

MITCHELL-LAMA RESIDENTS COALITION

Vol. 26, Issue
Spring 2021

WEBSITE: www.mitchell-lama.org

MLRC legislative agenda for 2021 calls for protecting affordability

The Mitchell Lama Residents Coalition is again calling for the New York state legislature to declare a housing emergency, with a focus on protecting affordability by, among other things, countering the adverse effects of co-op privatizing.

Following are the measures comprising its 2021 legislative platform. (Letters and number in parentheses refer to Assembly and Senate bills addressing these issues.)

Mitchell-Lama

- Authorize the legislature to declare a housing emergency and extend protections of rent regulations to former M-L rentals or HUD-subsidized housing.
- Impose a M-L transfer tax of 75 percent on sale of rental project or mutual company. (A01836/S493).
- Require revenue from buyouts to be used for affordable housing purposes.
- Impose a NYC Mansion Tax on luxury homes worth two million dollars or more.
- Bar use of NYC or NYS pension funds for financing M-L buyouts.
- Support the Platform of Cooperators United for ML (CU4ML) and Mitchell-Lama United.
- Protect M-L co-ops from privatization by requiring 80 percent approval by dwelling units (not shares) for all

steps in the dissolution process, and by placing a five-year limit on revisiting a privatization vote (A00621: Linda Rosenthal and Amato Pheffer / S02741: Brian Kavanagh and Brad Hoylman).

- Set a moratorium on all privatization efforts during the pandemic (A05420 Linda Rosenthal).
- Extend SCRIE/DRIE program qualifications to former M-L renters.
- Assure good governance in M-L coops by mandating board transparency and enhancing democracy (A0622).
- Postpone privatization by forbidding Voluntary Dissolution until after the expiration of shelter rent tax (A02058).

General housing

- Exclude Social Security income from SCRIE eligibility.
- Index SCRIE and DRIE to cost of living.
- End source-of-income discrimination statewide.
- Repeal the Urstadt Law that gave NY State control over NY City rents and evictions.
- Insure that all building amenities are equally available to all residents, with paid amenities available on a sliding scale.
- Ban use of facial recognition technology to enter residential buildings and schools.

Biden's \$213 billion plan for affordable housing: production, rehab, zoning

President Biden's \$2 trillion American Jobs Plan, also known as the infrastructure plan, allocates \$213 billion for affordable housing. The money will generate, through production, rehab and zoning, more than two million affordable and sustainable places to live.

Following are the specifics of the plan, abstracted from a [position paper](#) released by the White House:

- Produce, preserve, and retrofit more than a million affordable, resilient, accessible, energy efficient, and electrified housing units. Through targeted tax credits, formula funding, grants, and project-based rental assistance, [the] plan will extend affordable housing rental opportunities to underserved communities nationwide, including rural and tribal areas.
- Build and rehabilitate more than 500,000 homes for low- and middle-income homebuyers [through the] Neighborhood Homes Investment Act (NHIA).

(Continued on page 4)

NYC Mayoral candidates: Where they stand on affordable housing, Page 8

Also, Is NYC ready for social housing? Page 5

Strengthen MLRC
Join today (use form on page 2)

MLRC
General Membership Meeting
Saturday, June 19, 2021
10 a.m.

Note: During the Covid-19 pandemic, the next meeting will be held online via Zoom. Members will be informed by regular mail and e-mail

CONTACT: Info@mitchell-lama.org

Mitchell-Lama Residents Coalition
PO Box 20414
Park West Station
New York, NY 10025

Hoylman: Borough president's office should help form tenant unions

State Senator Brad Hoylman, who is running for Manhattan Borough President, is proposing a plan to help various groups of tenants under the same landlord negotiate with the owner to either reduce rents or establish longer term payment plans, especially during the Covid-19 pandemic.

The plan would entail organizing tenants from various buildings owned by a single landlord, and then facilitating negotiations by inviting the owners to meet "as an efficient and cost-effective way to avoid mass evictions and litigation."

Such meetings, when they occur, would be conducted by government employees or volunteer mediators to insure neutrality.

In addition, if for some reason a

tenant union cannot be formed, the borough president's office would foster one-on-one negotiations with the city's newly established Landlord-Tenant Mediation Project.

The process would begin with an online website and telephone intake system for tenants who need assistance in dealing with their owners.

"The Borough President's office has an ideal combination of street-level presence among renters and tenant advocacy groups," Hoylman said. As such, it has "connections to landlords; links to volunteer mediation and legal services organizations; and a bully pulpit to successfully facilitate mediated, negotiated compromises between groups of tenants and landlords to avoid mass evictions and court cases."

