSELY AS POSSIBLE → UNDO THE SICKS (KEY PIECE)
- TIMELINESS / COMPLETENESS OF PROCESS → CERTAIN OUTCOMES ARE PREVENTED WHEN THE PROCESS MOVES FAST
- MAKING SURE THAT EXEMPTIONS FOR J-HS + MFS MATCH | ARE ANALOGOUS
- MAKE IT EASIER TO GET BKG INFO

QUESTION 1

- THE AGENCIES SHOULD COORDINATE MORE BROADLY/HOLISTICALLY, NOT JUST IN THE CONTEXT OF THE IND'L PROGRAMS
- WE NEED MORE \$ FOR MAP + HAVE SEPARATE RESOURCES
- ✓ THERE MUST BE HELP WITH PROFESSIONAL MANAGEMENT
- MANY IS WILLING TO HELP INVESTIGATE DOF JDER B.P.S. IN OTHER CITIES

QUESTION 1

• HOW DO WE SUPPORT LONG TERM / INTERGENERATIONAL PLANNING (USING CLTS AS A PLATFORM)?

- OVERSIGHT FOR SCAMS

- BEST PRACTICES FROM (LT

GOVERNANCE

↓ PUBLIC MESSAGING FOR BEHAVIOR RUBRIC

• CLARIFY → WHY DO OWNERS HAVE

THESE DIFFICULTIES? AND WHY DO

CERTAIN ~~OWNERS~~ OWNERS GET HERE? *

(L.A. MIGHT HAVE AN INTERESTING MODEL...)

- NOTE | INTERROGATE THE RACIAL INEQUITY COMPONENT

• LOOK TO THE HDPC PROGRAMS OF THE PAST → WHAT WORKED?

- FUNDING FOR COMM. ORG' LINKING

EXTRAS:

• NEED CS TRAINING

• DETERMINE WHETHER K.L.S ARE "BAD" ACTORS

• TENANTS FEEL MISSING FROM THE PROCESS

Question 2:

If the City offered these or other programs, what do you believe is the best approach to engaging owners to utilize the resources these programs provided?

Discussion:

- Different approaches based on property types [e.g., different engagement by property types].
- Door-knocking and other face-to-face methods are great – [especially] for owner-occupied / smaller properties.
 - o Value to getting more insight into what's happening in the building, possible thru door-knocking
 - [Especially the case with tax class 2 buildings, which aren't typically owner-occupied.]
 - [May be a good approach for HDFCs / buildings with shareholders.]
 - o Combine with tenant organizing? [For rentals, can there be pressure from tenants to get the owner to take action? Input from Kim Darga, HPD: The City must be careful about this approach, as it could be a conflict to both focus on tenant organizing and supporting owners. Organizing can be better left to other programs.]
- What's the approach to owners who are resistant to working with the City, or who are trying to push tenants out? [and HDFCs?]
- Bolster resources and programming once owners are in enforcement programs.
 - o Outreach to high need owners.
- Get other owners to do outreach/ host events (less pressure).
- [Encourage] resource-sharing that's peer-based.
- Make (property management) trainings mandatory.
 - o [Trainings are a] guaranteed outreach moment [if mandatory].
 - o [But, making anything] mandatory can be problematic.
- [Make sure] DOF front-line staff are trained on resources.
- More than just inserts [in mailings – City needs to conduct] bigger outreach efforts.
- Technology: Build a building information app [that, for example, lists all debts owed to city, property registration, etc.].
- Many options needed for owners to get information:
 - o Email blasts
 - o Door-knocking is good
 - o On-site and community outreach events; thru electeds' offices
 - o Churches, synagogues, other places of assembly

- LinkNYC [Which agency manages? DOITT?]
 - Corner stores / bodegas
 - Hardware stores, laundromats, barbershops, salons
- Critical to offer in many languages
- Think about how to protect against scams
- [Think about well-branded support for owners that could exist within CBOs – e.g., a government-supported program but the direct service is not provided by a City agency. This approach would also develop a level of trust with the homeowners/owners.]

