



**Testimony of Chelsea Diaz, on behalf of New Economy Project,
Before the New York State Senate Housing, Construction, and Community Development
Committee and the New York State Assembly Housing Committee**

**Joint Legislative Budget Hearing on Housing and the Fiscal Year 2025-6 Executive Budget
Proposal**

February 27, 2025

Good afternoon, Chairs Kavanagh and Rosenthal and Members of the Joint Legislative Housing Committees, and thank you for the opportunity to testify today on behalf of New Economy Project, a New York City-based economic justice organization. For 30 years, New Economy Project has worked with community groups and low-income New Yorkers to combat persistent redlining, predatory lending, and other inequities in our financial system and economy that perpetuate poverty and inequality. We also work with community groups to advance public banking, cooperative and community controlled finance, community land trusts, worker cooperatives, and other initiatives that democratize our economy and build lasting community wealth.

New Economy Project's accomplishments include organizing broad-based coalitions and campaigns that have successfully kept payday lending and other debt traps out of New York State, winning passage of state legislation combating predatory lending and abusive debt collection, and securing funding for the country's first state-based fund for community development financial institutions. We have provided direct legal assistance to thousands of low-income New Yorkers through our NYC Financial Justice Hotline, and brought impact litigation against big banks, debt buyers, and other actors, obtaining hundreds of millions of dollars in monetary awards and other relief for New Yorkers.

New Economy Project co-founded and coordinates the NYC Community Land Initiative, a citywide coalition that has been at the forefront of expanding community land trusts (CLTs) as vehicles to create and preserve deeply and permanently affordable housing and equitable

neighborhood development. CLTs are democratically governed organizations that own and steward land on behalf of their communities, ensuring it is used to provide affordable housing and meet other community needs. CLTs shield housing from speculators, combating residential displacement and foreclosures. New York State is home to more than 30 CLTs that are creating and preserving thousands of permanently affordable rentals, shared equity cooperatives, mutual housing, and 1-4 family homes, as well as commercial storefronts, cultural and nonprofit spaces, and green spaces.

We urge the legislature to pass the Tenant Opportunity to Purchase (TOPA) Act in the state budget, along with an annual appropriation of \$250 million to fund TOPA acquisitions and technical assistance. TOPA (S.401) would give tenants a first opportunity to collectively buy their building when a landlord sells, in order to stabilize and preserve their homes as permanently affordable rentals or shared equity cooperatives. Modeled on policies that have preserved tens of thousands of homes in Washington, D.C., San Francisco, and other jurisdictions, TOPA creates a process and reasonable timeline for tenants to collectively purchase their buildings, on their own or in partnership with qualified CLTs and nonprofit developers.

TOPA will empower tenants and expand the supply of affordable housing in high-cost and distressed markets alike, and is urgently needed to address New York State’s worsening affordability crisis. In every region of the state, between 40 and 60 percent of renter households are rent-burdened, paying more than 30 percent of their income on rent.¹ Black and Latino New Yorkers face the highest levels of housing insecurity: 50 percent of Black households and 55 percent of Latino households experience housing insecurity, compared with only 31 percent of white households.² Lack of affordable housing is driving New Yorkers of color out of the state at alarming rates; New York City lost 9% of its Black population over the past two decades.³

TOPA is a powerful tool to combat real estate speculation that is fueling New York’s affordability crisis. Governor Hochul acknowledged this urgent problem in her FY2026 Executive Budget proposal, calling for a 75-day waiting period before corporate buyers could purchase single family homes. Her proposal, however, leaves millions of tenants in multifamily buildings in the crosshairs of predatory investors. A 2022 report from the Local Initiatives Support Corporation and the University Neighborhood Housing Program found that tenants living in buildings

¹ *The New York Housing Compact* (Mar 2023), NYS Governor’s Office, available at: www.governor.ny.gov/sites/default/files/2023-03/NY_Housing_Compact_info_deck_March_2023.pdf

² *New Yorkers in Need: The Housing Insecurity Crisis* (Feb 2024), NYS Office of Budget Policy and Analysis, available at: <https://www.osc.ny.gov/reports/new-yorkers-need-housing-insecurity-crisis>

³ “Why Black Families are Leaving New York, and What It Means for the City,” *New York Times* (Jan. 31, 2023), available at: www.nytimes.com/2023/01/31/nyregion/black-residents-nyc.html

experiencing speculation experienced higher rates of evictions and poorer housing quality compared to affordable housing projects.⁴ TOPA gives tenants and nonprofits a chance to interrupt speculative sales and bring housing into stable resident control.

Specifically, TOPA provides:

- That a property owner must notify tenants when they intend to sell;
- An opportunity for tenants to collectively express interest in purchasing their building; if tenants do not express interest, the owner may proceed with a third-party sale;
- Time for tenants who have expressed interest to match a third-party offer, or to assign their rights to a qualified nonprofit purchaser;
- Time to secure financing for the acquisition; and
- Funding and technical assistance to support tenant and nonprofit purchases.

