

ABSTRACT

Project Title The Tenant Interim Lease Program

Location New York City, New York

Describe in the space provided the important characteristics of the project, how it was developed, and how it is exemplary. This abstract will be among the materials distributed to members of the Selection Committee prior to their initial deliberation.

The Tenant Interim Lease Program (TIL) was developed after a change in New York City's tax foreclosure law in 1977 raised the prospect of the City taking title to over 11,000 properties (often referred to as in rem properties) throughout the low-income neighborhoods of the city. Since about 40% of these buildings were occupied at that time, the City government was about to become the landlord and managing agent to over 100,000 families. This was a prospect not eagerly anticipated by the City administration, the tenants themselves, nor the many community and housing organizations working in these neighborhoods. As alternative ideas were discussed the Urban Homesteading Assistance Board, along with local politicians and community organizations convened the Task Force on City-owned Properties to propose a new concept.

The Task Force decided to propose alternatives to the City as manager, and UHAB drafted a proposal which included the Tenant Interim Lease Program, the Community Management Program, the 7A program as well as using the New York City Public Housing Authority as an alternative manager. The TIL program began in September of 1978, and UHAB received a contract from the City to provide training and technical assistance to the buildings as they entered the program. Buildings began coming in at the rate of 20 a month; by the end of the first year there were 240 buildings enrolled.

Among the most important characteristics of the program is the fact that it is based on the belief that self-help works, and that the tenants, no matter how unsophisticated they might be, are capable of managing their buildings, and understanding what needs to be done. We have learned that the training and technical assistance must be structured to enable the process to work; tenants must be allowed to make their own mistakes and learn from them. In addition, the relationship between the technical assistance provider, the tenants, and the City had to be carefully structured to expedite the program, and not stand in the way of the tenants.

After going through the training program, buildings are sold to the tenants as limited equity cooperatives at the price of \$250 a unit. They must remain in the TIL program until their financial, organizational and physical status is up to snuff, whereupon they can purchase from the City. The training process therefore must reinforce the cooperative model.

We feel that this program is exemplary in that it originated from a consensual process, and was implemented as a full-blown program, rather than as an experimental pilot. It was and has remained a large scale program, even by New York City standards; and is in fact the second largest low-income housing program here, serving an even lower income population than public housing. The TIL program now has a ten year history, and the City continues to support it with new buildings entering every month. The program is now serving as a model for other cities, and the Urban Homesteading Assistance Board has provided consulting services to several other municipalities who are attempting to emulate New York's success. And ultimately, the program has proved itself as a reliable and low-cost alternative to the City managing the buildings.

PROJECT PROFILE

1. Describe the characteristics of this project: the important aspects of the project's design, development, and public approval process. Indicate why these are exemplary.

The Tenant Interim Lease Program was created in response to a crisis: the prospect of New York City owning and managing over ten thousand low-income housing units after tax foreclosure proceedings. In an unusual change in procedure, the City administration agreed to work in cooperation with a coalition of community activists, and housing organizations to develop a viable alternative for these buildings. The coalition, known as the Task Force on City-Owned Property, created the Tenant Interim Lease Program (TIL), which has become the City of New York's largest low-income housing program outside of public housing. The concepts of self-help, and cooperative ownership and management became the cornerstones of the program.

2. Why does this project merit The Rudy Bruner Award for Excellence in the Urban Environment?

We are proposing that this program, essentially a community development strategy, receive the award because we feel that the over 500 buildings that have participated in the program have developed skills, capacities, and a real autonomy, and the design of this program is unique within the universe of low-income housing programs. The training process that the tenants have gone through has given them real, "hard" skills that many of them have been able to bring to other aspects of their lives. We firmly believe that the way to bring people out of poverty is not just by providing a roof over their heads, but by empowering them -- a not very popular term in the 80's. The human qualities that the program has nurtured, the jobs that newly trained tenants have been able to secure, and the thousands of affordable and secure units of housing that have been created, represent the best and most creative programmatic housing developments in this City over the past decade.

