

## CITY OF NEW YORK CONFLICTS OF INTEREST BOARD

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September 16, 2024

Commissioner Adolfo Carrión Jr.  
New York City Department of Housing Preservation & Development  
100 Gold Street  
New York, New York 10038

Re: Conflicts of Interest Board Case No. 2024-657 (Stephen Erdman)

Dear Commissioner Carrión:

This is in response to your letter to the Conflicts of Interest Board (the "Board"), dated August 30, 2024, designating, pursuant to Board Rules Section 1-13(e)(1), New York City Department of Housing Preservation and Development ("HPD") employee Stephen Erdman to use City time and City resources to perform work for the Restored Homes Housing Development Fund Corporation ("Restored Homes"), Restoring Communities Housing Development Fund Corporation ("Restoring Communities"), and Project Rebuild, Inc. You also request a determination by the Board, pursuant to Board Rules Section 1-13(e)(2), that he may take part in these entities' business dealings with the City.

### Relevant Facts

You advise that at HPD Mr. Erdman is Acting Assistant Commissioner of the Homeownership Opportunities and Preservation Division in the Office of Development. He is responsible for managing City programs that create affordable homeownership opportunities and provide financial and technical assistance to existing homeowners; these programs include HomeFix, Project Help, Basement Apartment Conversion Program, New York City Housing Authority ("NYCHA") Small Homes Rehab, Community Restoration Fund Program, Open Door, Community Land Trust Initiatives, Zombies Home Initiatives, HomeFirst, Accessory Dwelling Unit Program, and Affordable Neighborhood Cooperative Program.

You advise that Restored Homes, Restoring Communities, and Project Rebuild are not-for-profit affiliates of Neighborhood Restore, a not-for-profit organization created in 1999 at the request of HPD. Neighborhood Restore and its affiliates collaborate with HPD on programs to foster neighborhood stabilization by efficiently transitioning properties from physical and financial abandonment to responsible third-party ownership. Thus, each has business dealings with HPD. More specifically:

- **Restored Homes** administers foreclosure response programs through which it acquires, rehabilitates, and sells homes to qualified low- and moderate-income buyers; provides low- or no-interest and potentially forgivable loans for home repairs to eligible homeowners through HPD's HomeFix program; oversees the rehabilitation and sale of vacant single-family foreclosed homes through the NYCHA Small Homes Rehab program; and takes title to City-owned infill sites during rehabilitation and oversees the transfer to qualified low- and moderate-income homebuyers through the City's Open Door Program. It also supports the City's Hurricane Sandy housing recovery programs by assessing and overseeing rehabilitation of single- and multi-family homes impacted by Hurricane Sandy and acts as a qualified plan, cost analyst, and construction monitor on the City's Build it Back Multifamily Loan Program.
- **Restoring Communities** takes title to City-owned properties managed by tenants and oversees their conversion to low-income cooperatives under HPD's Affordable Neighborhood Cooperative Program.
- **Project Rebuild** purchases homes substantially damaged by Hurricane Sandy, rehabilitates or demolishes the homes, and resells the properties for redevelopment as part of the City's Build it Back Acquisition, Relocation and Buyout Program.

You further advise that an HPD employee serves as a voting member on the governing boards of Restored Homes, Restoring Communities, and Project Rebuild and you have selected Mr. Erdman for this role. The Board approved Mr. Erdman's predecessors as the HPD Associate Commissioner of Preservation in the Office of Development, Kimberly Darga and Xiomara Pedraza, to serve on the governing boards of Restored Homes, Restoring Communities, and Project Rebuild (COIB Case Nos. 2020-047 and 2023-228).

By your letter to the Board, you approve of Mr. Erdman's work on behalf of Restored Homes, Restoring Communities, and Project Rebuild as part of his work for HPD and his participation in the business dealings between these entities and the City.

### Relevant Law

Charter Section 2604(b)(2), as interpreted in Board Rules Section 1-13, prohibits a public servant's use of City time or City resources for non-City purposes.

Board Rules Section 1-13(e) provides that an agency head may designate a public servant to perform work on behalf of a not-for-profit corporation, association, or other such entity that operates on a not-for-profit basis, including serving as a board member or other position with fiduciary responsibilities, provided that: (i) there is a demonstrated nexus between the proposed activity, the public servant's City job, and the mission of the public

servant's agency, and such work furthers the agency's mission and is not undertaken primarily for the benefit or interests of the not-for-profit; (ii) the designated public servant takes no part in the entity's business dealings with the City at the entity or at their agency; and (iii) within 30 days the written designation is disclosed to the Board and will be posted on the Board's website.

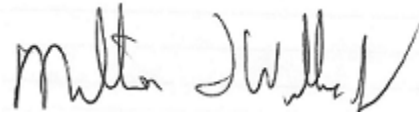
A public servant designated pursuant to Board Rules Section 1-13(e)(1) may take part in the entity's business dealings with the City at the entity and/or at their agency if, after written approval of the agency head, the Board determines that there is a demonstrated nexus between the proposed participation, the public servant's City job, and the mission of the public servant's agency; and that such participation furthers the agency's mission and is not undertaken primarily for the benefit or interests of the not-for-profit entity. See Board Rules Section 1-13(e)(2).

### Advice

The Board has determined, based on the above representations and your written approval, that there is a demonstrated nexus between Mr. Erdman's work for HPD, his work for Restored Homes, Restoring Communities, and Project Rebuild, and the mission of HPD. The Board has also determined that Mr. Erdman's participation in the business dealings between the City and these entities furthers HPD's mission. Accordingly, Mr. Erdman may use City time and City resources to perform work for Restored Homes, Restoring Communities, and Project Rebuild and may be involved in business dealings between these entities and the City. See Board Rules Section 1-13(e)(2).

The advice conveyed in this letter is conditioned on the correctness and completeness of the facts supplied to us. If such facts are in any respect incorrect or incomplete, the advice we have given to you may not apply. If at any time you would like further advice based on a change of circumstances or additional information, please contact us.

Very truly yours,



Milton L. Williams Jr.  
Chair

cc: Wayne G. Hawley  
Ifeoma Ike  
Amy E. Millard  
Georgia M. Pestana

Donna M. Murphy  
Stephen Erdman