

West 128-129 Street: Coop Renovation

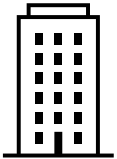
March 11th, 2025

Subcommittee on Landmarks, Public Sitings, and
Dispositions

If you are a member of the public who wishes to testify, please register on the City Council Website at council.nyc.gov. Please visit the City Council Website to watch livestreams of all City Council Meetings and find recordings of previously held meetings

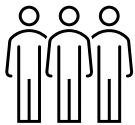


Overview



PURPOSE:

Gut renovate **Tenant Interim Lease (TIL)** program buildings and enable existing residents to become homeowners



STRUCTURE:

- Rehab coordinated by **non-profit or for-profit sponsor** partnering with HPD. Sponsor manages building during construction/conversion process.
- **Nonprofit Restoring Communities HDFC** owns building during construction to prevent conflicts of interest with sponsor
- Building owned and managed by residents upon coop conversion

REQUIREMENTS:



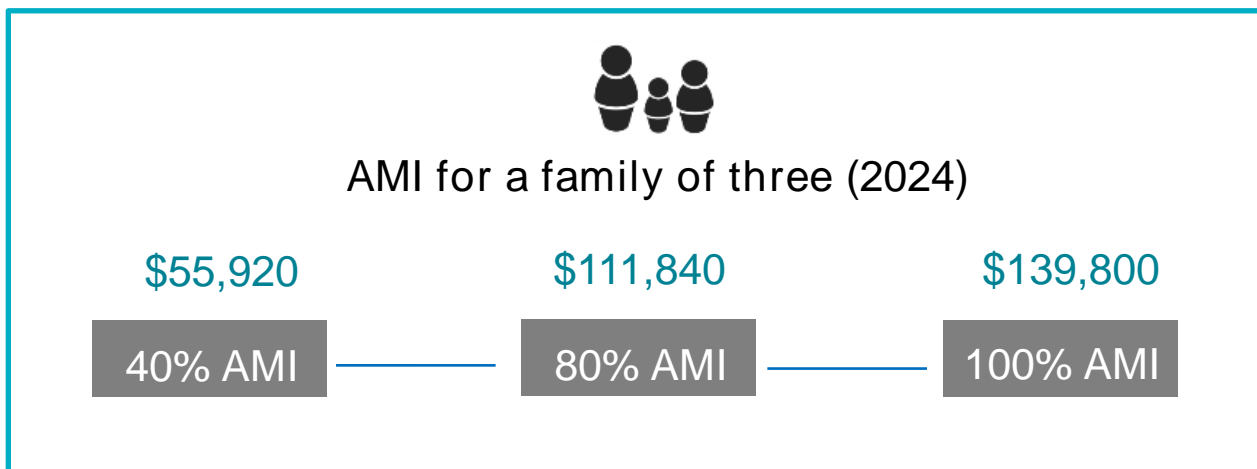
To convert to cooperative, **80% of existing residents must:**

- (1) Attend at least 8 provided cooperative & homeownership readiness trainings;
- (2) Remain current on rent payments;
- (3) Choose to purchase rehabilitated units

Buildings that do not convert to coops become **rent-stabilized** rental buildings.

Affordability: Sales Prices

Existing Residents	New Purchasers
<p>\$250 out of pocket for households earning up to 80% AMI</p> <p>\$2,500 for households earning more than 80% AMI</p>	<p>Prices affordable to low- and moderate-income households</p> <ul style="list-style-type: none">○ Example: A 2-bedroom home affordable to an 80% AMI household of three in 2024 would cost roughly \$243,720





Affordability: Monthly Costs

It costs approximately **\$1,000 - \$1,500 each month** to properly operate one apartment in an NYC building. TIL rents are much lower than this and have not increased annually.

These monthly operating costs typically include the below estimates:

Example Operating Expenses	Cost per Unit, per Month
Supplies, Cleaning, Exterminating	\$100
Heat, Gas, Electricity	\$160
Insurance	\$130
Repairs & Replacements	\$200
Legal & Accounting	\$100
Maintenance Staff Salaries	\$250
Property Management Fee	\$85
Water & Sewer	\$140
Co-op Monitor Fee	\$20
Energy Benchmarking	\$5
Building Reserves	\$10
Total Monthly Expenses Estimate	\$1,200

*Approximate example, based on NYC HDC 2024 standards

Affordability: Monthly Costs

Depending on their household income, some households will receive **Section 8 “Housing Choice” vouchers** after converting to cooperative. This ensures that residents **do not pay more than 30% of their total income** on housing costs, and the building can stay up-to-date on maintenance with a sufficient cushion for reserves.