QUESTION 2

- Different approaches based on property types
- Door-knocking & other in-field methods — for owner-occupied smaller properties
 - Value to getting more insight into what's (really) happening thru door-knocking ^{combine w/ tenant organizing?}
- What's the approach to owners who are resistant to working w/ the city, or who are trying to push tenants out + **HOTCs**

(9.2)

- Bolster resources & programming once owners are in enforcement programs
 - ↳ outreach to high need owners
- Get other owners to do outreach/host events (less pressure)
- Resource sharing that's peer-~~less~~ based
- Make (property management) trainings mandatory
 - ↳ guaranteed outreach moment
 - mandatory can be problematic
- OOF front-line staff are trained on resources

- More than just inserts - bigger outreach efforts
- Tech: build an ~~app~~ building information app
- Many options
 - Email blasts
- Door-knocking is good
- Onsite to community outreach events; then checked offices
 - churches, synagogues, places of assembly
 - Link up stores
 - corner stores
 - Hardware stores, laundromats, barbershops, salons
- Critical to offer in many languages
- Think about how to protect against scams

(12)

Question 3:

Who are some key sources of expertise or experience that the City should consult when building out new program elements?

Discussion:

Topic	Organization with Expertise
Racial equity lens	IMPACCT Brooklyn
Knowledge of homeowners in community + the market + issues homeowners are having	Real estate agents
Owners that did not take City assistance such as thru Landlord Ambassador Program and Help Desk	Landlord Ambassador Program participants that didn't continue
Local community organizations	[MHANY, etc.] Local civic and block associations
Owner organizations	CHIP, RSA
Identifying homeowners and their issues	Local churches or religious institutions Elected officials
Tenant organizing groups Buildings, organizing	NWBCC (Sandra to follow up) Stabilizing NYC Coalition (City Council funded)
HDFC	HDFC Coalition
Early warning assessment Homeowner financial counseling	UNHP
Predatory activities to homeowners	CNYCN Make the Road (SI)
HDFC – housing organizations effort	UHAB
Homeowners	Hold focus groups of homeowners to go in depth about needs and barriers
Non-profit affordable housing	Ford Bedford Msg Others involved post-Sandy

Organization to help with tenants' development [helping tenants to partners with property owners for the benefit of the resident community (especially not-for-profit- property owners)]	<i>No organization was identified</i>
Best practices in other cities	High cost cities group
Managing agents <ul style="list-style-type: none"> - Best practices - Challenges 	MHANY Sandra Erickson Have managers be part of the trainings
Residents – talking thru resident responsibilities and role in strong buildings	?
Housing counseling	NHS CNYCN list of organizations?
Legal services	Legal Aid Urban Justice Center
Continual ANCP/HDFC training	Talk to successful and struggling recent ANCP

Certification for HDFC owners – especially board members (New Idea, not related to the question)

QUESTION 3

RACIAL EQUITY LENS: INRAPA Bklyn

Knowledge of Homeowners : Real estate Agents
in Community
→ the market & issues

HO having
Owners that didn't
take City Service
Such as then LAP & HEIF
ORSE

: LAP participants that
didn't continue

Local community
organizations

: various unions, etc.

Local civic & Block
Associations

Owner organizations : CHIP, RSA

Local churches to ID

: Local churches

home owners in issues

Religious institutions

: elected officials

tenant

DF organizing groups : Santos to follow up.
Blks, organizing
sit.

NHBC

Stabilizing NYC

competition

(CC funds)

HDFC

: HDFC location

Casey winning assessment

H.O. Financial counseling : UNHP

pred. Unactivities

: (NYCN)

to. H.O

make the RAO (SE)

HDFC - test. arguments
effect

: UNAB

H.O

: Hold focus group
of H.O. to go in the
about needs & barriers

NP AFFORD. MSG :

FRED. BEDFORD MSG.

others involved for Sandy

(93)

MANAGING

AGENTS

- Best practices
- challenges
- Many
- Sandra Erickson
it have managers be part of the teaming

RESIDENTS

- who talking

thru resident rep.

+ role in stress mgmt

HOUSING COUNSELING

: NHS
rather
CANVEN
last
of org.