Phony 'owner' of distressed buildings bilks government agencies of rent subsidies

A man who allegedly forged documents to imply that he owned several inhabited Bronx buildings in disrepair was able to secure more than a million dollars from various government programs, according to a New York Post article, citing prosecutors in the Manhattan federal court.

The NYC Housing Authority, HPD and the Human Resources Administration all provided funds to him as rent assistance for the actual tenants, who were low income or homeless, according to a legal complaint.

The individual, 47-year-old Paul Fishbein, was somehow able to locate buildings that had been recently sold. He

then allegedly created the phony documents showing that the original buyers had turned the buildings over to a limited liability corporation that he controlled.

Prosecutors charged that Fishbein often evicted the tenants soon after they entered the buildings.

"As alleged, Paul Fishbein not only took advantage of New Yorkers in need," said U.S. Attorney Audrey Strauss. "He also defrauded city and federal government programs designed to help those very people."

Charged with theft of government funds, mail fraud and wire fraud, Fishbein faces several decades in prison if found guilty.

UPCOMING EVENTS

MLRC General Membership Meeting

Saturday, June 19, 2021
10 a.m.

Note: During the Covid-19 pandemic, the next meeting will be held online via Zoom. Members will be informed by regular mail and e-mail

CONTACT: Info@mitchell-lama.org

Mitchell-Lama Residents Coalition, Inc.

Officers

Co-chairs: Jackie Peters
Ed Rosner
Sonja Maxwell

Treasurer: Carmen Ithier
Corresponding Sec'y: Katy Bordonaro

MLRC NEWSLETTER STAFF

Editor: Ed Rosner
Assistant editors: Katy Bordonaro
Sonja Maxwell
Jackie Peters
Managing editor: Nathan Weber

Circulation: 5,000

Articles, letters and photographs are welcome. Send to MLRC, PO Box 20414, Park West, New York, NY 10025. Fax: (212) 864-8165. Voice Mail: (212) 465-2619. E-mail: information@mitchell-lama.org

JOIN THE MITCHELL-LAMA RESIDENTS COALITION 2021

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

Name _____
 Address _____
 City _____ State _____ Zip code _____
 Evening phone _____ Day phone _____
 Fax _____ E-mail _____
 Current ML: Co-op _____ Rental _____
 Former ML: Co-op _____ Rental _____
 Development _____
 President's name _____

Donations in addition to dues are welcome.

NOTE: Checks are deposited once a month.

Mail to: MLRC, PO Box 20414, Park West Finance Station, New York, NY 10025



MLRC's general meetings well-attended through Zoom

Election delays and capital projects were on the agenda at the last MLRC general meeting, held on March 20. The attendance of nearly fifty members attested to the success of using Zoom, the online meeting application, to replace in-person meetings while the Covid-19 pandemic rages.

Following were among the issues presented by various M-L developments:

Gouverneur Gardens: The 2020 board elections, delayed because of Covid-19 from from May to December was challenged, forcing the ballots to be recounted three times.

Esplanade Gardens: Two months after the most recent Board election, a director resigned, while several capital projects were ongoing at the same time. Although improvements are generally viewed as positive, one attendee reported that her apartment was damaged during construction.

Rochedale Village: Residents reported on the need for workmen to enter an apartment several times to complete a job, inconveniencing a number of shareholders.

Tivoli Towers: Members elected a new tenants association board and president.

Atlantic Plaza Towers: Tenants have received notice of a new Major Capital Improvement Increase in rent to pay for lobby renovation.

Tivoli Towers: Tenants elected a new board and president.

At the end of the meeting, the MLRC formed a special committee to further explore these and other issues. The committee will start meeting after its May 1 Meet & Greet confab. The next General Membership Meeting is scheduled for June 19 over Zoom.

Members will be notified by e-mail and postal mail regarding the new committee.

New storm protection proposal would benefit some M-L complexes

Some Mitchell-Lama and NYCHA buildings would be among the beneficiaries of new zoning rule changes approved by the City Planning Commission in March.

The changes would allow buildings facing probable damage from super-storms like Hurricane Sandy, which in 2014 killed forty-three New Yorkers and caused an estimated nineteen billion dollars in damages, to override some existing zoning prohibitions.

According to the CPC, the new rules, known as Zoning for Coastal Flood Resiliency (ZCFR), "would allow buildings to undertake currently prohibited actions to withstand and recover from swelling sea levels."