3. What were the significant dates of the project's development and when was it completed?

The project is on-going, and we hope it will continue for some time. It began as an official City program in 1978, and had been preceded by a year of planning by City agencies and community groups. In 1982, after extensive public hearings, the City agreed to continue the sale of buildings to limited equity cooperatives for \$250 per unit. In the first year of the program's implementation 240 buildings entered; there are now over 500 that are in some stage of the process.

4. What urban issues did this project address? Were there important associated issues that this project did not address?

This project continues to grapple with the scarcity of affordable, decent housing for low-income New Yorkers. It also confronts the need for municipal governments to develop and implement comprehensive long-range housing plans to serve all income levels and residents.

5. Describe the financing for the project. Was there something particularly unique or innovative about it?

Buildings are owned by the City of New York, and have been taken in tax foreclosure proceedings. While in City ownership funds are provided for building improvements (such as new heating systems, roofs, wiring, etc.) through Federal Community Development Block Grant funds. The tenants pay rent to their own tenant association, and those funds should cover routine operating and maintenance costs.

Once the City sells the building to the tenants as a limited equity cooperative, their monthly maintenance charges are expected to cover their costs. Buildings sometimes borrow funds through a City loan program for major system improvements.

The final area of financial support is the funding of training and technical assistance provided by the Urban Homesteading Assistance Board. The City of New York has contracted with UHAB for the past ten years to provide these services to help the cooperatives achieve fiscal and managerial autonomy. We feel that the information and support that tenants receive through the training process is the key element in making the cooperatives self-sufficient and cost effective.

6. What were the goals of this project? How well were they met?

The original goals of the City in promoting this program were to alleviate a management and fiscal crisis within the City's housing department by transferring responsibility for the thousands of units they had acquired to the residents of the buildings. We feel that the City has continued to retain some responsibility for all of this housing, but have essentially fulfilled their goal by allowing the sale of the buildings to the tenants.

A more long-term goal has been the creation and maintenance of permanently affordable tenant managed cooperatives. We feel that the current track record of the program, with more than 500 buildings, with more than 12,000 units enrolled in some phase of TIL amply demonstrates its success. Our hope is that the City's policies will continue to encourage further buildings to enroll and go through the process to ownership.

PERSPECTIVE/Developer

This sheet is to be filled out by the person who took primary responsibility for project financing.

If possible, answers to all questions should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. The length of answers should be limited to the area provided here.

Name Andrew Reicher Title Executive Director
Organization Urban Homesteading Assistance Board Telephone(212) 226-4119
Address 40 Prince Street, 2nd Floor, New York, New York 10012

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1. What role did you or your organization play in the development of this project? Describe the scope of involvement.

In 1978, in the wake of escalating housing abandonment and a change in City real estate tax foreclosure policy, the City became owner of over eleven thousand buildings, thousands of them occupied. UHAB was one of the instrumental parties in bringing together a City-wide task force to address the impending management crisis faced by the City. Bringing to the Task Force on City Owned Property the concept that the City owned property and the thousands of low-income families were resources toward management and ownership. UHAB was eventually the author of the Task Force report proposing several alternatives to City management. These alternatives were adopted by the city as the Alternative Management Programs; including tenant self-management which became the Tenant Interim Lease (TIL) Program. The TIL program in operation after ten years continues to evolve with UHAB's input.

2. What, if any, modifications were made to the original proposal as the project was developed? How did they come about?

The TIL program was originally proposed and implemented primarily as a management and preservation program: to preserve and improve existing housing units. The primary emphasis was on the development of each tenant association's management capacity; and repairs to the buildings. As the pressures of requirements of the Community Development Block Grant money financing this program grew as well as the political desires of the city administration to show buildings going back on to the tax roles, the TIL program began to shift from a management to a sales (to the tenants as a cooperative) emphasis. As the program grew and became institutionalized within the City Administration, more of the day to day assistance to the tenant associations was taken on by the City staff, and UHAB's role became more technical and specialized.