LEGAL SERVICE

: legal aid
URBAN JUSTICE
center

CONTINUAL ANCP MORE

TRAINING

: talk to successful
+ struggling recent

ANCP

43 [Certification for Drivers] "New
- esp. Board members" "New"

Organization → review
to help of Tent.
Development

Create simple
point of view

Best practices : High cost cities group
in other cities

Q3



Third Party Transfer Working Group

Discussion Notes: Session 4

Thursday, February 11, 2021

Co-Chairs:

Louise Carroll, Commissioner, Department of Housing Preservation and Development
Council Member Robert E. Cornegy, Jr., Chair of Housing and Buildings Committee, New
York City Council

DISCUSSION GROUP 3

Agenda

1. Introductions
2. Brief recap of process / facilitation
3. Identify one volunteer to share back to full group

TPT Mission

Created by the NYC Council in 1996 as a tax enforcement program, HPD has used the Third-Party Transfer (TPT) Program to **address crisis conditions in New York City properties**, with the goal of stabilizing the properties' physical and financial health, and keeping properties safe, habitable, and affordable for residents.

The TPT Program achieves this purpose by...

- **Improving living conditions and housing viability** through investment and rehabilitation.
- **Ensuring ongoing quality City services** through collection of municipal arrears (including arrears held by properties made ineligible for the tax lien sale, such as HDFC co-ops).
- **Protecting residents from displacement, disinvestment, and speculation** through regulatory protections and improved property and asset management.

Assuming that there are sufficient support/resources for owners in place:

- A- Sandra Erickson
- B- Glory Ann Kerstein
- C- Michael Grinthal
- D- Bernell Grier
- E- Derrick Griggs

Do the means by which we **apply data** seem effective? If not, why not? If so, what stands out as most pertinent?

A	Small amounts of arrears is concerning when a building gets selected for TPT. There are some instances where data might select small buildings for TPT where it doesn't feel appropriate: certain types of violations that can impact a small building more; buildings where owners or shareholders reside.
B	It depends on the quality - the data from the agencies should be of the highest quality.
C	Feels important to think about recurrence in data trends – the models are only considering recent violations for example. What about patterns over time? i.e., past participation in ERP, AEP Need for potential indicators concerning governance (may help provide better insight into HDFCs).

D	Would like to be able to study the data in more depth, in particular with the geographic distribution.
E	No comment - still processing the methodologies.

Themes/highlights:

Do the means by which we **apply methods** seem effective? If not, why not? If so, what stands out as most pertinent?

A	Financial distress with high counts of violations <i>together</i> works. It doesn't feel as appropriate for smaller buildings where owners or shareholders reside.
B	Owner-occupied buildings may need different types of intervention.
C	The most balanced approach feels the most appropriate.
D	The most balanced approach feels the most appropriate.
E	The most balanced approach feels the most appropriate.

Themes/highlights:

- Facilitator's Note: There appeared to be general agreement that the methods seemed appropriate but that members wanted to look at the models in more detail.

Do the means by which we **apply principles of financial and physical impacts** seem effective? If not, why not? If so, what stands out as most pertinent?

A	Generally yes.
B	Generally yes.
C	Generally yes.
D	The geographic distributions underscore the impacts of the TPT program on communities of color.
E	Generally yes.

Themes/highlights:

Assuming that there are sufficient support/resources for owners in place, **do these models provide an effective methodology for achieving the goals of TPT?** If not, why not? If so, what stands out as most pertinent?

A	Each model has validity. Buildings with high violation counts or high arrears should be addressed.
---	--

B	
C	
D	
E	

Themes/highlights:

Assuming that there are sufficient support/resources for owners in place, **do these models align with the conversations conducted during the Working Group sessions?** If not, why not? If so, what stands out as most pertinent?

A	
B	
C	
D	
E	

Themes/highlights:

- Facilitator's Note: We didn't explicitly discuss the models through this lens.

Are there **(unintended) consequences to the implementation of any of these models** that we may not be fully considering? If so, what are they, who might be impacted, and how?

A	Predatory loans may not be caught through any of the methodologies.
B	More broadly, there should be additional scrutiny of the current violations registered against a property before a building is deemed unsafe by HPD.
C	
D	
E	

Themes/highlights:

Are there additional considerations or information the City should consider in tandem with these models when determining:

- 1) which properties avoid / redeem / exit the program?

2) which properties get extra support? (And which kinds of support?)

3) post-transfer outcomes?