"A Mitchell Lama complex or NYCHA development in lower Manhattan or Manhattan Beach would be allowed to construct an elevated mechanical building in its yards, currently prohibited," the CPC statement said. "In addition, the proposed changes would also limit construction of new nursing homes in high-risk areas because of their vulnerable residents."

Among other things, the ZCFR would "allow buildings to elevate or relocate important mechanical, electrical, and plumbing equipment, or backup

systems like generators, above the expected height of floodwaters. This can be done either within the building, atop of the structure, or on a separate platform."

The City Council is expected to approve the proposal.

Mannie Wilson Towers to get \$18.2 million capital upgrade

Mannie Wilson Towers, a 102-unit affordable housing development on Manhattan Avenue in Harlem, constructed through the Federal Government's Section 202 supportive housing program, will get an overhaul thanks to an \$18.2 million loan from the Fannie Mae Risk Share program.

Residents, all of whom are elderly, receive Section 8 subsidies, and earn no more than fifty percent of the area median income.

The funds will be used for a capital improvement plan, to include system upgrades throughout the building. Support activities in the building include cleaning, cooking and transportation.

The building, containing studios and one-bedrooms, had originally opened in 1892 as a private hospital.

Attorney General approves go-ahead for Westview, last M-L on Roosevelt Island

Westview, the last remaining Mitchell Lama development on Roosevelt Island, has received an official OK to convert to a cooperative, with purchase prices starting well below market rate and non-purchasers allowed to remain in their apartments at stabilized rents.

Although the state's Attorney General approved the affordability plan, final approval rests with New York State, which must be willing to extend what is called the ground lease--the lease for the land on which the building sits--to \$325,000, with an increase of ten percent every five years through 2048, and then four percent yearly through 2068. Such approval, however, appears highly likely.

Below-market deal for purchasers

Residents of the 260-unit, nineteen story building wishing to purchase will be offered apartments at around thirty percent of market value, but will face certain restrictions on resales.

For those declining to purchase, initial rents will include, beyond the Rent Guidelines Board determination, a percentage based on their income (up to a maximum of 7.5 percent). In addition, non-purchasing tenants will face an initial 6.16 percent increase, allegedly the first increase over the past decade.

Both the resale restrictions and the rent limitations are designed to keep Westview affordable for the long range, according to the Roosevelt Island Operating Corporation. Among the resale restrictions is a "flip tax," or fee paid by the apartment seller to the sponsor of the development.

Six million dollar reserve fund

In turn, the sponsor will fund a \$6 million reserve fund for specified capital improvements. In addition, the sponsor will pay more than three million dollars for tenant association expenses "and other building related items as may be jointly approved by the Board of Directors of the Corporation and the Sponsor," as stated in an [executive summary](#) of the plan.

Tenants had overwhelmingly approved the conversion to cooperative status, by more than 90 percent (of the three-quarters of households that voted), according to the summary statement by the NYS Department of Homes and Community Renewal.

Political support for the plan came from Assembly member Rebecca Seawright, who represents Roosevelt Island, and Manhattan Borough President Gale Brewer.

Scores of brokers and owners sued for income discrimination

A lawsuit charging eighty-eight real estate brokers and landlords with refusing to rent to tenants holding Section 8 vouchers--a violation of the City's law against discriminating on the basis of income source--was filed in federal court in March by Housing Rights Initiative.

Among the brokers named were some of the city's largest, including Compass, the Corcoran Group and a Century 21 franchise, along with a number of small owners. Both Corcoran and Century 21 maintained that they do not tolerate such discrimination. Compass did not respond to media's request for a comment.

Discriminating against voucher holders--most of whom are Black, Hispanic or handicapped--is especially serious because unused vouchers expire in 120 days unless there is an extension; each rejection thereby shortens the time when a holder can seek a rental elsewhere.

Although not named in the suit, the Community Housing Improvement Program, which represents smaller landlords, said that

while the organization opposes discrimination, the Section 8 program is "a bureaucratic nightmare."

In general, a health inspector must visit and approve of the health and safety of an apartment before it is rented. This requirement, however, does not invalidate the law.

The lawsuit was based on data accumulated by investigators who pretended to be tenants making phone calls to brokers and landlords. Typically, the caller claimed to be a working class woman with a good credit rating. The use of such undercover investigators has long been a technique used by human rights organizations, both nonprofit and governmental, such as the New York City Commission on Human Rights (CCHR).

