



# MITCHELL-LAMA RESIDENTS COALITION

Vol. 24, Issue 2  
June 2018

WEBSITE: [www.mitchell-lama.org](http://www.mitchell-lama.org)

## ***Starret City sold for \$905 million; residents promised affordability for next 15-20 years***

**S**tarret City, an affordable housing complex in Brooklyn for the past forty years, was sold in May for \$905 million, under a deal that would guarantee affordable rents to various categories of tenants, depending on their current subsidy status.

The complex, which includes Donald Trump as an investor, was purchased by Brooksville Co. and Rockpoint after receiving approval from both New York State and HUD, and with a Fannie Mae loan for half the price. Under the deal, the complex, renamed in 2002 as "Spring Creek Towers" in what has become a standard real estate technique to reposition moderate-income developments and neighborhoods as upscale destinations, rents will remain affordable to tenants for the next fifteen to twenty years, depending on which form of subsidy they receive.

Among the 15,000 residents, those who receive Section 8 rent subsidies will keep their rents affordable for the next twenty years. Such recipients normally pay around a third of their income for rent, with the remaining "fair market" amount funded by HUD. Residents who originally secured their apartments under the Mitchell Lama program will keep that

status for the next fifteen years. Many of the apartments have also been additionally subsidized through HUD's Section 236 interest rate reduction program.

The new owners have promised to spend \$140 million in capital upgrades, including repair of the underground piping.

Spring Street Towers, which has its own power plant, comprises 46 buildings with 5,881 apartments. It stretches along Brooklyn's Pennsylvania Avenue north of the Belt Parkway.

**'Meet & Greet' photos of public officials and M-L residents at this year's annual event, pages 4, 5. Report, page 7**

**NYCHA to submit to independent financial monitor, page 3**

**HUD sued over fair housing rule, page 8**

## **Lakeview Apartments residents get 20-year guarantee of affordability**

**S**everal hundred Mitchell Lama tenants in East Harlem figuratively breathed a sigh of relief in April, as they received news that their homes in Lakeview Apartments, on East 107th Street and Fifth Avenue, will remain affordable for the next two decades.

In a legislative victory brokered by New York Senator Chuck Schumer and Congressman Adriano Espaillat, the current federal omnibus spending bill provides that funds under the federal program known as Rental Assistance Demonstration (RAD) will be applied to Lakeview.

Those funds will allow the tenants to convert their current status to a Section 8 project-based rental contract. The contract assures that the development will be spared market based rents for twenty years. The victory is especially welcome because the 446-unit Lakeview, constructed in 1974, is located on Fifth Avenue and East 107th Street, directly across from Central Park, among the most desirable areas in the city.

Over the past few years, tenants have fought the owners over deteriorating conditions and empty apartments. Their complaints were not unusual: real estate owners often allow various buildings to deteriorate, and to warehouse apartments, as a way to pressure subsidized tenants to leave, thereby making way for luxury renovation.

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

### **GENERAL MEMBERSHIP MEETING**

**Saturday, June 23, 2018 10:00 a.m - noon**

**NOTE:** If weather is inclement, prospective attendees should call the MLRC hotline at **212-465-2619** after 6 a.m., to learn if the meeting's been canceled due to the weather.

**CONTACT:** [Information@mitchell-lama.org](mailto:Information@mitchell-lama.org)  
**PLACE:** Musicians Union, Local 802, 322 W. 48th St., near 8th Ave. in the ground floor "Club Room." Subway trains: No. 1 to 50th St. & 7th Ave.; Q,W to 49th St. & Broadway; E to 50th St. & 8th Ave.

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

## M-L cooperators, cheated by painter, to receive back payments of \$280,000

Twenty five residents of Lindsay Park Cooperative in Brooklyn, a Mitchell Lama development, were cheated out of more than \$280,000 when they contracted a painting enterprise to paint their homes, only to find that the painter never delivered.

