

MITCHELL-LAMA RESIDENTS COALITION

Vol.28 Fall 2023

E-bikes emerge as growing concern among Mitchell-Lama boards of directors

Should Mitchell-Lama coops ban e-bikes?

This is a question increasingly pondered by M-L coop boards of directors, and most likely by boards of other coops as well. That is because these relatively inexpensive, easy to ride, easy to park vehicles, popular not only on college campuses but in large metropolitan areas, have been the cause of numerous fatal accidents, including crashes and fires. According to the <u>New York Times</u>, "There have been 13 deaths in New York City alone this year [as of June 2023], a city with an estimated 65,000 e-bikes on the streets."

The problem has become so serious that NYCHA has informed its public housing residents that "it is a violation . . . to keep or charge an e-bike or e-bike battery in a NYCHA apartment or in a common area of a NYCHA building."

Mitchell-Lama boards are now taking note. The following article by Jay Hauben recounts the discussion among some M-L boards so far.

By Jay Hauben

Recently, the president of a Mitchell-Lama co-op sent an email to other active M-L co-op board members asking if any have house rules regarding allowing the storage and charging of e-bikes and other micro mobility devices within their buildings.

He and his board had concerns about the hazards associated with lithium-ion battery packs and that the number of e-devices in his co-op was increasing. *He had received from HPD its opinion that it would entertain a rule banning them.*

He heard back that the East Midtown Plaza (EMP) board had adopted a Lithium-Ion Battery Vehicle house rule that prohibits Lithium-Ion batteries in any of the buildings at EMP. He did not hear whether the EMP house rule was approved by HPD.

He also heard about Penn South, a limited equity co-op similar to a M-L, whose Board of Directors voted to ban lithium-ion batteries used in transportation devices.

When the Penn South ban takes effect in September, "neither the devices nor the batteries servicing them may be stored, charged or present in any apartment or common area of the coop. Lithium-ion batteries for household items and medical necessity or ADA purposes will be allowed."

(Continued on page 8)

WEBSITE: www.mitchell-lama.org

City vs. county battle heats up over new voucher transfer policy

No sooner had Mayor Eric Adams announced that New York City rent vouchers can be used by holders to obtain housing in other parts of the state, than county officials immediately condemned the policy, exacerbating an upstate/downstate clash as the related crises of growing homelessness and increasing asylum seekers intensify.

On September 27, the Mayor said that the newly transferable FHEPS [Fighting Homelessness and Eviction Prevention

Key aspects of 'City of Yes,' Mayor Adams' plan for more affordable housing in New York City — Page 8

Supplement] vouchers would "give longtime New Yorkers the ability to move out of our city's shelter system to other parts of the state with more affordable housing options, while simultaneously opening up space in our city's shelter system for the approximately 10,000 migrants who continue to arrive in the city seeking shelter month after month."

Immediately, the head of the Association of Counties said that while the

(Continued on page 6)

Strengthen MLRC. Join today (use form on page 2)

MLRC General Membership Meetings will be beld on October 28, 2023

and January 20, 2024 10 a.m. - Noon

Note: During the Covid pandemic, the next meeting witll be held via Zoom. Members wll be informed by regular mail and by email. Mitchell-Lama Residents Coalition PO Box 20414 Park West Station New York, NY 10025

Insurance firms often deny coverage to buildings with Section 8 tenants

Notwithstanding New York City's law against discrimination by source of income, many if not most insurance companies either set a limit on the number of subsidized tenants in a building before they offer coverage, or simply decline to offer coverage to buildings with any subsidized tenants, usually those receiving Section 8 subsidies.

That is because the law applies only to landlords, owners and real estate brokers, not insurance companies.

A <u>review</u> of seventy property and liability application forms from insurance companies by David Brand of *The Gothamist* found that "all but five [asked] whether building owners rent to tenants using housing subsidies, often with specific reference to the federal Section 8 program."

Brand also cited a <u>study</u> of developers, housing advocates and insurers by the NYS Department of Financial Services that found many developers claiming that "insurers expressed that they were unwilling to do business in certain regions of the state, particularly the five boroughs of New York City."

The government study went on to note that "Affordable housing developers also stated that they had seen premiums rise, even in instances where there had been no previous claims made, to levels that they deemed prohibitively expensive."

Rising insurance costs often translate into increased rents for the tenants (or increased payouts by government), or curtailment of services and repairs.