According to Housing Rights Initiative, brokers and landlords often hung up the phone as soon as they heard the caller was a Section 8 holder.

Press reports have indicated that the CCHR has secured more than \$1.2 million since 2014 from landlords in income discrimination

If HUD agrees, Co-op City can tap \$100 million for upgrades.

A recent decline in interest rates may be a blessing for residents of Co-op City, because it would allow the sprawling Mitchell-Lama cooperative to refinance a massive loan to pay for much needed capital improvements.

Senator Chuck Schumer and Representative Jamaal Bowman urged President Joe Biden to okay the refinancing process. The actual agreement must be made by HUD's new Secretary Marcia Fudge.

If approved, the 230-acre development--the largest M-L complex

in the nation--would be able to spend around \$100 million for improvements, as part of refinancing a \$500 million loan. Such improvements might include, for example, replacing the convectors.

In a letter to Fudge, Bowman said that "HUD needs to clear a path before Co-op City can answer that knock of opportunity. So we're here to tell our friends to roll out the welcome mat, work with the tenants -- the cooperators, rather -- and get this done."

Biden's \$123 billion plan for affordable housing

(Continued from page 1)

- Eliminate exclusionary zoning and harmful land use policies, including such laws as minimum lot sizes, mandatory parking requirements, prohibitions on multifamily housing, and redlining.

- Address longstanding public

housing capital needs, including \$40 billion to improve the infrastructure of the public housing system in America. These improvements will especially benefit women, people of color, and people with disabilities.

White Plains M-L to get \$35.8 million renovation

Kingsley House, a Mitchell-Lama senior housing complex in White Plains, New York, will undergo a major rehabilitation project, to include refurbishing kitchens, bathrooms, and bedrooms, as well as common spaces such as hallways and a community room.

Estimated cost of the renovation is \$35.8 million, according to New York State's Homes and Community Renewal agency.

The complex of 164 units--from studios to two-bedrooms--constructed in 1968, is open to seniors earning up to fifty percent of the area median income.

Improvements will include new cabinets, sinks, toilets, shower heads, lighting, flooring, mailboxes, elevator modernization, balconies, roofs, and a wheelchair entryway.

Contractors involved in the project include MDG Design and Construction LLC, and Smith & Henzy Advisory Group Inc.

The cost will be borne by municipal bonds, Low Income Tax credits, and state funding.

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	Meadow Manor
Amalgamated Warbasse	Michangelo Apartments
Arverne Apartments	109th St. Senior Citizens Plaza
Bethune Towers	158th St & Riverside Drive Housing
Castleton Park	Parkside Development
Central Park Gardens	Pratt Towers
Clayton Apartments	Promenade Apartments
Coalition to save Affordable Housing of Co-op City	RNA House
Concerned Tenants of Sea Park East, Inc.	Riverbend Housing
Concourse Village	River Terrace
Dennis Lane Apartments	River View Towers
1199 Housing	Rosedale Gardens Co-op
Esplanade Gardens	Ryerson Towers
Franklin Plaza	Starrett City Tenants Assn
Independence House	St. James Towers
Tenants Assn	Strykers Bay Co-op
Independence Plaza North	Tivoli Towers
Inwood Towers	Tower West
Jefferson Towers	Village East Towers
Knickerbocker Plaza	Washington Park SE Apts
Linden Plaza	Washington Square SE Apts
Lindsay Park	Westgate Tenants Assn
Lindville Housing	Westgate
Lincoln Amsterdam House	Westview Apartments
Manhattan Plaza	West View Neighbors Assn
Marcus Garvey Village	West Village Houses
Masaryk Towers Tenants Assn	

Is NYC ready for social housing? Some progressive candidates say 'yes'

Social housing, a concept once dreamed by tenant activists, appears to be gaining favor among some New York City political officials.

More than four decades ago, the Metropolitan Council on Housing, a major tenants rights organization, published a document called "Housing in the Public Domain: The Only Solution." It argued essentially that so long as the production of housing remains in private hands, that is, housing primarily as a source of investment rather than as a fundamental human need, the demands of profit maximization will prevent true affordability for most Americans. The concept was widely dismissed, in most political circles, as a fantasy.

Today, the concept of "social housing" appears to be gaining steam, at least among progressive political hopefuls.

Scott Stringer, a mayoral candidate, has promoted the idea of creating affordable housing on city-owned vacant land parcels, which either the city or nonprofit developers would build and manage.