The money, however, will be returned as part of a lawsuit in Brooklyn Supreme Court under which the painter,

Carlos Rodriguez, pleaded guilty to first-degree commercial bribery charges. The plea enabled Rodriguez to avoid a grand jury hearing. Nevertheless, he is expected to be sentenced to eight months in prison.

Tenants had complained that Rodriguez, who owns Bayside Painting and Bayview Painting, had inflated invoices from January 2011 through June 2015.

## Linden Plaza tenants sue owner, HUD and HPD over rent hikes

A group of current and former tenants at Linden Plaza, a 1,527-unit Mitchell-Lama complex that opened in 1971, have filed a class-action lawsuit against HUD, HPD, and the owners--Linden Plaza Preservation L.P. and Linden Plaza Associates--alleging "fraud, waste and abuse" which resulted in rental increases amounting to 160 percent over the past decade, as well as in the pressured departure of numerous tenants, according to a statement released by the tenants.

The case was filed in February in the US District Court, Eastern District of New

York.

Tenants argue that the owner sought rent increases "to satisfy \$140 million in HUD-approved debt and expenses that never materialized."

Plaintiffs also argue that the federal agency hid "financial irregularities... made possible by a flawed process that encouraged the owner's inflated budgetary claims." Charges against HPD include wrongly granting the owner "permission to implement the rent increases knowing the increases were calculated by using non-Mitchell-Lama expenses."

## Brezenoff replaces Olatoye as temporary head of NYCHA

Stan Brezenoff, a former head of the city's Health & Hospitals Corporation, the Port Authority, and the Department of Employment among other positions, will temporarily head NYCHA after the resignation of Shola Olatoye as chair and CEO of the agency. The resignation and replacement

follows intense criticisms of Olatoye over her falsification of documents asserting that the agency conducted lead poisoning tests in NYCHA's buildings, and allegations that the agency ignored deteriorating conditions in many of its buildings.

### UPCOMING EVENTS

**MLRC**  
**General Membership Meeting**  
**Saturday, June 23, 2018**  
 10:00 a.m. - noon

*Members are urged to voice concerns regarding their developments, especially long- and short-term standing issues*

**Musicians Union, Local 802,  
 322 W. 48th St., near 8th Ave.  
 in the ground floor "Club Room"**

**NOTE:** If weather is inclement, prospective attendees should call the MLRC hotline at **212-465-2619** after 6 a.m., to learn if the meeting's been canceled due to the weather.

For more information, e-mail: [info@mitchell-lama.org](mailto:info@mitchell-lama.org)

### Mitchell-Lama Residents Coalition, Inc.

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**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:*

## JOIN THE MITCHELL-LAMA RESIDENTS COALITION 2018

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.

## Surprising housing gains in \$1.3 trillion federal budget

In March, President Trump reluctantly signed into law the FY 2018 Omnibus \$1.3 trillion budget passed a few days earlier by both the House and the Senate. Surprisingly, given Trump's animosity towards increased funding of domestic agencies, the budget contains a number of significant benefits to housing. Following are some key "wins" according to the New York Housing Conference, a nonprofit affordable housing policy and advocacy organization.

¶ New York State will receive almost \$300 million in additional funding for various HUD programs compared with FY 2017 enacted levels, according to rough estimates provided by the Center on Budget and Policy Priorities. The programs include \$211 million in Public Housing funding (16 percent increase); \$39 million in HOME funding (43 percent increase); \$29 million in Community Development Bloc Grant funding (10 percent increase);

¶ Full Section 8 renewal funding with the potential for new vouchers (awaiting HPD & HDC vouchers estimates for statewide impact).

¶ The Rental Assistance Demonstration (RAD) cap is raised to 455,000 units of housing from 225,000 units, which is especially helpful for projects on the RAD waitlist.

¶ RAD authority is also extended to the Section 202 Project Rental Assistance Contract (PRAC) inventory, allowing roughly 120,000 units of senior housing to be preserved.