Ultimately, Brand noted, the victims are those who use housing vouchers, most often "people of color, women and renters with disabilities, which are all protected classes under federal and state law."

Council majority supports rental broker fairness bill

bill requiring landlords rather than tenants to pay a broker's fee when the broker was hired by the landlord has won over a majority of City Council members.

The Fairness in Apartment Rental Expenses Act received its 27th co-sponsor in August, around two months after the bill was introduced by Councilmember Chi Ossé, with co-sponsoring by Shaun Abreu and Oswald Feliz.

1 ...

"New York is one of the only cities to saddle renters with broker fees even when they didn't use a broker," Ossé has said.

Landlords and brokers, who oppose the bill, warn that owners will raise rents to compensate for the exta expense, as well as "fewer and less detailed online listings, higher rents and less knowledgeable rental brokers," as reported in <u>The Real</u> <u>Deal</u>.

JOIN THE MITCHELL-LAMA RESIDENTS COALITION 2023

INDIVIDUAL: \$15 per year; DEVELOPMENT: 25 cents per apt (\$30 Minimum; \$125 Maximum)

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UPCOMING EVENTS

MLRC

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> October 28, 2023 January 20, 2024

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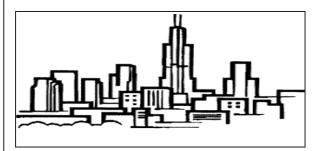
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Circulation: 5,000

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DiNapoli: Hazardous conditions, long neglected, found at 4 M-L rentals

Residents of Classon, a Mitchell-Lama rental in Brooklyn, have been subjected for years to partially collapsed ceilings in the community room, a result of an unrepaired water leak; a jammed emergency door difficult to open; mold in the basement; a front door out of compliance for people with disabilities; and in some cases the inability to use their own balconies, among other problems.

Across the river in Manhattan, at the M-L rental Findlay House, tenants have been putting up with calcium drips, pools of water, cracks in the sidewalk, a retaining wall that is unsafe and fungus on the playground mat of a preschool.

Up in the Bronx, at the M-L rental Findlay House, tenants have long been confronted with self-closing doors that don't close, pest infestations and elevator problems.

One of those inadequately closing doors, incidentally, was a factor in the devastation caused by a fire in January 2022, where seventeen people died.

Also in the Bronx at M-L rental Jamie Towers, some garbage chutes do not close on their own, nor do some stairway doors; and cracked walkways plus an elevator that is out of service are other daily issues facing the tenants.

In a blistering <u>report</u> this summer, the state's comptroller Thomas Di Napoli, condemned the state's department of Homes and Community Renewal for "falling short in its oversight of several Mitchell-Lama developments."

Concerns over spending and supervision

Di Napoli also accused HOMES for "questionable spending" as well as inadequate supervision.

"In a review of 280 transactions, totaling \$1.9 million," the comptroller said in a <u>release</u>, "auditors found that nearly half, 139, worth about \$1.5 million, were either unrelated to normal operations, inadequately supported, or lacked documented proof of approval, competitive analysis, or bidding, as required."

The comptroller recommended that HOMES conduct at least one annual site visit to each M-L; take immediate action against "non-compliant" managers; and check to see if all cash transactions, including reimbursements and competitive bidding, are appropriate.

Housing agency responds

Responding to the report, a spokesperson for HOMES told the <u>Bronx Times</u> that the agency has a relatively small role to play in keeping tabs on the M-L managers.

"This audit fails to acknowledge the limited role HCR has in overseeing the day-to-day management of Mitchell Lama housing which is privately-owned and operated," said the spokesperson, Brian Butry.

"HCR's highest priority is the safety and welfare of the low- and moderate-income tenants it serves, and HCR is committed to ensuring all state Mitchell Lama properties are well positioned to make critical investments including the four properties reviewed by auditors."

He added that some inspections have been delayed because of the covid pandemic.

Shelter or housing? Advocates of each fued in Hell's Kitchen

dvocates of constructing a shelter for homeless women on West 59th Street have begun to clash with advocates of affordable housing, with each group calling the other insensitive to the needs of the women.

During the de Blasio administration, the City awarded Project Renewal, a long time shelter operator, \$500 million to construct and operate the facility over forty years.