3. What was the most difficult task in the development of this project?

Developing anything through a City-wide coalition of tenants, government officials, neighborhood organizations and City-wide non-profits is difficult and keeping the coalition together and moving in a common direction was most difficult. However, once a proposal was created, convincing the City to implement it was even harder.

4. What tradeoffs and compromises were required during the development of the project? How did your organization participate in making them? With hindsight, what would you now do differently?

As in any program development there are compromises and tradeoffs, but when the program design is innovative and untried the major compromise is with the lack of experience and knowledge. The TIL program involves self-help and self-management on a level and scale untried before. While the program design was based on UHAB's self-help experience it was indeed a compromise with the unknown. How training and technical assistance would be delivered, the self enforcing of resale and other restrictions, entry criteria and the City's role, were all unknown. If UHAB were to do it again the resale restrictions would be stricter or even left to a Mutual Housing Association that would see to the long term stewardship of this housing as a public resource. We would seek a larger funding commitment for repairs from the City but seek to have the City's role ended earlier in the process. We would seek a mechanism for keeping the housing affordable for the long term.

5. What about this project would be instructive to developers?

There are four main points about the TIL program that are instructive. 1) That programmatic solutions to housing problems can be designed solutions, in the same way that physical solutions are designed architecturally. Like architectural solutions, while drawing upon known element, unique and untried programs can be developed. 2) That housing programs need not concentrate on the physical buildings but are more long lasting when they are people programs. TIL concentrates on developing the tenant organization, its structure and skills and ultimately its conversion to a cooperative corporation. While TIL may be less efficient in the near term in treating dilapidated property and return property to the tax role, in the long term the housing is more secure and more affordable as a result of the people's investment. 3) That the technical assistance and training methodology, the interrelations and roles of the various agencies and the systems for bookkeeping, management, maintenance and repair and other activities are the essential ingredients of a "people" program. 4) That self-help solutions work. Housing programs that are designed and implemented in a manner that reflects a belief that residents can organize and accomplish the maintenance and operation of their own housing will be fertile ground for the self-help seed. Programs that reflect doubt about the residents ability to succeed and allow self-help in only half way measures run the risk of having self-help fail to germinate. If residents are in control then they should have the ability not only to make decisions but to make bad decisions, live with the results and take corrective action. Agencies that assist this process must be prepared to see this process go on and measure success in the corrective actions as much in the right decisions. This is an ongoing process that requires ongoing training and assistance, but also the room to evolve and develop.

6. If five years from now you were to judge this project to be still successful, what characteristics would be most relevant to you?

Success in five years would first be measured by the continued existence of the 500 existing cooperatives and tenant associations and secondly by the continued growth of their number. That they have continued to operate and maintain their buildings, and keep them affordable is a success. Invariably there will have been legal and economic challenges that the cooperatives have met having tested their depth and strength. A mechanism for the ongoing training, assistance and support of these cooperatives will help insure their success into the future. That there are other self-help and self-management programs for other housing stock or in other cities is also a measure of success.

PERSPECTIVE/Community Representative

This sheet is to be filled out by someone who was involved, or represents an organization that was involved, in helping the project respond to neighborhood issues.

If possible, answers to all questions should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. The length of answers should be limited to the area provided here.

Flora Crane, Pres.

Board of Directors 678 St. Nicholas Ave., NYC (212)283-7622/568-2343

Samuel St. George, Pres.

Board of Directors 110 East 176 Street, Bronx, NY 10453 (212)294-2859

James Mimms, 110 East 176 Street, Bronx, New York 10453 (212)294-2859

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Flora Crane Samuel St. George James Mimms

1. How did you, or the organization you represent, become involved in this project?

Ms. Crane: "In the early 70's we went through 5 landlords in 5 years. Most of the time we had no heat or hot water and no repairs. The City eventually foreclosed on our building because of real estate tax arrears. A receiver was appointed to administer the place, but he was worse than the old landlord. We were well organized and motivated, and our attorney arranged for us to buy the building from the City. We had to let it go back into foreclosure because we had become liable for all of the back taxes from the previous owner, and we couldn't afford them. When the Tenant Interim Lease Program started our building was one of the first to apply because we had already started the self-management process on our own."