¶ Family Unification Vouchers is funded at \$20 million, \$10 million more than FY17 enacted levels, which will go to support new vouchers.

¶ Veterans Affairs Supportive Housing Program (HUD-VASH) is funded at \$40 million, level funding with FY17. This allocation will go to fund new vouchers.

¶ Section 202 Supportive Housing for the Elderly Program is funded at \$678 million, \$176 million above the FY17 enacted level. This is enough to renew all existing contracts and provide \$105 million in new capital funding and project-based rental assistance awards. New 202 projects have not been funded in years.

¶ Section 811 Supportive Housing for Housing for Persons with Disabilities Program is funded at \$230 million, \$83 million above the enacted level, almost all of which will go to new capital funding and project rental assistance awards.

¶ Homeless Assistance Grants are funded at \$2.513 billion, \$130 million above FY17 level.

¶ Section 4 Capacity Building Program is funded at \$35 million, level with FY17.

¶ Choice Neighborhoods Initiative Program is funded at \$150 million, \$12.5 million more than FY17.

¶ Self-Help Homeownership Opportunity Program is funded at \$10 million, level with FY17.

¶ Lead hazard reduction grants are funded at \$230 million, \$85 million above the FY17 enacted levels, which is a significant expansion of the program.

¶ Neighborhood Reinvestment Corporation (NeighborWorks) is funded at \$140 million, level with FY17.

¶ USDA Section 521 Rental Assistance is funded at \$1.345 billion, \$60 million less than FY17, which USDA estimates is still sufficient to fully renew all vouchers.

¶ USDA Section 515 Rental Housing Direct Loans are funded at \$40 million, \$35 million more than FY17.

A complete breakdown of the HUD funding by program is available from the [National Low Income Housing Coalition](https://bit.ly/1SowzjU), <https://bit.ly/1SowzjU>

### Webster Green affordable units near completion in West Bronx

The West Bronx will soon be home to eighty-two new units of affordable housing at Webster Green, 3100 Webster Avenue. Of the total apartments in the 76,900 square foot building, half will go to mixed-income households earning at or below sixty percent of the

area median income, while the remainder will be set aside for supportive housing for low-income adults with various disabilities. The structure's developer is the Doe Fund. The architect is Magnusson Architecture and Planning.

### NYS gives NYCHA \$250 m, but imposes an independent monitor

New York State's budget, released in March, contains a provision financially beneficial to the New York City Housing Authority. But the agency will have to submit to oversight by an independent monitor before it spends the money. [See story on NYCHA's head resignation, page 2]

The new policy was presented in a statement released by Gov. Cuomo's office, which noted that the budget includes another \$250 million allocation for NYCHA, along with new independent monitoring of the authority and other measures through a new executive order from Cuomo.

The governor blatantly expressed his reason for ordering the monitor: "I'm not going to hand over to an entity [NYCHA] that can't spend the money -- that was the entire point."

The statement notes that the budget "provides a process by which the proper deployment of capital funding can be verified and includes design/build legislation. This record investment brings total state funding for NYCHA to \$550 million."

In a related development, the federal department of Housing and Urban Development in April undercut NYCHA's spending ability by ordering that the agency from now on must obtain HUD's approval before spending any money at all, according to the Wall Street Journal.

### Segregation by income growing throughout USA

Neighborhoods throughout the country that are classified as "high poverty" are increasing rapidly, according to the latest annual [report](#) by Harvard's Joint Center for Housing Studies. This has led to an increasing degree of segregation by income.

According to the report, "Between 2000 and 2015, the share of the poor population living in high-poverty neighborhoods rose from 43 percent to 54 percent. Meanwhile, the number of high-poverty neighborhoods rose from 13,400 to more than 21,300. Although most high-poverty neighborhoods are still concentrated in high-density urban cores, their recent growth has been fastest in low-density areas at the metropolitan fringe and in rural communities."