But proponents of affordable housing, including Councilwoman Gale Brewer, argue that shelters have proven over and again to be inadequate to meet the real needs of women, that Project Renewal's shelters "have a history of violence across the city," and that the proposed shelter will be located adjacent to a playground, according to a report in <u>W42St</u>, a local online news source.

They also argue that permanent affordable housing is far superior to shelters for women in need, especially low income women.

Project Renewal calls their views "dehumanizing."

One of Brooklyn's 'worst landlords' receives huge tax break to make repairs

hen Barbra Streisand lived there in the 1950s, it was known as Vanderveer Estates, a series of fifty-nine buildings spread along four blocks and designed for working class tenants to live affordably.

Decades later, when the late actor Michael K. Williams, who played Omar in the HBO series "The Wire," lived there, it had become known as Flatbush Gardens, cited in press reports much more for its deteriorating conditions than for its welcoming of moderate-to-middle income residents.

Steady deterioration

Today, still known as Flatbush Gardens, the cluster of Brooklyn buildings in the East Flatbush section has fallen into significant disrepair, with water leaks, holes in the floors, buckling ceilings, rotting window sills, broken sinks, vermin—the list goes on.

And the lawsuits by the City officials against the owner, Clipper Realty, go on and on as well.

So why did New York City recently give Clipper's top executive, David Bistricer, who was placed on the city's "worst landlords" list by then-Public Advocate Bill de Blasio, give him a 40-year tax exemption, with an estimated value of around \$191 million?

According to an in-depth report by Tom Robbins in *The City*, the tax break will require the landlord "to resolve the nearly 3,000 outstanding housing code violations, keep the apartments rent-regulated, and reserve a total of 250 apartments for the homeless as vacant units become available." In June, the City Council approved the exemption.

The reason, given by William Fowler, a spokesperson for HPD, is that the break is needed to keep rents at the project low while improving conditions."

HPD expects that the money saved by Bistricer's management company will "help finance repairs to keep buildings in livable condition while creating or preserving affordability for decades into the future."

The tenants association, which has a long history of fighting Bistricer, nevertheless officially supports the break, hoping that the savings will, at long last, force the owner to make the long-needed repairs.

Still, not all the tenants agree. One, quoted in *The City*, called the tax break "obscene." He added that "My lease says I am entitled to a habitable living area. How could someone be rewarded for not abiding by the

Leading economists call for federal rent regulations on multi-family buildings

Responding to a request by the Federal Housing Finance Agency for input regarding a proposal to impose rent regulations on federally backed mortgages, a group of thirty-two <u>leading economists</u>, primarily from universities, strongly urged the agency to enact that requirement, arguing that it would not only protect tenants, but would also "stabilize neighborhoods, promote income diversity in regional economies, and improve the long-term outlook for housing affordability."

Opposition to rent control akin to opposition to minimum wage

Comparing today's conservative argument against rent controls to the laissez-faire argument regarding minimum wages in the latter part of the 20th Century, the economists noted that the warning that minimum wages would result in disastrous job losses throughout the country has been proven wrong.

On the contrary, they argue, empirical research has found that "minimum wage increases are effective at increasing living standards for low-wage workers with little to no impact on job loss."

Today, they maintain, most economists embrace minimum wages as improving the living standards of working people, acknowledging that the predicted massive unemployment did not occur.

Controls show no negative effects on housing supply

In much the same way, the signatories aver that those who oppose rent regulations use the same "economics 101 model that predicts rent regulations will have negative effects on the housing sector."

But those anti-rent-control critics have already been "proven wrong by empirical studies that better analyze real world dynamics."

Looking at studies of regulations in New York, San Francisco, New Jersey and other cities, the economists argue that "There is substantial empirical evidence that rent regulation policies do not limit new construction, nor the overall supply of housing."

Likewise, they said, the ending of controls has not resulted in an

increase in affordable housing supply, as conservative critics have predicted.

For example, "When rent control was repealed in Massachusetts, there was no corresponding increase in housing supply, highlighting again a lack of causal relationship between rent regulations and housing supply."

Rather, regulations merely "support those who need it most, including those who are not being adequately and safely served by the current set of regulations that provide landlords substantial market power in the housing market."

Citing New York City's experience with rent stabilization, the group noted that "tenants who live in rent-stabilized units are disproportionately low-income." They also said studies show that rent regulations tend to primarily help older households and renters of color.

And in San Fransisco, rent controls have helped "stem tenant displacement in a high-cost market."