Mr. Mimms: "I slept in the boiler room during the winter to keep the boiler working, and keep heat in the building."

2. What were the major issues from the community's point of view?

Ms. Crane: "In the beginning we just wanted a decent place to live that we could afford. There are 70 units in this building, and when we finally were able to purchase from the City only two of the tenants did not purchase. Now the monthly maintenance charges range from \$204 to \$345, and we have the nicest housing in the neighborhood."

Mr. Mimms: "Every time I walk into that front door I feel safe. We all just wanted some place to live with regular heat and hot water, and we decided to stay and fight. We haven't had a maintenance charge increase in 8 years!"

Mr. St. George: "You know, ten years ago when this program started we all had some freedom to move around, there was always another apartment to move to. Now we're stuck; if we can't make a go of it, there's no place else to move to that we can afford."

3. What other community organizations or institutions, if any, were involved? What relationship did they have to the project?

Ms. Crane: "In Harlem there were a lot of groups competing for our attention and allegiance. The people in the City's Housing Department who were developing the TIL program were actually very helpful, especially the director at that time, Bill Smith, and some of the field coordinators. The local community board (#9) also helped us with information. The Metropolitan Council on Housing helped us in the beginning, but they are basically opposed to the private ownership of housing, so we didn't continue with them."

Mr. St. George: "We also received a lot of assistance from the local community board in the Bronx, and lately the Bronx politicians have been coming through for us. But we wouldn't have gotten anywhere without the help of the staff at UHAB."

4. If there was a public review process, did you or your organization participate in it? Describe your involvement.

Ms. Crane: "We got involved in the beginning in the In Rem Task Force, when all these different groups were making recommendations to the City; our lawyer told us about it."

Mr. Mimms: "The people at UHAB kept us involved. In 1982 when the City was threatening to raise the sales price of the buildings, and go back on their original promise to us, we all went down to the Board of Estimate hearings to testify. When they heard from us, we were able to get them to keep to the original price."

5. From your perspective, how has this project made the community a better place to live? Please be as specific as possible.

Mr. St. George: "Our building's improvement gave the private landlords on the block the inspiration and incentive to fix up their own buildings. We've convinced other City-owned buildings in our neighborhood to join the TIL program so we've really had a stabilizing effect on the community."

Ms. Crane: "Our building is back on the tax rolls, and we too have set an example for others in the community. There is an active coalition of Harlem TIL buildings that have formed an information and support network."

6. If a community group interested in doing a similar project came to you, what advice would you give them?

Ms. Crane: "I would tell them to enroll in TIL and go coop!"

Mr. St. George: "It's a struggle, but it's really worth it."

7. Why do you think the project should win this award?

Mr. St. George: "Without UHAB and the TIL program none of us would be here today, and there wouldn't be any tenant-managed cooperatives in New York. UHAB, to me, represents the essence of tenant run cooperatives."

Ms. Crane: "They really expected us to fail, they (the City) never thought we would succeed. We have really set an example for our neighbors, friends, families, and really, the whole City."

PERSPECTIVE/Public Agency

This sheet is to be filled out by the staff of public agencies who were directly involved in the financing, design review, or public approvals that affected this project.

If possible, answers to all questions should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. The length of answers should be limited to the area provided here.

Name Nathan Leventhal

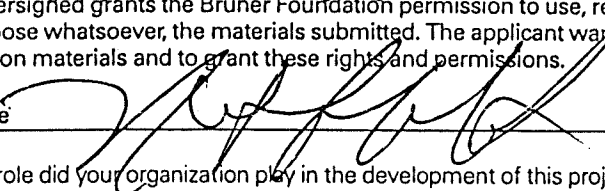
Title President

Organization Lincoln Center for the Performing Arts, Inc. Telephone (212) 877-1800

Address 140 West 65th Street, New York, N.Y. 10023

*formerly Commissioner, NYC Dept. of Housing Preservation and Development (1978-1979) and Deputy Mayor, New York City (jurisdiction included housing) 1979-1984

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1. What role did your organization play in the development of this project? The City was the owner of the properties and had ultimate authority over their disposition. When we first started taking all these buildings in foreclosure proceedings we had to set up programmatic guidelines; inspect each of the buildings for major structural and physical problems, and administer management training and technical assistance with the Urban Homesteading Assistance Board.