A	<p>HDFCs face unique challenges with shared governance. [Resources and support that they are given should be tailored to meet these unique challenges.]</p> <p>There are some examples of success that should be examined – what made those transfers successful?</p>
B	<p>Lengthen the notification period that property owners receive when they get pulled for TPT. Lengthen the period of time City Council has to review the list of TPT properties, and ensure that City Council members explicitly vote “yes” to move a property through foreclosure.</p> <p>Allow for an avenue for properties to return into a co-op model if they go thru TPT.</p> <p>There are other reforms and enhancements needed at HPD, DOF, DEP (and other agencies) as well.</p>
C	<p>Can HDFCs go on a separate track where they have a more in-depth assistance and review from City agencies?</p>
D	<p>Broad support and resources are critical. Especially legal and governance support and training. HDFCs sometimes have monitors (typically those who have regulatory agreements) who at times can be points of contacts for buildings to connect with city resources. [Every building should have a point of contact like that.]</p> <p>There should be a current valuation of the property when it gets selected for TPT. There may be new opportunities [for the property based on the findings of that valuation].</p> <p>Possible to leverage different debt servicing models as part of an intervention?</p> <p>Who are the future owners / managers of the property? Potentially revisit the TPT RFQ and refresh the list.</p>
E	

Themes/highlights:

DISCUSSION GROUP 2

1. Introductions
2. Brief recap of process / facilitation
3. Identify one volunteer to share back to full group

A = Christie Peale

B = Eva Alligood

C = Ismene Speliotis

D = Sandra Lobo

E = Victoria Barreca

The Third-Party Transfer (TPT) Program addresses crisis conditions in New York City properties, with the goal of stabilizing the properties' physical and financial health, and keeping properties safe, habitable, and affordable for residents.

The TPT Program achieves this purpose by...

- Improving living conditions and housing viability through investment and rehabilitation.
- Ensuring ongoing quality City services through collection of municipal arrears (including arrears held by properties made ineligible for the tax lien sale, such as HDLC co-ops).
- Protecting residents from displacement, disinvestment, and speculation through regulatory protections and improved property and asset management.

Assuming that there are sufficient support/resources for owners in place:

Do the means by which we **apply data** seem effective? If not, why not? If so, what stands out as most pertinent?

A	Other recs for your consideration: <ul style="list-style-type: none">- Exempt all TC1 properties with homeowner exemptions; this would remove very few properties anyway- Allow other TC1s to prove occupancy to receive an exemption- Apply the high financial model to vacant lots- Apply the high physical model to non owner-occupied TC1s
B	Global question: are the goals and purpose of TPT agreed upon by this group? This isn't a data question but a larger one. How do we make TPT the best preservation program it can be? How to tweak the goals of the program. Looking at RIE areas in terms of geography - how to frame an equity goal in terms of ownership and ensure we're pouring resources into community ownership and wealth-building for homeowners who have suffered consequences of racist policies and practices.
C	These methods may not be appropriate to addressing the "madness"! Tax lien sale still feels like not the right mechanism. There has to be consequences to nonpayment (stick [as in, the risk of consequences or receiving a "stick" vs. a carrot is what makes people comply with regulations]). Beauty of TPT is the foreclosure process and moving into

	affordability. For properties with unresolvable debt and unresponsive [owners]. How to measure “effort”? Historic and contemporary lack of access to resources due to racist policies (e.g., slumlords). When lots of outreach and resources have been offered, where do we say “enough” and stop providing additional chances. [This is where TPT <i>should</i> come in]
D	Feels like different properties need different paths. RIE maps are helpful part of this formula. NWB [Northwest Bronx] has been organizing around a quintessential building that needs to be in TPT but is not - keeps being given second chances despite documented history of slumlord. What are the metrics for identifying this? Worst landlord list? Valuing what’s happening on the ground. And on flip side, HDFCs need the deep investment and resources. Metrics feel less useful - more important to focus on, once building is identified, what happens to it? COPA and TOPA acts to support new ownership models.
E	More about “what are we solving for” and how to get there, less about data. Top of mind is block pickup and long-term unintended consequences (impacted by COVID). Block pickup: understand intent, but worry about properties getting picked up that wouldn’t otherwise. Unintended consequences that have outlasted market conditions. Goes both ways - picked up too many but not others.

Themes/highlights:

Do the means by which we **apply methods** seem effective? If not, why not? If so, what stands out as most pertinent?