Lack of controls results in rising societal costs

Finally, they maintained, "Absent rent regulations, we see rising homeless rates leading to increased public expenditures on emergency rooms, jails, prisons, and the courts system. Not only are these expenditures harmful to individuals and families experiencing housing insecurity, but they come with a macroeconomic and public cost."

NYS seeks developers to transform old prison into affordable & supportive apts

A request for proposals to transform a former jail into affordable and supportive housing was issued by the NY Empire State Development Corp. in late September.

When completed, the new housing will allot 648 of the proposed 1,800 new apartments as affordable or supportive units.

The former prison, on West 20th Street near Eleventh Avenue, was shuttered ten years ago after Hurricane Sandy wreaked heavy damage.

Five Congressmembers seek increased HUD funding for NYCHA to prevent evictions

NYCHA's warning that hundreds of its residents who are behind in their rent, because they have never received federal rent reimbursement during the Covid pandemic, was reinforced by five Congress members in September, who wrote to HUD demanding eviction protection funds.

Reps. Adriano Espaillat, Dan Goldman, Alexandria Ocasio-Cortez, Jerrold Nadler and Ritchie Torres asked HUD to distribute some of the \$5 billion it has for eviction protection under the American Rescue Plan (ARP).

Unpaid back rent for NYCHA now totals close to \$530 million. [See NYCHA story, Page 6]



MLRC Developments

These developments are members of the Mitchell-Lama Residents Coalition

Individual Membership: \$15 per year Development Membership: 25 cents per apt (\$30 minimum; \$125 maximum)

Donations above membership dues are welcome

Adee Towers Albany Executiver House Apartments Amalgamated Warbasse Arverne Apartments **Bethune Towers** Castleton Park Central Park Gardens Clavton Apartments Coalition to save Affordable Housing of Co-op City Concerned Tenants of Sea Park East, Inc. Concourse Village **Dennis Lane Apartments** 1199 Housing Esplanade Gardens Franklin Plaza Independence House **Tenants Assn** Independence Plaza North Inwood Towers Jefferson Towers Knickerbocker Plaza Linden Plaza Lindsay Park Lindville Housing Lincoln Amsterdam House Manhattan Plaza Marcus Garvey Village Masaryk Towers Tenants Assn

Meadow Manor **Michangelo Apartments** 109th St. Senior Citizens Plaza 158th St & Riverside Dr. Housing Parkside Development Pratt Towers **Promenade Apartments RNA House Riverbend Housing River Terrace River View Towers** Rosedale Gardens Co-op **Ryerson Towers** Starrett City Tenants Assn St. James Towers St. Martins Towers Strykers Bay Co-op **Tivoli Towers Tower West Trinity House** Village East Towers Washington Park SE Apts Washington Square SE Apts Westgate Tenants Assn Westgate Westview Apartments West View Neighbors Assn West Village Houses

Plan for overhaul of Atlantic Ave includes 4000 new homes with 1500 affordable units

proposal to transform a major stretch of Brooklyn's Atlantic Avenue, now home to auto repair shops, warehouses and other small enterprises, into a bustling residential area hosting around four thousand new apartments, with around 1500 to be affordable to families of various income levels, was released in September by the City Planning Commission.

Still in a very early stage, the plan encompasses zoning changes between Vanderbilt and Nostrand Avenues and some adjacent streets to allow for the construction of buildings up to 185 feet, or roughly eighteen stories high, with apartments above street level.

Some adjacent streets would allow for smaller buildings, up to 125 feet high, or roughly ten to eleven stories. Retail stores would presumably occupy street level spaces. If realized as now presented, some thirteen blocks would be renovated.

The proposal also calls for a major investment to rehab St. Andrew's Playground in Central Brooklyn.

In a statement announcing the plan, Mayor Eric Adams said that the effort follows HPDs "designation last month of a minority- and women-owned business-led development team to convert a city-owned parking lot at 542 Dean Street into 154 affordable homes for low-income seniors and those who formerly experienced homelessness with a new entrance to Dean Playground."

A series of community meetings will be held to review aspects of the plan, and presumably to hear local concerns (for example, the danger of displacement, especially of Black residents).

The city will also prepare a draft environmental impact statement.