2. Describe what requirements your agency made of this project? (Such as zoning, public participation, impact statements, etc.)

In order to be admitted into TIL, a building had to be at least 50% occupied, and 60% of the tenants had to agree to participate. Buildings with major structural and other severe physical problems were screened out. Tenants had to organize a formal Tenant Association, enter into a lease with HPD, open a bank account, secure liability insurance, agree to attend UHAB training courses, and submit monthly financial reports to HPD. Building sales were reviewed through the City's "Uniform Land Use Review Procedure" and by the NYC Board of Estimate.

3. From your perspective, how was this project intended to benefit the urban environment? Describe how, if at all, the intentions changed over the course of the project? What trade-offs and compromises were required? How did you participate in making them? With hindsight, what would you now do differently?

The project was intended to stabilize and revitalize occupied City-owned buildings and return them to responsible private (low-income tenant cooperative) ownership. It was thought that through TIL, the City's direct management burden could be reduced, while the supply of decent low-income housing would be expanded and preserved. The program's intentions appear to have remained substantially the same over its ten years. However, occasional and continuing controversies over restrictions on the re-sale of shares in TIL cooperatives, imposed by the City to preserve the buildings for lower income residents and to prevent individual cooperators from reaping "windfall" profits, and questions as to whether they are being adhered to, suggest that perhaps the restrictions could have been more tightly constructed and/or some mechanism devised for monitoring compliance.

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4. Describe any data you have that document the impact that this project has actually had on its surroundings and the people in the project area. Attach supplementary material as appropriate. If no data are available, what is your impression of the project's impact and what have you observed that supports that?

The attached study was prepared by Professor Susan Saegert of the City University Graduate Department of Environmental Psychology and documents the impact of the Tenant Interim Lease Program on some of the participants five years into the study.

5. What about this project would be instructive to agencies like yours in other cities?

TIL's success should encourage other cities to view property it owns and controls as an important potential resource for addressing the need for low-and-moderate income housing, especially now, when federal housing programs have been so sharply curtailed. Indeed, I am advised that UHAB has already been consulted by public agencies and non-profit groups in a number of other cities. The key to TIL's success is really in its emphasis on "self help." An agency seeking to replicate it should view its own role primarily as that of an "enabler." Tenant groups need to be given large measures of both control and responsibility at the earliest feasible stage, and extensive training in building management of the sort UHAB has so ably provided for TIL.

6. If five years from now you judge this project to be still successful, at what characteristics would you be looking?

We would want to see that the strength of the coops' management had grown, that the program had expanded with more buildings being accepted and going through the training process. In addition, we'd want to see that maintenance charged had remained affordable, with occupancy rates high. The buildings' physical conditions should continue to improve, and the tenancy should remain low income.

PERSPECTIVE/Professional Consultant

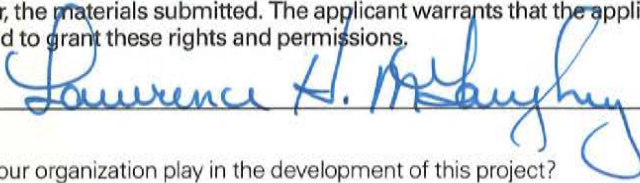
This sheet is to be filled out by those professionals who worked as consultants on the project, providing design, planning, legal, or other professional services.

If possible, answers to all questions should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. The length of answers should be limited to the area provided here.