For example:



Family of three
making
\$70,000 per
year (50% AMI)

Household pays:
\$1,200 per month



Family of three
making
\$20,000 per
year (15% AMI)

Household pays:
\$500 per month

Section 8 pays:
\$700 per month



Typical Project Costs

What is a total (gut) building rehab?

It typically includes:



New building systems (mechanical, electrical, plumbing)



Repair or replacement of roof and windows



Modernized security, doorbell, fire safety, mail, and other systems



Bringing your building and apartments up to code



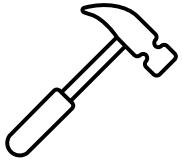
Accessibility improvements

Residents will have an opportunity to provide feedback on building and unit rehab plans.



Typical Project Costs

Why a total (gut) building rehab?



The money HPD spends now on major upgrades to the building will **reducing future maintenance, repair, and operating costs**



Rehabbing the building now means it will be newly renovated and in **good condition before ownership is transferred** to the tenants



The project budget covers temporary **tenant relocation** during construction, at no additional cost to the tenants. The budget covers the difference between the TIL rent the tenant continues to pay and the rent of the relocation unit, as well as moving expenses.



Typical Financing for Coop Projects

- HPD “City Capital” makes up the majority of co-op project sources: typically more than **\$550,000** per unit
 - Comes with **no debt payments and no interest payments** (\$0) for 40 years, matching the term of the tax exemption
- Proposed Article XI Tax Exemption: **No property taxes** for 40 years while affordability is maintained to reduce co-op operating costs
- Subsidized Acquisition Cost: **Acquisition price set at \$1** for the building and land
- New York State Affordable Housing Corporation (AHC): **Grant** provided by the State that is not repaid; applying for award of \$75,000 per dwelling unit (program maximum)
- **Sales proceeds** from both occupied and vacant units



Benefits for Co-op Shareholders

How do TIL residents build equity in their new homes?

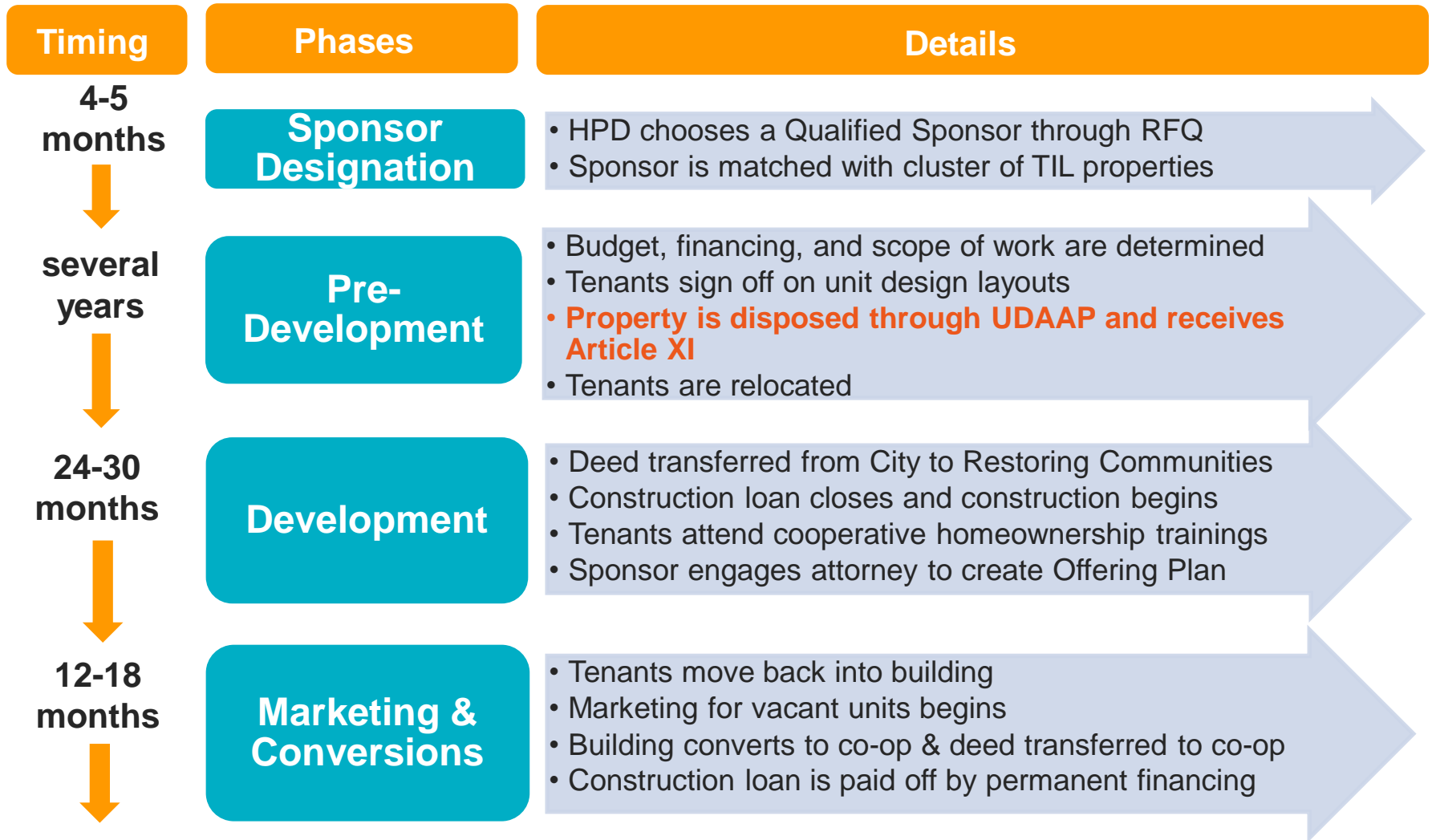
This chart represents the **estimated equity** or wealth that a resident (or their heir) would enjoy from selling a 2-bedroom unit in their building, at different points in time after the co-op conversion.