Dianne Morales, another progressive candidate for mayor, goes further, calling for a program similar to the one in Vienna, in which the city buys land and then sells it at a reduced price to developers, who must rent all the units to low- and moderate-income tenants.

In Vienna, the city retains control over style and other aspects. Funding for rent comes from various sources: income tax, corporate tax, and a specific housing fund to which all citizens contribute.

No tenant pays more than twenty-five percent of his or her household income in rent. The program has been so desirable that tenants often remain in their projects for life.

The Vienna program has become so successful that it houses roughly sixty percent of its 1.8 million residents.

A report in *The Gothamist* notes that "Unlike the reputation of U.S. public housing, social housing in Vienna is exceptionally well-designed . . . Amenities have included pools, tennis courts, and even on-site schools and nurseries."

Social housing in NYC begins with NYCHA

Morales has said that the New York version of social housing would begin with rebuilding NYCHA complexes, at an annual cost of two billion dollars in city funding and thirty-five billion dollars in federal capital funds. She would also reconfigure NYCHA's management structure by establishing resident-run management entities in each borough.

Additional funding would come from reallocating the three billion dollars the city spends annually on housing for the homeless, and twenty-five billion dollars in bond financing from the city's Housing Development Corporation.

But as with all significantly new land use proposals, the concept of social housing will most likely face enormous obstacles. These include competition for funding from other programs, concern over more high rise ("non-human sized") developments in various communities, and ideological objections from conservatives and large private developers.

New HUD ruling prevents shelters from barring transgender applicants

Single-sex homeless shelters will no longer be allowed to prevent transgender people from entry, as the new HUD Secretary Marcia L. Fudge overturned in April a 2016 Trump-era ruling.

The trump rule ordered shelters to accommodate only those whose sex indicated on a birth certificate was the same as single-sex shelters. Thus, a person born a male who transitioned into a woman was barred from entering a female-only shelter.

The new HUD ruling followed its decision a few months earlier to investigate housing discrimination charges

against LGBTQ people.

Trump's former HUD Secretary Benjamin Carson, who had initiated the discriminatory policy, supported his earlier position. "I cannot understand how the Biden administration thinks that keeping men out of a battered women's shelter is discriminatory," Carson said. At a 2019 gathering, Carson had said he worried about "big, hairy men" trying to infiltrate women's shelters.

The new ruling reflects President Biden's executive order, issued the first day he was in office, requiring all federal agencies to combat transgender discrimination.

\$2.4 billion in rent relief passed by NY State

Thousands of lower income tenants in New York State can now express a sigh of relief, following the legislature's passage of a \$2.4 billion rent relief program in April. Most of the funding has come from the federal government.

Undocumented tenants are also covered, so long as they meet the basic guidelines, which include an income of no more than eighty percent of the area median income, and can demonstrate they are at risk of being homeless or are in an unstable housing situation. (In New York City, the 2021 AMI is \$107,400 for a three-person family, according to the department of Housing Preservation and Development. Upstate, the AMI is usually lower.)

Financial hardship required

In addition to low income, applicants will have to demonstrate some type of financial hardship, such as being eligible for unemployment, or having incurred heavy unexpected costs because of Covid-19.

Tenants whose income is above the AMI level, but who pay more than thirty percent of their income in rent — so-called "rent-burdened" tenants — can also get three months' worth of future rent payments.

Official documents may not be necessary to apply, since tenants in need are permitted to self-attest, that is, to state their circumstances.

Halt to eviction proceedings

While an evaluation of each tenant's application is in progress, no eviction proceedings can begin, except for a very small number of owners of small buildings who have a relative wishing to move into an apartment.

The money for back rent will go directly to the landlord for up to a year of arrears. Further, if the landlord agrees to accept the funds, tenants can renew their lease for at least a year, during which they will not have to pay any increase.

The law does not specify how to apply for the relief, but it does require local governments "to do outreach to help people apply and to designate a non-profit organization that can guide tenants and landlords through the process," according to media reports.

Priority in processing applications will be given to those who face the most hardship—such as victims of domestic violence, survivors of human trafficking, veterans, and households with pending eviction cases, among others.

Eviction filings since Covid-19 much higher in neighborhoods of color

In spite of federal and local eviction moratoriums during the Covid pandemic, when unemployment throughout the country soared, tenants in New York State are facing active eviction cases in court, to be heard when the moratorium ends in May. A significant majority of those tenants are in neighborhoods of color.

The data was presented by the Association for Neighborhood and Housing Development.