The report also notes that "the growing demand for urban living has led to an influx of high-income households into city neighborhoods." This market change "drives up housing costs for low-income and minority residents."

# Meet & Greet: local officials respond to questions at annual MLRC event



Clockwise, from top left: Gail Brewer, Manhattan Borough President; David Hershey Webb, attorney and advocate for M-L residents; Mark Levine, City Councilmember; Residents at the event; Sue Sussman, attorney and affordable housing advocate. See story page 7.

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



Clockwise from top left: Scott Stringer, NYC Comptroller; Ed Rosner, co-chair of MLRC, along with Diane Stein, Diane Lapson, Marnee May--officers of the tenants association at Independence Plaza North; Jackie Peters, MLRC co-chair and Jumaane Williams, NYC Councilmember. Next two photos are of attendees at the event.



Bottom left: Adele Niederman, chair of Cooperators United for Mitchell Lama, addressing attendees; Jumaane Williams fielding questions for the Meet & Greet legal panel, including David H. Webb, Larry Wood of Goddard Riverside and Sue Sussman; Mark Colon, Deputy Commissioner of NYS HCR.



## Affordable housing news from around the nation

### National: Homes in 68 percent of markets unaffordable by average wage earners

Median home prices in the first quarter of this year were not affordable for average wage earners in roughly sixty-eight percent of the nation's counties. The [report](#), by Attom Data Solutions, also found that counties which were less affordable than their historic affordability averages included Kings County (Brooklyn), Los Angeles County, Harris County (Houston), San Diego County, and Dallas County.

### National: Harvard finds renters' costs have eroded income gains

Harvard University's latest annual report on rental housing (for 2017) found that "While affordability has improved somewhat, the share of renter households with cost burdens remains well above levels in 2001. Although picking up since 2011, renter incomes still lag far behind the fifteen-year rise in rents. Renters of all types and in all markets face affordability challenges, although *lower income households are especially hard pressed to find units they can afford*. [Emphasis added.] Indeed, high housing costs have eroded the recent income gains among these households, leaving many renters with even less money to pay for other basic needs."

### National: Affordable housing foundations to combine funding

Ten foundations with a focus on affordable housing have united in a new coalition to add leverage to their individual projects. [Funders for Housing and Opportunity](#) will coordinate the grants of such donors as the Annie E. Casey Foundation, the Bill & Melinda Gates Foundation, the Ford Foundation and others. Anne Fekade-Sellassie, the coalition's project director, said that "Any one foundation, working alone, can have only limited impact given the scale of the problem." Among the first grantees is the National Low Income Housing Coalition.

### Atlanta: Below-market rate loans to help low-income homeowners

Low-cost forgivable loans will soon be available to homeowners threatened with rising property taxes and an inability

to afford financing to maintain their properties. Most of the loans will cap at \$30,000 (although some loans will cap at twice that amount). The nine-million-dollar city initiative, funded through bonds (borrowing), a special tax increment financing district, the federal Choice Neighborhoods program, and the Atlanta housing authority, will give priority to heads of households who are low-income seniors, veterans, or disabled, as well as to those who have owned their homes for at least fifteen years. It will be administered by several private and nonprofit organizations.

### Los Angeles: Metro system may allow services on its properties

The city's metro system is considering placing supportive housing services for homeless people on properties it owns. Services may include allowing people living in their cars to park them in Metro-owned parking lots, or showers and storage lockers to be placed on vacant land it owns around Metro stations or bus storage yards.

### Miami: County considers housing inside new school

Miami-Dade County is currently considering constructing a new middle school complex to include a building tall enough to include three hundred apartments, most of which will likely rent to teachers. JPMorgan Chase has already granted \$215,000 for the project, now under review by HUD. For safety, tenants and students in the proposed structure would enter buildings through different doors and elevators. If built, the structure would make only a small dent in the area's affordable housing crisis. "There definitely will be more teachers who qualify for this program than there will be units available," said a school official.