Name Lawrence H. McGaughey, Esq. Title Attorney
Organization Law Offices of Lawrence H. McGaughey Telephone (212) 513-0981
Address 217 Broadway, Room 610, New York, New York 10007

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1. What role did you or your organization play in the development of this project?

I began my legal career with Williamsburg Legal Services where I became Director of Community Development. I became involved with community and tenant ownership of housing and helped form Southside United Housing Development Corp. and a city-wide coalition, the Association of Neighborhood Housing Developers. In 1975, I entered private practice and continued doing housing work, including becoming legal counsel to UHAB. When Mayor Koch was elected, and the City Council moved residential In Rem housing management to the Department of Housing Preservation and Development (HPD), I was retained as an outside consultant to work with an in house task force chaired by Deputy Commissioner Charles Raymond and directed by Ms. Joan Wallstein, now the HPD Assistant Commissioner overseeing the TIL Program.

2. From your perspective, how was this project intended to benefit the urban environment?

The City was deluged by occupied In Rem properties and found itself unable to properly manage them. At the same time, an infant neighborhood housing movement was springing up out of self-help efforts in poor areas. Previous City programs were ad hoc and lacked procedures. HPD sought a major expansion in its non-traditional housing management efforts which lead to creating the Tenant Interim Lease Program (TIL) and shortly thereafter to the creation of the Division of Alternative Management Programs within HPD. The TIL program was designed to encourage tenants to become cooperative owners of their apartment building. This aimed to encourage higher quality maintenance and more stability of neighborhoods. There were several dozen buildings clammering to get into the program.

3. What is your impression of the project's impact on its surroundings and people in the project area? Do you have data that document its effect? Attach supplementary material as appropriate.

In the more middle class areas with less abandonment, the success of TIL coops became a beacon for new investment as private owners came to see the potential of coop conversion. But, the more significant effect was in the poorest neighborhoods where leadership and low rents led to stability. I don't have broad statistics, but I still represent seven (7) TIL coops. I am familiar with the Lawson Report which worries about infusion of capital funds at the low end of the spectrum.

4. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them? With hindsight, what would you now do differently?

In the original negotiations within HPD in 1978, most of the issues debated were over program entrance requirements like: did the tenants need insurance, how many tenants must join in petitioning, did there have to be a pre-existing tenants association. Most of the resistance came from HPD personnel who did not trust the tenants with the rent money. In the end, the main thing was that the TIL program was created. The real success came with the rapid growth of the program. The real issues didn't come up until later - the City's commitment to major capital improvement prior to sale; the creation of UHAB's training program; the establishment of HPD's sales procedures, offering plans, and cooperative relations with the state Attorney General.

5. How might this project be instructive to others in your profession?

One of the problems in legal services for governmental housing programs is the shrinking scale. Governmental officials are used to dealing with multimillion dollar projects and the largest law firms. Typical closings often involve up to 100 documents and more. As the scale of projects has fallen to as small as one occupied building, the agencies find it difficult to shed the bureaucratic requirements and create programs that can be administered by the small law offices accustomed to handling the properties involved. The TIL program has demonstrated that the potentially complicated (net leasing a building, cooperative offering plan and sale) can be made do-able.

6. If five years from now you judge this project to be still successful, at what characteristics would you be looking?

The future of the program is undergoing a major transition - from buildings seeking to enter with highly self-motivated leadership, to buildings in the In Rem pipeline that have to be encouraged to apply. As for buildings previously sold, the City has two challenges: (1) creation of a source of capital improvement financing affordable for the shareholders, and (2) alternative real estate tax assessment methods. As for the latter, this is a result of rapidly rising real estate values leading to tax increases beyond ability to pay. This problem goes far beyond TIL buildings in the poorest areas where rent increases have added greatly to homelessness.

PERSPECTIVE/Other

Name Ruth Messinger Title New York City Council Person
Organization New York City Council Telephone(212) 566-0719
Address 250 Broadway, New York, NY

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Signature Ruth Messinger

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1. What role did you play in the development of this project?