As of late February 2021, according to ANHD, "landlords have filed 15,517 evictions in the zip codes with the highest death rates from COVID-19 (the top 25%) since the initial moratorium in March and 4,224 in the zip codes with the lowest death rates (the bottom 25%)."

"A total of 222,135 New York State tenants (and counting) have active cases in court and face eviction in May when the moratorium ends. Landlords have taken 53,811 commercial and residential tenants across New York State to court for eviction since the COVID-19 lockdown in March 2020."

The ANHD report notes that

"estimates of rent debt are as high as \$2.2 billion statewide and \$2 billion in New York City alone. Despite eviction protections, ANHD's analysis of court data from the New York State Office of Court Administration shows that landlords have sued 32,576 New York City households for \$265,460,130 since the COVID-19 pandemic began. Landlords have sued 938 commercial tenants for an additional \$68,903,439."

"Mounting rent debt and impending evictions is a crisis of racial injustice. Landlords have sued New York City tenants for an average of \$8,150, but nationally, Black and Latinx households only have an average of \$1,500 in savings. The millions of dollars that landlords have already claimed in housing court foreshadow a debt crisis that will devastate Black and Latinx families in our city without true rent relief."

"Landlords are filing evictions 3.6 times faster in zip codes with the highest rates of death from COVID-19. Residents of the zip codes hit hardest by COVID-19 are 68.2% people of color, compared to 29.2% in the neighborhoods hit least hard."

NYCHA scraps demo plan for Fulton Houses; new plan saves buildings, adds new units

Two-year-old plan to demolish two NYCHA buildings in Manhattan's Chelsea neighborhood and replace them with three private mixed-income structures in an effort to raise money has been thoroughly scrapped, and replaced with a plan to retain and refurbish the buildings, and construct new mixed income housing.

If finally approved by all government agencies, the new development would generate around seven hundred apartments on four currently open sites (e.g., a parking area) at the Fulton Houses. Half of them would be allocated for lower- and moderate-income tenants. All NYCHA units would remain.

Although the new plan would generate a much smaller portion of the funds needed for repairs, additional money would be provided through the federal Rental Assistance Demonstration program (RAD). In New York, RAD is called Permanent Affordability Commitment Together (PACT).

Under RAD, management of the NYCHA buildings would be managed

by private companies rather than the Authority. But under the new plan, tenants will have a degree of power over management.

As unprecedented as the decision to scrap the old plan was the fact that the new plan was developed with input from many of the NYCHA tenants themselves, who held meetings under the rubric of the Chelsea Working Group for well over eighteen months (with a few months delay because of Covid-19) with city housing officials and community advocate groups.

Some opposition to the plan, however, was voiced by tenants fearful that any market rate housing on the site would ultimately result in pressures to gentrify the area and inevitably push out lower-income tenants.

"This is a prime neighborhood, you know?" said one tenant, who had decided at some point to stop attending the meetings. "We've got Chelsea Market. Google's right across the street. So, eventually, I feel they're gonna push us out. Slowly but surely, they're gonna push us out of there."

Owners 'warehousing' apts as pandemic-era rents continue to fall

Although the median rent for apartments in New York City is still around \$3000 (depending on number of bedrooms), rents have been falling steadily since the start of the Covid-19 pandemic, so much so that landlords are increasingly "warehousing" unrented units in an attempt to stanch the fall.

The practice has become so widespread that more than fifty percent of unrented apartments are being kept off the market, according to New York City Patch, an online news provider. The pandemic, in 2020, the Patch said, "shook the rental market to its foundation."

Citing the real estate monitoring firm UrbanDigs, the Patch explained that "Many prospective renters simply left the city for good, and their leases generally all expired between May and August."

Vanishing apartments

The Wall Street Journal also reported on many owners' response to the decline in renters, noting that "Manhattan landlords are pulling unrented apartments off the market at an unusually elevated rate, tightening inventory while rents are low and, in some neighborhoods, still falling."

The Journal article, citing the real estate appraisal firm Miller Samuel and brokerage Douglas Elliman, added that "Reduced demand for Manhattan apartments during the pandemic sent median rental prices down more than 17% for the year ending in December. . . Rent concessions of up to 25% off the previous year's rent have become common at luxury buildings, and tenants say they have more negotiating power in new leases than they ever had before."

While most New Yorkers cannot afford even these reduced luxury rentals, the pandemic has also affected more moderate units. "Rents are still astronomically higher than what's considered reasonable in most other cities," the Patch noted, "but for New York City tenants, they're steals."