### Denver: Plan to hike marijuana tax for affordable housing

The city council is considering a proposal to increase taxes on legal marijuana sales to 5.5 percent as a way to generate an estimated eight million dollars a year for affordable housing programs. Ironically, in spite of a desperate need for such housing, overbuilding luxury units has led to a glut of some 3,000 vacant high priced homes in various areas.

## NY Housing Briefs

### New app helps NYC tenants document building problems

[JustFix.nyc](#), a free app to help tenants document and photograph dangerous or otherwise poor building conditions, is now available. The app also helps tenants connect to legal and other forms of assistance. "Our app tries to break down the steps from the easiest thing, sending an official letter to your landlord, all the way to contemplating bringing your landlord to court," said Alicia Nieves, a legal fellow.

### NYC vacancies now 3.63 percent

Vacant apartments in NYC in 2017 were less than four percent of the total units available for occupancy, widely acknowledged as a crisis situation. The latest [City report](#) shows the amount of rent-stabilized apartments were above forty-four percent. Rent control units were one percent. Non-regulated units were forty-three percent. All other units, including Mitchell Lamas, were twelve percent. Full report available at <https://on.nyc.gov/2pXXgqE>

### Kushner cos. facing two investigations over paperwork

The Brooklyn US Attorney's office has begun an investigation of the Kushner family's real estate holdings, regarding allegedly false paperwork filings in its rent-regulated apartments. The investigation is in addition to an inquiry by a citywide tenants rights group and Bronx Councilman Ritchie Torres also regarding falsification.

The family includes Jared Kushner, President Trump's son-in-law and key advisor. The tenants' investigation seeks to uncover evidence of false construction permit applications filed with the city in which the firm maintained that it's apartment buildings had no rent-regulated tenants when in fact, according to the group, Housing Rights Initiative, it had several hundred. HRI maintains that many protected tenants were effectively harassed to leave.

### ANHD appoints new directors

The Association for Neighborhood and Housing Development has appointed a new board of directors. They are: **Chair:** Walter Roberts, Executive Director, Hope Community Inc.; **Vice-Chair:** Leah Archibald, Executive Director, Evergreen; **Secretary:** Michelle de la Uz, Executive Director, Fifth Avenue Committee; **Treasurer:** Christopher Cirillo, Executive Director, Lott Community Development Corp.

## MLRC hosts expert legal panel at 'Meet & Greet' event

This year's 'Meet & Greet' event, held on May 5, included for the first time an expert three-person panel to respond to questions from MLRC members and comments by elected officials. Moderated by Councilmember Jumaane Williams, the Council's Deputy Leader, a founding member of the Progressive Caucus, and a member of the Black, Latino & Asian Caucus, the panel made brief presentations and then answered questions.

Panelists included Sue Sussman, an attorney known for her advocacy on behalf of affordable housing in New York City, and for her informative website <http://aff-hous.blogspot.com/>; David Hershey Webb, a practicing attorney specializing in HCR legislation and known for his advocacy on behalf of Mitchell-Lama residents; and Larry Wood, Director of Organizing at Goddard-Riverside who focuses on the availability of civil legal services for tenants and the rights of suc-

cession in rent-regulated housing.

Among the officials who attended the meeting were NYC State Senator Brad Hoylman, NYC Comptroller Scott Stringer, Manhattan Borough President Gale Brewer, and NYC Councilmember Mark Levine. Mark Colon, President/Deputy Commissioner of the Office of Housing Preservation for NYS Department of Homes and Community Renewal, also attended.

Among the issues raised were succession rights, resources for identifying attorneys, the need to bring market renters under a form of regulation, and the need to allow roll-backs for SCRIE and DRIE recipients. Also discussed were current actions to protect affordable housing from AirBnB, methods for maintaining the integrity of waiting lists, and the right of tenants to keep emotional support animals.

*See photos pages 4 and 5*

## City Council offers policy guidelines to combat continuing segregation

A half-century after the assassination of Martin Luther King and the passage of the federal Fair Housing Act, New York City remains stubbornly segregated in much of its neighborhoods and schools.