In the Spring of 1977 I was instrumental in creating and supporting the Task Force on City Owned Property, a coalition of community activists, tenants, housing organizations, housing department officials, and supportive politicians, who were trying to come up with a solution to the City's housing management crisis caused by tax foreclosed buildings. I supported the Task Force's operations with overhead from my office, provided a staff member to conduct the meetings, and along with some of my colleagues including Councilmember Stan Michaels opened the doors to City government.

Since that time I have remained an advocate for the tenants and the program, and have tried to support it in all aspects.

2. From your perspective, how was this project intended to benefit the urban environment?

The project was supposed to preserve the low-income housing stock of the City while providing ownership opportunities to the residents. We expected the training process the tenants went through would help build competency and skills which they could transfer to other aspects of their lives.

In addition, we hoped that by stabilizing and improving individual buildings, we could go on to build neighborhood anchors that could have a positive effect on the rest of the community.

3. Describe your impression of the impact that this project has actually had on its surroundings and the people in the project area. Describe any data that support your conclusions.

Tenant managed cooperatives have now become a regular part of the City's housing production programs, and tenant self-help is an accepted philosophy for the development of new programs. There is now a whole generation of community activists who have developed through neighborhood participation, and have gone on to influence others.

In addition, the Tenant Interim Lease Program has become a model that other American cities are examining and considering for their own housing stock. Over 12,000 units of housing are involved; over 5,000 have become cooperatives.

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4. What trade-offs and compromises were required during the development of the project? Did you participate in making them? With hindsight, what would you now do differently?

Many discussions centered on the length of time a landlord would have to redeem their buildings, as well as what the sales price of the units would be.

5. What can others learn from this project?

When knowledgeable people organize and work together they can both influence City policy, and act as a bridge between the community and City government.

6. If five years from now you judge this project to be successful, at what characteristics would you be looking?

I would want to see that the cooperatives remained affordable to the low-income New Yorkers for who they were originally designed; that the City continued to accept additional buildings into the program, and provided adequate funding for their development. I would also want to see that the building's physical condition remained viable, and the buildings were attractive, desirable places to live.



Community Board #5

University Avenue & West 181 Street
Bronx, New York 10453

(212) 364-2030



ALAN J. INMAN
Chairman
GEORGE A. MARTIN, JR.
District Manager

FERNANDO FERRER
Borough President, Bronx

June 3, 1988

Honorable Fernando Ferrer
Bronx Borough President
851 Grand Concourse
Bronx, New York 10451
Attn: Manuel Betanzos

Dear Sir:

Community Board #5 recommends the 110 East 176th Street Housing Development Fund located at 110 East 176th Street for special group commendation on Community Pride Day, Bronx Week 1988.

In 1979, 37 resident families banded together in a tenants association and leased the city-owned building at 110 East 176th Street from the city (H.P.D.) under the Tenants Interim Lease Program and operated it e.g. collecting rents & making repairs, successfully until 1982. On October 19, 1981 the organization 110 East 176th Street Housing Development Fund became incorporated and in 1982 completed the purchase of the building from the city. Through the incorporated Fund the original 37 families have not only continued to reside in this community, but have also further enhanced our landscape for the past five (5) years by operating a Green Thumb lot at the corner of East 176th Street and Walton Avenue; which is truly an urban oasis.

The success of the 110 East 176th Street Housing Development Fund is an encouragement and model for all other tenant's groups who would manage the future. Community Board 5 commends this group and their president, Mr. Samuel St. George. Thank you for your assistance in this regard.

Sincerely,

Alan J. Inman
Chairperson, CB5

AJI/meg

cc: Samuel St. George
George A. Martin, Jr.

676-678 ST. NICHOLAS AVENUE
TENANTS ASSOCIATION
NEW YORK, NEW YORK 10030

The tenants living in buildings 676-678 St. Nicholas Avenue Reports:

For five consecutive years we had five different landlords, who did no repairs nor gave heat and hot water.