Initially, as more and more New Yorkers left the city, owners attempted to lure them back with such offers as a free month or reduced parking fee.

Such enticements made little headway. As a result, "Rents in all boroughs analyzed fell at the fastest year-over-year pace on record, dropping 15.5 percent in Manhattan and 8.6 percent in both Brooklyn and Queens. The median asking rent in Manhattan was \$2,750 — the lowest it's been since March 2010. In Brooklyn, the median asking rent in January was \$2,395, and in Queens, it was \$2,000."

Affordable housing news from around the nation

National: CDC extends eviction moratorium through June

Notwithstanding a Texas federal judge's ruling that the national moratorium on evictions during the Covid-19 pandemic is unconstitutional, the Centers for Disease Control extended the order through June 2021.

"The COVID-19 pandemic has presented a historic threat to the nation's public health," said CDC Director Dr. Rochelle Walensky. "Keeping people in their homes and out of crowded or congregate settings — like homeless shelters — by preventing evictions is a key step in helping to stop the spread of COVID-19."

In February, U.S. District Judge John Barker, who was appointed by former President Trump, ruled that the moratorium interfered with the owners' property rights, a decision applauded by landlord groups and conservative organizations. Notwithstanding the financial crisis imposed on tenants by the pandemic, Judge Barker argued that "Although the COVID-19 pandemic persists, so does the Constitution." His decision will most likely be appealed to the U.S. Court of Appeals for the 5th Circuit, based in Texas.

National: Biden outlaws housing rejection of LGBTQ+ applicants

Housing discrimination against LGBTQ+ people is now illegal, thanks to an executive order from President Joe Biden. The issue is of special concern because of the widespread homelessness of gay and transgender youth. HUD officials have said that discrimination against LGBTQ+ people is "rampant." Biden's order undermines the former president's efforts to have homeless shelters reject non-heterosexual people.

Los Angeles: Coalition aims to build supportive housing without government aid

A group of churches has teamed with a real estate developer, a homeless service provider, an investment manager and a private equity fund in an effort to construct supportive low-cost housing. The largest investor in the fund, which has now reached \$100 million, is Kaiser Permanente is the largest investor, having contributed \$50 million, which says its corporate mission is to promote better health.

If successful, the plan will construct one-bedroom units for under \$200,000 each. The project aims to be

completed in less than half the cost and in far less time required to build with traditional tax-credit financing. When completed, tenants will receive traditional supportive housing services, such as mental and physical therapy on site.

San Antonio: After demolition, all new units will remain public

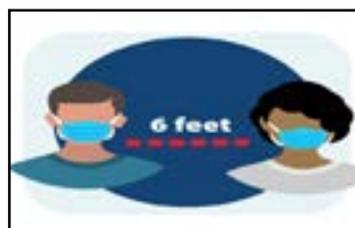
A proposal to demolish the city's oldest public housing complex, the Alazán-Apache Courts, and replace it with mixed-income housing and an offer of Section 8 vouchers for qualifying tenants, has been shelved. Responding to fears of gentrification and displacement, officials are now saying the new plan, rather than partnering with private developers, will keep all the units on site as public housing. Most of the units will still be demolished, because of severe deterioration, but all new units will be owned and operated by the housing authority.

Boston: First new affordable housing since Covid shutdown

The city will allocate \$34 million for fourteen affordable housing projects, which will include production of 608 new units and preservation of 233 units—the first awards since the Covid-19 shutdown last year. New units will include both rentals and ownership. All rentals will be permanently affordable, and the ownership units will be deed-restricted for fifty years. Further, all projects must adhere to the city's new Zero Emissions Building standards in an effort by the city to achieve carbon neutrality by 2050.

Philadelphia, PA: Owners must join eviction diversion program

Before filing for an eviction, landlords are now required to participate in an eviction diversion program. A court order requires owners to apply for rental assistance before they initiate an eviction proceeding. Once they apply, they are automatically enrolled in a diversion program, which then requires them to wait for forty-five days before continuing with the eviction. The diversion program is essentially a mediation process between the owner and the tenants.



Local Housing Briefs

Commercial buildings for homeless and low-income?

A bill to purchase distressed office buildings and hotels and convert them for affordable units for homeless and low-income New Yorkers was introduced in March by State Senator Michael Gianaris from Queens. The bill, which now has a Senate counterpart, would apply only to buildings up for sale. In Manhattan, the commercial vacancy rate has soared during the Covid-19 pandemic.