Brooklyn multi-owner seeks deregulation based on repairs made four decades ago

Robert R. Nelson, whose firm Nelson Management, a multi-building landlord in New York City, <u>boasts</u> it is "particularly adept in the ownership/management of Rent Stabilized, Section 8 and Mitchell Lama properties," is now seeking to deregulate one of its rent stabilized Brooklyn buildings because of repairs made.

Problem one: The repairs were made in 1985, almost forty years ago.

Problem two: The repairs were made by a former landlord, not Nelson.

Problem three: The request for deregulation is based on an expired tax abatement program J-51, and an expired provision of a rent stabilization law.

Under the J-51 program, the City granted owners significant tax breaks for repairs made. If the repairs were made in a building that was 80 percent vacant, owners had the right to deregulate the building in accordance with an old and since-revised NY State rent stabilization law.

The J-51 program expired last year; the previous owner never applied for the break. The rent stabilization law was profoundly revised in 2019, removing the decontrol provision.

The building in question is 214-218 Prospect Place, currently home to "multiple generations of tenants . . . including Black American, Caribbean, and Vietnamese immigrants whose families have been there since the 1960's and 1970's," as reported by <u>Vice Motherboard</u>.

Nelson is arguing that because the breaks were never accorded, they are long overdue—to the building's current owner.

'Preposterous' request

As *Motherboard* notes, "Nelson Management is now applying to deregulate the apartment under a decades-old loophole meant to incentivize substantial renovations and apartment improvements of mostly-empty buildings. Tenants are outraged that renovations made decades ago could potentially warrant deregulation under such a loophole."

State Senator Zellnor Myrie agrees. "It is alleged that a repair and upgrade that was made forty years ago justifies a rent increase for our tenants today," he said at a press conference. "That is preposterous."

Tenants, fearful that if the State grants Nelson's request, they will be forced out. They also argue that they now face current living hazards, including jammed windows, roach infestations, inaqdequate plumbing and the like.

As of this writing, they are organizing to respond officially to Nelson's request.

400 affordable units will be available at new 5 World Trade Center

Downtown Manhattan will eventually become home to some four hundred low- to moderate-income tenants, as well as to more affluent people, when the proposed 5 World Trade Center is constructed. The total number of apartments will reach 1,200.

Under a proposal approved by Gov. Kathy Hochul in July and the state Public Authorities Control Board in July, twenty percent of the below-market rate units will be set aside for survivors who either lived or worked in the area during the September 2001 plane attacks, as well as those who helped during the immediate aftermath of the conflagration.

Advocates of more affordable housing in the city, however, were disappointed; they had been pushing for one hundred percent affordability.

A report in *The Gothamist* noted that under the approved plan, "a single person earning between \$39,560 and \$118,680 will be eligible. For a family of three, the range is \$50,840 and \$152,520, according to the federal government's calculations of average incomes for New York City."

Red Hook NYCHA tenant wins \$200K for activism

Karen Blondel, the founder and leader of a tenants association in the Red Hook West NYCHA complex, won a \$200,000 award in September for organizing fellow tenants into a forceful association, and for her ongoing commitment to sustainability in terms of food and climate.

While the David Prize, an award given by the Walentas Family Foundation to honor effective community organizers, is given without strings, Blondel said she will put the money into the Public Housing Civic Association, a group she created to foster more residents to become involved in local issues.

The funds will also be used to establish "fellowships for young residents who want to pursue careers in law, public health, real estate and other fields — with the expectation that they give a percentage of their time back to public housing down the road," as reported by David Brand in *The Gothamist*.

Blondel was living in a homeless shelter in 1982 when she was chosen for an apartment in Red Hook West.

Brooklyn's 'co-living' tenants, largely young professionals, are beginning to organize

ome youthful tenants who had signed up for affordable "co-liv-'ing" residences in a gentrufying area of Brooklyn, and who were led to believe that their apartments were free from traditional violations, have begun



to experience what countless tenants in traditional housing accommodations have long endured: rodent and roach infesta-

tion, doors that won't close, absence of heat, and a variety of other code violations.

In general, they're not the type of tenants-long term, family-based, lowto-moderate-to-middle income-who have been the traditional or historic base for organizing. They tend to move in, stay awhile, and leave.

But that may be changing.

Attractive to young professionals

Co-living is a relatively new real estate concept geared to tenants who tend to be young, single, professional and highly mobile. Most tend to remain in their units for relatively brief periods.

