

PROJECT PROFILE

(Please limit answers to the space available on these pages)

Project Name The Tenant Interim Lease ProgramLocation New York City, New YorkOwner N/AProject Use(s) Tenant Self-Managed CooperativesProject Size 500 Buildings Total Development Cost N/A

Application submitted by:

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Signature **Key Participants***

| Organization | Key person | Telephone |
|---|--------------------------|---------------------|
| Public agencies <u>NYC Department of Housing Preservation & Development</u> | <u>Nat Leventhal</u> | <u>212-877-1800</u> |
| Developer <u>Urban Homesteading Asst. Board</u> | <u>Andrew Reicher</u> | <u>212-226-4119</u> |
| Professional consultants | | |
| Architect | | |
| Landscape architect | | |
| Urban designer | | |
| Planner | | |
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| Other Sponsor <u>The Task Force on City-Owned Property</u> | <u>Ruth Messinger</u> | <u>212-566-0719</u> |
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*Please attach an additional sheet, if necessary, to identify others who should be credited as having been instrumental in the development of this project.

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.

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.

2. 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.

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.