That is the message of a new [report](#) issued by City Councilman Brad Lander, in cooperation with ten other councilmembers.

Released in April, the report recommends several policy guidelines to combat the "corrosive" effects of segregation. They include:

- Making Affirmatively Furthering fair Housing (AFFH) the law;
- Promoting inclusionary zoning in high income as well as other neighborhoods;
- Fighting discrimination in co-ops as well as rentals (the report argues that during the Giuliani and Bloomberg administrations, the city's human rights commission has been "allowed to atrophy;")
- Strengthening rent regulations to promote integration without displacement;
- Reforming high school admission policies, such as applying a "controlled choice approach," increasing the number of Education Option schools,

reserving fifty percent of seats at specialized schools for top achievers in all middle schools;

- Drawing school zones to make elementary schools less segregated;
- Reforming the city's "fair share" system to promote fairness in citing city facilities;
- Rearranging the bus system to connect more neighborhoods to economic opportunities.

The full [report](#), which includes additional recommendations, is available at <https://bit.ly/2HD9tJo>

## Bronx home to most evictions, price hikes in city

Among the top ten community districts in New York City facing the most evictions performed by court marshals in 2017, the Bronx is home to seven of them.

A new report by the Association for Neighborhood Housing Development also found that of the twelve citywide community districts experiencing the highest percentage rise in price persquare foot in residential sales, nine were in the Bronx. The [report](#), "How is Affordable Housing Threatened in Your Neighborhood," is available at <https://bit.ly/2rC9KFj>

## Mitchell Lama Questions & Answers

**Q:** In a Mitchell lama co-op, is the tenant or the building management responsible for the cost of replacing a broken bathroom or kitchen sink faucet?

**A:** Generally in a co-op, the faucet belongs to the shareholder, unless his or her documents specify otherwise.

\* \* \*

**Q:** How much money does a ML cooperator receive after the sale of the apartment?

**A:** According to [Andrew Brucker](#), a partner at the New York City law office of Montgomery McCracken Walker & Rhoads LLP, the selling price will be the amount the cooperator paid, plus any capital assessments, plus some component of the owner's portion of the co-op's amortization, that is, whatever remains of the loan after it's been partially paid back (if the board so agrees; each co-op board makes its own decision on amortizing). However, the resulting equity is not necessarily returned, "as the co-op is typically entitled to renovate the apartment, and deduct the cost of such renovation from the equity."

In addition, if the person selling is in arrears, the cooperative may deduct that from the equity as well. Brucker advises sellers to consult "with an attorney who is familiar with this type of cooperative." His [full explanation](#) is available at <https://bit.ly/2Hebf6E>

\* \* \*

**Q:** How does a co-op property tax abatement or basic STAR (NY State Tax Relief Program) property tax exemption apply to M-L cooperatives?

**A:** The NYS Department of Taxation and Finance announced that as of January 1, 2018, "The STAR exemption is no longer available to new applicants. Instead they may be eligible for the STAR Credit which is issued in the form of a check from NYS." Information on the STAR Credit is available at [www.tax.ny.gov/star](http://www.tax.ny.gov/star)

For previous applicants, if you own your home, it's your primary residence, and your income is \$500,000 or less, you are eligible for the STAR credit. Also, if you're a senior citizen with a qualifying income, you may be eligible for the Enhanced STAR credit. More information on STAR itself is available at <http://on.ny.gov/2BCqjTE>

## Lawsuit charges some Section 8 tenants forced to pay well above 30% of income

Although tenants who receive Section 8 subsidies normally pay around thirty percent of their income in rent, several hundred New York City recipients may now be forced to pay far above that amount.

A federal lawsuit filed by several housing and legal assistance groups charges that HUD and the City's Department of Housing Preservation and Development (HPD) are calculating enhanced Section 8 subsidies based on the rent they paid before their building went private, rather than on the tenants' current income.