Judge dismisses landlords' suit seeking to end NYS pro-tenant law

New York City landlords seeking to end the state's sweeping Housing Stability and Tenant Protection law passed in 2019 were dealt another blow in March, when their lawsuit was dismissed by Manhattan Federal Court Judge Edgardo Ramos. The suit alleged that the law was an illegal seizure of property. But Ramos ruled that owners could not legitimately argue that the law or the amendments undermined the owners' reasonable investment plans. "Rent regulation has existed in some form in the city for over seventy years, and rent stabilization in particular has existed for over fifty years," he said, adding that the owners "knowingly entered a highly regulated industry."

NYC touts record creating 29,500-plus homes in 2020

The City financed the construction or preservation of 29,521 affordable homes in calendar year 2020 — the second-highest calendar year total in New York City history, according to a city press release. Fifty-seven percent of the affordable homes created in 2020 will serve families of three earning less than \$52,000 per year.

Among the projects announced by the city were: **Soundview Homes**, which will provide 72 affordable co-ops across ten four-story townhouses on NYCHA's Soundview campus in the Bronx; **Concourse Village**, a Mitchell Lama co-op in the Bronx with affordability now guaranteed through the year 2060; and **East Harlem / El Barrio CLT**, the city's newest community land trust project, which will operate four formerly city-owned buildings in East Harlem and Central Harlem as a thirty-six unit rental project. The full list of projects is available at <https://www1.nyc.gov/site/hpd/news/005-21/city-finances-nearly-30-000-affordable-homes-2020-keeping-nation-leading-housing-plan-track#/0>

New affordable housing must have internet access

All newly created affordable housing in the city must adhere to a new set of HPD guidelines requiring high speed internet access, and must provide it to all tenants at no cost. The guidelines were developed by the New York State Association for Affordable Housing, an industry group, which is now pushing to have the state adopt them.

New York City Mayoral Candidates 2021



Eric Adams, Brooklyn Borough Pres., Fmr. NYS Senator; Fmr. NYPD captain



Shaun Donovan, Fmr. Dir. US Office Mgmt & Budget; Fmr. HUD Secretary; Fmr. HPD Comm.



Kathryn Garcia, Fmr. Comm. NYC Sanitation; Fmr. Chair, NYCHA; Fmr. COO, NYC Env. Protection



Raymond McGuire, Top exec. Wall Street (Morgan-Stanley, Citigroup); Chair, Studio Museum in Harlem



Dianne Morales, Educator, Fmr. CEO Phipps Neighborhoods; founding member Jumpstart



Scott Stringer, NYC Comptroller; Fmr. Manhattan Boro Pres; Fmr. NYS Assemblyman



Maya Wiley, Prof New Schl; Fmr. Chair NYC Civilian Complaint Bd; Fmr. Counsel to de Blasio; Fmr. Atty. ACLU, NAACP



Andrew Yang, Fmr. Candidate US Presidency; Fmr. US Ambassador for Global Entrepreneurship

Above are the leading candidates for Mayor of New York City. Additional candidates include Curtis Sliwa, Barbara Kavovit, Fernando Mateo, Sara Tirschwell. Information on

these candidates may be found at <https://www.curbed.com/article/everyone-running-for-new-york-city-mayor.html>

Where they stand:

Snapshot views of New York City's Mayoral candidates on affordable housing. Statements were abstracted from a summary of the first televised mayoral forum of the 2021 race, held in April, hosted by NY1's Errol Louis.

Eric Adams: The city needs a more coordinated approach. More affordable housing needs to target middle-income New Yorkers.

Shaun Donovan: Federal rental assistance programs will be key to helping families who earn less than \$15,000 a year. For lowest-income families, who need the help the most, dramatically expand help from Section 8 and other rental assistance programs.

Katherine Garcia: The value of federal vouchers needs to be increased. Affordable housing needs to target those who make less than 30 percent of the area median income.

Raymond McGuire: Government and nonprofits need to take the lead in building housing for those earning below 30 percent of the area median income. It would cost an estimated \$1 billion to build 5,300 units for those New Yorkers.

Diane Morales: Housing needs to target tenants earning less than 30 percent of the area median income. The city needs to prioritize affordable housing developed by nonprofits.

Scott Stringer: Nearly all residential development should be required to set aside 25 percent of units for those making an average of 60 percent of AMI.

Maya Wiley: Hotel conversions will be part of an overall affordable housing strategy.

Andrew Yang: City grants are needed to pay for turning vacant or defunct hotels into affordable housing. Roughly 5,000 housing units could be created by investing \$250 million in such conversions.