A	
B	
C	
D	
E	

Themes/highlights:

Do the means by which we **apply principles of financial and physical impacts** seem effective? If not, why not? If so, what stands out as most pertinent?

A	
B	

C	
D	
E	

Themes/highlights:

Assuming that there are sufficient support/resources for owners in place, **do these models provide an effective methodology for achieving the goals of TPT?** If not, why not? If so, what stands out as most pertinent?

A	[There is value in both high financial and high physical.] Vacant lots we want to capture through high financial model; others we would want to capture through physical.
B	
C	373 Rockaway Parkway (example) - which model would NOT capture this property? Amy: Not picked up by the models because it doesn't have the amount accrued in relation to its market value.
D	2101-2205 Davidson Avenue. >\$15M in unpaid liens. Appointed to 7a program with organizers' pressure. Amy: This property was not picked up because it has active liens
E	

Themes/highlights:

Assuming that there are sufficient support/resources for owners in place, **do these models align with the conversations conducted during the Working Group sessions?** If not, why not? If so, what stands out as most pertinent?

A	
B	
C	
D	
E	

Themes/highlights:

Are there **(unintended) consequences to the implementation of any of these models** that we may not be fully considering? If so, what are they, who might be impacted, and how?

A	
B	There's an exploitation component to how people are living which is difficult to capture. Tenants of color disproportionately living in deplorable conditions AND what are consequences for abusive landlords no matter their racial identity?
C	Stripping wealth from homeowners and perpetuating racial and economic disparities. Removing the prohibition that limits co-ops from remaining co-ops. Why can't we apply this to a private homeowner? Providing more generous relief and second chance. need to be able to differentiate between unknowing and willfully abusive. This may be gleaned from history of a given building, track record, turning down assistance, other buildings - similar condition (or not)
D	Ownership in communities of color needs to be verified by how abusive (or not) they are - are they unresponsive because they're in over their head or are they truly abusive?
E	Worried about the totally data-driven approach. Understanding property owners and who are bad actors versus seniors, overwhelmed, etc. More nuanced approach

Themes/highlights:

Are there additional considerations or information the City should consider in tandem with these models when determining:

- 1) which properties avoid / redeem / exit the program?
- 2) which properties get extra support? (And which kinds of support?)
- 3) post-transfer outcomes?

A	Preference for co-ops to have the option to preserve CLT. Being explicit about which properties to avoid - not properties owned by people of color. More options to redeem for TC1 properties.
B	Need for some sort of assessment of property owners beyond these criteria.
C	Co-ops losing ability to stay co-ops after TPT - how to avoid this? Redemption without consequences.
D	BIP is a helpful resource here because of how it's weighted. Have UNHC join this conversation.
E	

Themes/highlights:

Amy: High physical impact model uses same system of scoring as BIP (weighting of violations, arrears) just with different multipliers.

Ismene:

- Reactions to models.
- Cognizant of unequal access to resources and how to own and adjust for inequitable policies.
- Want TPT to be housing preservation not revenue generating.

Christie:

- Properties to keep out, keep in, and how effective is data-driven model for screening these properties in and out (especially w/r/t block pickup, landlord intent)

DISCUSSION GROUP 3

1. Introductions
2. Brief recap of process / facilitation
3. Identify one volunteer to share back to full group

The Third-Party Transfer (TPT) Program addresses crisis conditions in New York City properties, with the goal of stabilizing the properties' physical and financial health, and keeping properties safe, habitable, and affordable for residents.

The TPT Program achieves this purpose by...

- Improving living conditions and housing viability through investment and rehabilitation.
- Ensuring ongoing quality City services through collection of municipal arrears (including arrears held by properties made ineligible for the tax lien sale, such as HDFC co-ops).
- Protecting residents from displacement, disinvestment, and speculation through regulatory protections and improved property and asset management.

A. Harold Shultz B. April Tyler C. Sal D'amato D. Derrick Lovett E. Chris Bramwell

Assuming that there are sufficient support/resources for owners in place:

Do the means by which we **apply data** seem effective? If not, why not? If so, what stands out as most pertinent?