TOPA does not require property owners to sell at a reduced price; it simply gives tenants a chance to match a third-party offer an owner has received. Paired with acquisition funding, TOPA facilitates purchases that ensure the long-term stability of buildings and benefit tenants and sellers alike. New York's TOPA bill incorporates best practices and lessons learned from other cities that have implemented TOPA and similar policies.

TOPA is a proven policy that has created and preserved tens of thousands of permanently affordable homes in Washington, D.C., San Francisco, and other jurisdictions.⁵ A comprehensive study of Washington, D.C.'s TOPA statute, enacted in 1980, found that TOPA successfully developed or preserved 16,224 affordable homes between 2006 and 2020, and enabled the formation of more than 425 tenant associations to give tenants an organized, democratic voice in the management of their buildings.⁶ Additionally, most of the district's 4,400 cooperative homes were created through TOPA. A similar policy enacted by San Francisco has preserved hundreds of affordable homes since its adoption in 2019.⁷

TOPA is broadly supported in New York by tenant associations, qualified nonprofit housing providers, CLTs, and legal and technical assistance providers, all of whom will be essential to

⁴*Gambling with Homes, or Investing in Communities* (Mar 2022), Local Initiatives Support Corporation, University Neighborhood Housing Inc, New School University, available at:

www.lisc.org/our-resources/resource/gambling-homes-or-investing-communities

⁵ *Tenant and Community Opportunity to Purchase Policies are Gaining Traction* (Nov 2024), PolicyLink, available at: www.policylink.org/topa-copa-map

⁶ *Sustaining Affordability: The Role of TOPA in DC Housing* (Nov 2023), Coalition for Nonprofit Housing and Economic Development, available at:

thecoalitiondc.org/news/cnhed-releases-comprehensive-analysis-of-dcs-tenant-opportunity-to-purchase-act-topa/

⁷ *Stable Homes and Resident Empowerment* (Oct 2023), Local Initiatives Support Coalition (LISC), available at: www.lisc.org/our-resources/resource/stable-homes-and-resident-empowerment/

ensure TOPA’s effective implementation. Among voters, 82% of New Yorkers support TOPA, including strong majorities across all political affiliations.⁸ We were pleased that the Black, Puerto Rican, Hispanic & Asian Legislative Caucus named TOPA as a top priority in its 2025 People’s Budget Framework⁹ and Empower Black New York Agenda.¹⁰

Across New York, tenant associations are increasingly partnering with CLTs and other qualified nonprofits to purchase their buildings from neglectful landlords; TOPA would bolster and multiply these efforts statewide. The East New York CLT, for example, last year purchased a 20-unit property at 248 Arlington Ave that the CLT is rehabilitating and converting to permanently affordable cooperative housing—creating stable homeownership opportunities in a neighborhood that has been hard hit by predatory lending, foreclosures, and other speculative practices.¹¹ Similarly, UHAB worked with low-income tenants in the South Bronx to purchase their building from a landlord that had threatened to raise rents; the tenants will soon be able to buy their apartments for \$2,500 each.¹² Enactment of TOPA, paired with funding for acquisitions and technical assistance, would empower tenants and expand deeply and permanently affordable housing statewide.

New York’s affordability crisis requires bold investments that address root causes of housing insecurity and homelessness. We urge the legislature to pass and fund TOPA at \$250 million in the budget, to stabilize and protect thousands of urgently needed affordable homes in the coming years.

Thank you for the opportunity to testify.

⁸ *Control Our Homes, Control Our Destinies: New Yorkers Want Affordable Housing and Resident Control, The Unheard Third* 2023, Community Service Society, available at: <https://cssny.org/publications/entry/topa-tenant-opportunity-to-purchase-act-new-york-affordable-housing-resident-control-our-homes>

⁹ *The People’s Budget Framework, Agency and Action* (Dec 2024), NYS Black, Puerto Rican, Hispanic & Asian Legislative Caucus, available at <https://static1.squarespace.com/static/5bccab7094d71a4228c5edef/t/6766fb3e3d71be2a67ef2651/1734802239089/2025+People%27s+Budget+Framework.pdf>

¹⁰ *Empower Black NY Agenda* (Feb 2025), NYS Black, Puerto Rican, Hispanic & Asian Legislative Caucus, available at: <https://bphacaucus.com/empower-black-ny-agenda>

¹¹ *Want to own your NYC apartment? This nonprofit is helping renters buy their units.* Gothamist (Mar 2024), at: gothamist.com/news/want-to-own-your-nyc-apartment-this-nonprofit-is-helping-renters-buy-their-units

¹² “A Landlord Underestimated His Tenants. Now They Could Own the Building.” New York Times (May 6, 2022), at: <https://www.nytimes.com/2022/05/06/realestate/tenants-eviction-port-morris-bronx.html>