On March 1974 our fifth Land Lord disappeared and the building went into receivership. We tried to cooperate with the receiver and agent that had been appointed. A group of tenants went to his office to complain about repairs and heat, hot water and we were told that when he and his family received their share if there was anything left we would get it. There was nothing left.

The very next day two officers from the tenant association started searching for the Morgagers and was able to contact them. An appointment was made with the Trustees. Our Attorney and twenty-five tenants went to see them. When we arrived we were told that the appointed receiver had an application to buy these two buildings 676-678 St. Nicholas Avenue. After speaking to the trustees of these buildings their Sect. called the applicants office to inform him that the deal was off. That the buildings were being sold to the tenants who were DESPERATE. Thats why we like the name DESPERATE and would like to keep it.

These two buildings were sold to the tenants of 676-678 for \$40,000-(Forty Thousand Dollars). They knew we had no money, so the deal was made, paying \$1,000.00 in January 1975, \$1,000.00 in March 1975, \$1000.00 in May 1975, June and July oil bills would be small, \$1000.00 in June, \$1000.00 in July. This would be a total of \$5000.00. August 1975 start paying the interest which was \$233.33 each month.(This we did)

January 23, 1975 we gave our managing agent \$1300.00 to pay on taxes(Real Estate). When we received our monthly statement from him we found that he had forgotten to pay. After this the tenants began paying their own bills. The agent was and is only allowed to collect rents, deposite into accounts, go to court, rent apartments and help out when needed.

March 11, 1975 we paid \$1,765.70 on back taxes and \$844.12 on taxes. There was \$5,000 back taxes due and we could not pay the current until the previous was paid. Our boiler was breaking down continually. We could not get any credit because the previous Land Lords did not pay their bills. It was cash on the line.

We applied for a municipal loan(Art. VIII, PHFL)from H.D.A. and was lead to believe we were getting it. We were close for the loan July 11, and was informed July 10 that the city had financial difficulties(NO MONEY). We had also borrowed \$7,500 from Consumer Armer for attorney fee and Architec fee.(This we repaid)

Con Edison sent bills to us from previous land lords accounts that amounted to more than \$5000.00. With the help of Consumer Affairs the bill was reduced to \$3000.00 which we had to pay or the public halls and area lights would have been off. Arrangements were made with Con Edison and the bill was paid.

There was no wiring done in the buildings since 1915. Electrical work in some of the apartments were too bad to live in. We had seven vacant apartments. We called Con Edison and asked them to send us a license electrician and they did. The electrician came and said he felt sorry for us and wanted to help us. He gave us a price to do the wiring and asked for \$5000.00. deposite. Ten tenants loaned \$250.00 for the down payment. When we were paying \$1,500.00 monthly. As prices went up even though we had signed a contract the electrician wanted to raise his prices, and demanded us to sign another contract. We refused and he did only thirty-six apartments and left. We still have some tenants that are pulling lights on by strings. The city did some wiring in these apartments. There is still more to be done

We were not able to do all repairs and tenants(some) made reports to housing authoritys, refused to pay rent, were taken to court and told by the judge not to pay rent.

There were no programs to help us. We had tenants loan us money to purchase oil. As prices rose we fell. We were no longer able to pay any taxes,mortgages, nor do any more electrical work

We were also notified from 125 Church Street to send all rent money to them for work (previous repairs) made before we took over by previous land lords. This was taken care of by making payments. All tenants were upset and did not know what to do.

After we were no longer able to pay taxes and mortgages our buildings were taken over by the city. With the help of U.H.A.B. we were able to sign contracts with H.P.D. and start making repairs. We have the building in very good shape as far as violations are concered. We completed wiring on all top floors and put on new roof. We need windows, plumbing work and a new boiler.

As of April 16, 1981 sixty-two tenants bought their apartments from the city. We paid \$8,635.54 in real estate, water and sewer taxes. We had a fire January 8, 1981. Our Insurance was cancelled. We have a new insurance policy and company which is now costing us \$9,000.00 instead of \$4,289.00.

We do not have any excess money in the bank, but we do not owe any outstanding bills