A	Yes, because while they may be other ways, the only thing that we have to hand is violations and tax arrears <ul style="list-style-type: none">• Violations are flawed
B	Agree with above- (Note for calls to 311 or HPD)- early warning systems based on municipal charges <ul style="list-style-type: none">• (concerns)Inspectors have been focused on HDFC's?
C	Agree with above
D	Agree- but in certain areas would there be more involvement as it relates to regulatory oversight?(Questions of fairness)- likelihood of call in BX vs Lower Manhattan
E	Agree with above- hard to see other metrics

Themes/highlights:

Do the means by which we **apply methods** seem effective? If not, why not? If so, what stands out as most pertinent?

A	Yes, I think those are appropriate ways to apply the data- As opposed to either index or
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	threshold, should we break the buildings into categories and adjust index for those categories e.,g. Take the worst 5%-10% and focus on that <ul style="list-style-type: none"> Comparison of small and big buildings challenging at times when put into the same index
B	Generally, it seems fine AND would advocate that HDFC's be exempt. <ul style="list-style-type: none"> Buildings that become co-ops do not want to become rentals again
C	Yes, agreed
D	Agreed AND May take a lot more than just saying one or the other- e.g. HDFC's are not all increasing maintenance therefore cannot fix x or y-
E	Agreed

Themes/highlights:

Do the means by which we **apply principles of financial and physical impacts** seem effective? If not, why not? If so, what stands out as most pertinent?

A	These are the most important, and to some extent financial is an indicator of physical safety- financial as a future indication of physical safety
B	On the face of it, financial is an indicator and so are violations AND we need to look deeper <ul style="list-style-type: none"> Violations are sometimes dated and we would need to ensure that these are up to date to strengthen the effectiveness of this indicator indicator (negated by payment of taxes?)
C	These are fine indicators- financial, physical, and ,safety
D	Adequate- Quality of life very important so a lean toward physical
E	Agreed, AND deep dive needs to be taken into violations

Themes/highlights:

Assuming that there are sufficient support/resources for owners in place, **do these models provide an effective methodology for achieving the goals of TPT?** If not, why not? If so, what stands out as most pertinent?

A	Physical condition should be heavily weighted, and knowing physical is hard- thus most balanced seems to make the most sense here
B	Agree- Physical as a primary consideration and CAN be with violations and financial municipal records-

	<ul style="list-style-type: none"> • Tenants should have a right of first refusal- the resident should have the right to become part of the co-op (tenant petition option) • (how do we understand what “readiness for homeownership look like?)
C	Agreed- most balanced between financial and physical
D	Agreed with most balanced- <ul style="list-style-type: none"> • Readiness for homeownership as something to think about (Rent vs Homeownership) (how do we understand what “readiness for homeownership look like?)
E	Most balances as you need to consider both physical and fin- deep dive into violations

Themes/highlights:

Assuming that there are sufficient support/resources for owners in place, **do these models align with the conversations conducted during the Working Group sessions?** If not, why not? If so, what stands out as most pertinent?

A	Y
B	Y-qualified with major assumptions
C	Y
D	Y-
E	Y

Themes/highlights:

Are there **(unintended) consequences to the implementation of any of these models** that we may not be fully considering? If so, what are they, who might be impacted, and how?

A	Agreed with C
B	Agreed with C
C	If you are using most balanced, you may not pick up buildings that we should be - AND might pick up building that are not as heavily distressed as others
D	If one family is trying to do the right thing, but others aren't in line with that what happens? <ul style="list-style-type: none"> • What room is there for extenuating circumstances (e.g. covid)

E	Picking up the whole block is a REAL risk (But this is a legislative piece that would need to be addressed there)
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Themes/highlights:

Are there additional considerations or information the City should consider in tandem with these models when determining:

- 1) which properties avoid / redeem / exit the program?
- 2) which properties get extra support? (And which kinds of support?)
- 3) post-transfer outcomes?

A	N/A
B	<ul style="list-style-type: none"> • Tenants should have a right of first refusal- the resident should have the right to become part of the co-op (tenant petition option) • (how do we understand what "readiness for homeownership" looks like?) <p>Where residents are wanting to own when the landlord has abandoned a building they should be given that option</p>
C	N/A
D	The level of repair and rehabilitation may be too much for owner- hard to right the ship---
E	1-3 that are owner occupied should not be in?

Themes/highlights:

Audit of TPT in the last 20 years as it relates to success of the program.