As explained by *Bungalow*, a real estate management firm, Co-living spaces "take many forms, encompassing everything from single family homes renovated to accommodate non-related families, or floors in a high-rise building that have been converted into dormitory-style lodging. Co-living housing often entails short-term or flexible leases, as well as perks such as cleaning services, professionally furnished common areas, and turn-key amenities and utilities."

Landlords in the city are increaingly attracted to the concept because creating a co-living space almost always entails "substantial rehabilitation," a legal way of avoiding the 2019 New York State rent laws curtailing the exodus of rent-regulated apartments to the far more lucrative private market.

'Substantial rehab' can generate vast \$ increase for owners

For example, a former stabilized unit that rented for around \$800 paid

by the sole household can command more than \$2,000 *per tenant* in the new co-living space, which amounts to around \$7.000 monthly income to the landlord.

Substantial rehabilitation-derided by tenant advocates as little more than a legal loophole-has motivated owners to pressure more traditional tenants to vacate, and has reportedly been behind the loss of thousands of regulated apartments.

The new tenants, again, tend to remain for brief periods. But according to a report in *The City*, "While many residents come and go, a group of tenants in Bed-Stuy is looking to stay and has taken matters into their own hands." The building they inhabit is 662 Madison Street.

The co-living agency in this case is Outpost Club, which "operates almost exclusively in historically Black, brown and immigrant – and rapidly gentrifying - areas of the city."

The new tenants have formed a tenant association, comprising around half the residents, and have been on a rent strike since mid-August.

Owner group: regulated tenants in arrears owe more than \$1.14 billion

ne of the two dominant residential real estate owner coalitions in New York City is claiming that landlords are owed more than \$1.14 billion from rent regulated tenants who are in arrears.

You read that right.

A report issued in September by the Community Housing Improvement Program (CHIP) argues that its survey found the number of tenants who are more than two months in arrears is between 175,000 and 185,000.

And of that number, about 50,000 tenants owe more than \$15,000 each.

The "average" renter in arrears, the group maintains, owes a little more than \$6173.

Although the group doesn't explore the cause of the presumed arrears, it does argue that "The government needs to pay the rent for those who can't afford it."

CHIP is one of several owner groups petitioning the US Supreme Court to invalidate New York State's rent stabilization law.

NYCHA issues evicition notices to hundreds for nonpayment of rent

any NYCHA tenants who were protected from eviction for non-payment of rent during the height of the Covid pandemic have continued to withhold their rent even though the moratorium has ended. They are now receiving eviction notices.

Their refusal, based on the fact that, unlike tenants in private housing, they and NYCHA itself were barred from receiving federal rent subsidies under a program known as the Emergency Rental Assistance Program until all private tenants and/or landlords had been paid. ERAP

> subsidies have since run out.

A report in *The City* said the amount of unpaid rent-by some 70,000 NYCHA households-reached \$509 million during

the summer, close to four times the amount of arrears prior to the pandemic.

"Short of enough revenue to cover operating costs," the report noted, "the authority has escalated sending eviction notices to households far behind in their payments."

As of mid-summer 2023, some 1,250 households have received them. Actual evictions, however, have been minuscule, as the notices wind their way though court.

City/State battle heats up over new voucher transfer policy

(Continued form Page 1)

crisis facing New York City is "dire," the new policy will only exacerbate the affordable housing crisis that counties across the state are experiencing.'

The statement continued that the new policy "will add additional strain on county services like mental health, public health, and education, that are already stretched to the breaking point in many counties.'

Further embroiling the conflict is an intra-NYC dispute between homeless advocates and the Mayor over his efforts to overturn a 1981 law that guarantees the right to shelter for any single adult.

Affordable housing news from around the nation

National: HUD raises fair market rents, allocates \$ millions for vouchers & anti-discrimination plans

The federal Department of Housing and Urban Development in August raised its Fair Market Rents, the amount a landlord can charge to receive federal funds when renting to subsidized tenants, which theoretically makes them more willing to rent to those tenants.

At the same time, HUD allocated \$113 million to 118 "high performing" public housing agencies in thirty-six states. New York State will get almot \$1.9 million.

In Addition, the federal agency awarded almost \$24.2 million to fair housing organizations for anti-discrimination enforcement efforts.

Minneapolis: Council tactic thwarts rent control ordinance

A decision by conservative members of the Minneapolis Council to hold a crucial meeting on a rent control ordinance—while several pro-control members were absent because of an Islamic holiday—resulted in the failure to advance the proposal.