Years After Conversion	Estimated Permitted Resale Price*	% of Profit Paid Back to Co-op as "Collective/Shared Equity"	Estimated Resident Profit
1	\$301,113	95%	\$15,056
5	\$338,906	70%	\$101,672
10	\$392,885	20%	\$314,308
11	\$404,671	10%	\$364,204
15	\$455,461	10%	\$409,915
30	\$709,594	10%	\$638,635

*Assuming 3% annual increase in sales price and 80% AMI income restriction for 2 BR apartment. This is an illustrative example. As the project moves forward, you will have the opportunity to review this information for your specific building before choosing whether to purchase shares in the cooperative.

The goal of this “shared equity” system is to **balance wealth-building** for shareholders and their heirs **with permanent affordability** for the community.

Development Timeline





West Harlem Group Assistance Inc.

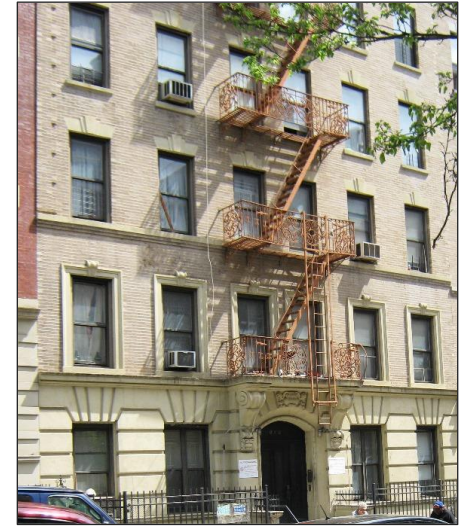
West 128-129th Street Cluster

411 West 128th Street, 415-17 West 128th Street,
131 West 129th Street, 148 West 129th Street

- Project Sponsor: **West Harlem Group Assistance**
- Construction Lender: **Webster Bank**
- **96 residential units** to receive gut rehabs
- **38 (40%) are existing households and 58 (60%) will be first-time homeowners purchasing vacant units**
- Sales prices for existing residents: **\$250 (at or below 80% AMI) or \$2,500**
- Sales prices for new residents: **Affordable to 80% AMI households**
- Monthly maintenance fees for all residents set to cover 110% of projected building expenses
- Expected Closing: **Summer 2025**

Project Unit Sizes (post-rehab)

Studio	1-Bedroom	2-Bedroom	3-Bedroom	5-Bedroom
5	22	35	30	4





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