A report in <u>Shelterforce</u> noted that the maneuver effectively undercut a popular vote for controls which took place in November 2021, in which a 53 percent majority supported the proposed ordinance.

Florida: Condo shareholders claim new financial reserves law will force them to leave

In the wake of the 2021 disastrous collapse of Florida's Champlain Towers South, in which 98 people died, a law was passed requiring shareholders to fund "structural integrity" issues every ten years, and to increase the financial amount for repairs they hold in reserve. Further, shareholder associations may no longer reduce owners' contributions to the reserves.

Notwithstanding the horror of the condo tower collapse, not everyone supports the law. John Herbst, Fort Lauderdale City Commissioner, has warned that the law will force out long time senior condo residents. "What you're going to see happen — and it's already begun to happen in the tri-county area — is that folks are selling out, and they have no choice." He added that "Our senior citizens are essentially being pushed out of their homes because of decades of deferred maintenance and failure to adequately fund the reserves."

Oregon: New bills on rent caps, shelters, anti-evicition, and rent aid

Tina Kotel (Dem.), the governor of Oregon, signed a series of bills in July aiming to cushion tenants against unlimited rent increases, provide emergency shelters for homeless people, bar landlords from evicting tenants whose income restrictions lapse, and offer rental assistance to the tune of \$55 million. Other bills enable affordable housing developments to exceed local zoning restrictions, and give the state the right of first refusal if an affordable housing development is about to be sold.

The rent caps, while new, are mild when compared with New York City's laws. For example, they cap annual rent increases to between seven and ten percent, or the annual change in the Consumer Price Index, whichever is lower. In New York, even a five percent hike is considered extraordinary.

Louisville, Ky. Black residents seek law to stop displacement

A coalition of residents in eight historically Black neighborhoods are calling for an ordinance that would require developers to insure that any proposed projects will not "cause direct or indirect displacement of existing residents or businesses in order to receive any subsidies, discounted sales of public land or other Louisville Metro Government resources...." as reported by <u>Next</u> <u>City</u>.

Nevada: Federal agencies to sell public land far below market rates for affordable housing

The US Dept. of Housing and Urban Development and the Interior Department will sell public land in the southern part of the state to developers at <u>far below market prices</u>, in exchange for a commitment to build affordable housing.

The land, which at one point fetched more than \$2 million an acre on the open market, will be sold for \$100 per acre.

Local Housing Briefs

City Planning Commission approves new affordable tower in Bronx

Bronx residents can look forward to a new high-rise development containing 970 affordable apartments, as the City Planning Commission approved the project in August. The group of three 24-story buildings, to be located at 1460-1480 Sheridan Blvd., will have units for families with a variety of income levels, including those earning up to \$36,030, to those with up to \$156,000, and to those in between.

Apartments-to-house conversions: loss of 104,000 NYC units

Corporate expansion, M-L buyouts, keeping stabilized apartments off the market, hospital and university encroachment—all known factors accounting for the relentless loss of affordable units in the city.

Here's another one: the process of converting two or more apartments, including those in low-income rooming houses, into spacious luxury homes. A new Columbia University <u>thesis</u> by preservationist Adam Brodheim found over the past seven decades, some fifty thousand conversions have cost the city around 104,000 affordable dwellings. In Manhattan, where most of the conversions took place, each one spurred the elimination of an average of six or seven units.

Hochul offers \$650 million to localities for affordable housing

Gov. Kathy Hochul <u>announced</u> in August the availability of \$650 million to localities that offer plans to construct affordable housing. She urged applicants to consider construction on state-owned land.

City Council passes tighter lead paint monitoring laws

Five new laws requiring landlords to correct lead paint violations, and to install lead paint abatement procedures no later than mid-2027 wherever a child under six resides, was passed overwhelmingly in August. The laws also mandate inspections where there is a risk of lead exposure to children, and require immediate landlord action in certain buildings with peeling lead paint. More information on the laws is available at <u>City Limits</u> and the <u>City Council</u>.

Not surprisingly, the bills were immediately condemned as unnecessary by the Community Housing Improvement Program and the Small Property Owners of New York, two smaller landlord associations.

E-bikes emerge as growing concern among Mitchell-Lama boards of directors

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Some responses he received raised questions like, Does anyone have ideas about how to address the problem of individuals who now have e-devices in buildings with a current or soon-to-be ban? Are they compensated by the housing company for losing the use of their e-device? If an e-device owner refuses to do anything, what options does the housing company have to ensure the safety of the building's residents?

One coop's rule bans e-devices

The board president who started the discussion replied that his board currently has a house rule banning such devices under HPD review (a little later HPD approved it). It requires all current owners to remove them within a certain time period; it also imposes steep fines.

The manager at his co-op would start by levying fines per the terms of their house rule. Offenders who do not pay the fines after a certain period would be subject to legal action, leading up to and including eviction by the manager at the board's direction.

He and his board would not be in favor of offering any kind of compensation, or building a storage area at the expense of shareholders.

Another board president disagreed. His opinion was if you tell people who bought an e-bike or e-scooter a year or two ago that they could not have it in the building—which is a reasonable precaution—then you need the co-op to offer safe storage or reasonable compensation.

Another board member commented that he would not spend co-op money that way because the owner still owns the device; he tell the owner only that it must be charged and stored elsewhere.

Personal rights vs public safety

A board member at a different co-op added that for him the question is, "How does the co-op treat its members when respecting the right of the individual to have his or her e-device in his or her apartment, if that device might possibly or probably endanger other cooperators in the building?" It is likely, if there is a ban, the e-device owners are going to incur an extra expense; to say the least, they will not be happy.

Perhaps the solution is to have all cooperators pay a little extra, in exchange for the e-device owner's agreement not to bring his or her e-device onto the premises. This compensation solution offers the owner some justice.

All who responded agreed a ban was necessary, that the responsibility as board members is to do the greatest good for the greatest number and that health and safety is a number one priority.

Soaring mortgage costs, plus rising sales prices make home buying increasingly unaffordable

The sales prices of homes for sale, including apartments, have soared well above wage increases, becoming increasingly unaffordable for most wage earners, according to a new report from Attom, an online real estate monitor.

The <u>report</u> notes that "affordability has worsened across the nation amid a third-quarter increase in home prices and home-mortgage rates that have combined to help push the typical portion of average wages nationwide required for major home-ownership expenses up to 35 percent."

That number, the report notes, "is considered unaffordable by common lending standards, which call for a 28 percent debt-to-income ratio." Concerning mortgage rates, a key factor in the increasing unaffordability, the report states that "average 30-year home-mortgage rates in the U.S. have risen above 7 percent, from under 3 percent in 2021."

As if to make matters worse, "major home-ownership expenses on typical homes are considered unaffordable to average local wage earners during the third quarter of 2023...."

In a related development, the federal department of Housing and Urban Development is <u>awarding</u> one million dollars for research on making access to mortgages and homeownership more available to people of color "and other underserved groups."

'City of Yes': Key elements of Mayor's plan for more afffordable apartments

multi-faceted plan to create 100,000 new homes in the city, with an emphasis on affordability, was announced by Mayor Adams in September. Dubbed "City of Yes Housing Opportunity," the plan entails zoning, commercial, and parking changes that City Hall claims would provide homes for some 250,000 New Yorkers. Here are the key elements of the plan:

Establish Universal Affordability Preference, a mechanism to allow new affordable housing to be constructed that is twenty percent larger than under current rules. All the new units will be permanently affordable.

Rezone 'town centers' to allow for two- to four storied housing to be constructed atop small commercial buildings along so-called town centers — typical "main streets"— with the ground floors to be used for commerce.

Rescind parking requirements, especially the rule that requires new housing construction to include parking space. The freed up space would allow for more residences.

Revise public transit impediments to "allow apartment buildings between three and five stories on large lots near transit stops in places where they will blend with the existing neighborhood."

Enable Accessory Dwelling Units to permit cottages, garages and basements to convert to apartments. This would "legalize an additional dwelling unit of up to 800 square feet on one- and two-family properties across the five boroughs."

Convert empty offices by updating the year of permissible conversion of unused or under-used office space to homes to 1990, and by extending geographic eligibility to anywhere in the city where housing is allowed.

Maximize campus use to allow for construction of housing on open campuses that abut current housing and religious institutions.

Modify shared living space to allow more smaller-sized apartments so that single adults would not have to live with roommates, and to re-legalize homes with shared kitchen or bathroom facilities.

A lengthy review process, involving officials, community board members, and the public will begin next spring.

The actual <u>plan</u> was released by the Mayor's office; a <u>press release</u> is also available.