Enhanced vouchers, as opposed to regular vouchers, allow tenants to remain in their apartments after their building undergoes a conversion to market rate housing. As with all Section 8 subsidies, the federal government provides the landlord with the difference between what the tenants pay and the fair market value. (Fair market rates, as opposed to free market rates, are calculated by formula, but the two rates are

usually very close.)

Enhanced vouchers also enable the local housing agency, e.g., HPD, to calculate rents greater than they would for units with a regular voucher.

For tenants who have experienced a sharp decline in their earnings--especially following the 2008 Great Recession--this calculation often results in rental charges that are far above what they would be based on their earnings. Two such tenants in an Upper West Side building that was formerly a M-L development argue that their rent now amounts to more than eighty percent of their current income.

A spokesperson for Mobilization for Justice Legal Services, which filed the suit along with Legal Services NYC and Housing Conservation Coordinators, said that HUD has been willing to negotiate a solution to settle the case, but that the city's HPD is more reluctant. By law, HPD must follow HUD directives.

## HUD's Carson sued over fair housing rule suspension

A lawsuit charging HUD Secretary Ben Carson with illegally suspending an Obama-era rule requiring localities to prepare affirmative housing action plans to combat racial segregation was filed in May by several fair housing advocates, including the National Fair Housing Alliance, Texas Appleseed, and Texas Low Income Housing Information Service.

Passed in 2015, the rule--Affirmatively Furthering Fair Housing (AFFH)--was promulgated because of frustration with the failure of various localities throughout the country to effectively integrate their housing, even though they received millions of dollars in HUD grants. The suit alleges that Carson's suspension of the rule was unlawful because it was passed with no notice or opportunity for public comment. It also alleges that HUD curtailed the rule based on "sparse reasoning... [that] was arbitrary and capricious."

Supporting the AFFH, Thomas Silverstein, co-counsel on the suit and a member of the Lawyers' Committee for Civil Rights Under Law, said that numerous court decisions have held that

affirmatively furthering fair housing "is not an optional feature in the FHA, it's a clear duty placed on HUD and its grantees."

In his reason for suspending AFFH, Carson said that localities simply didn't have enough time to prepare valid plans. "Program participants need additional time and technical assistance to adjust to the new...process," he said.

Elsewhere, Carson has called federal efforts to enforce anti-segregation efforts a "failed socialist experiment."

In a separate but related development, Carson has proposed changing the rent calculations for low-income Americans who receive federal rental subsidies. His proposal would set households' rent payments at 35 percent of their gross income, raise minimum rents from \$50 to \$150 (based on part-time minimum wage earnings), and require recipients to work. HUD would also eliminate deductions for medical and child care costs that are currently considered when determining tenants' rent. Exemptions apply to elderly, disabled, and hardship cases.

## SCRIE/DRIE renters may now appeal a denial of benefits

Rent-regulated tenants who participated in the Senior Citizen Rent Increase Exemption (SCRIE) or the Disability Rent Increase Exemption (DRIE) programs but were unable to appeal a denial of benefits after December 1, 2011 because of a disability may now be able to restore lost benefits. As a result of a recent class action lawsuit (Pfeffer et al. v. NYC Dept of Finance et. al.), those renters may be eligible to have prior frozen rent rates restored.

To reapply, renters must submit a new application specifically for this purpose, which they can obtain at <http://nyc.gov/rentfreeze>. Assemblywoman Deborah Glick has urged such tenants to select the "Application for Additional Time to Renew Lapsed Benefit" document, or call 311 to receive an application by mail. Applications and assistance are also available at a SCRIE/DRIE Walk-in Center in Manhattan at 66 John Street, 3rd Floor. Completed applications with all supporting documentation must be submitted by October 26, 2018.

## ANHD awards two in 2018 for housing affordability and economic justice

The Association for Neighborhood Housing and Development presented two awards in May for affordable housing and equitable development in 2018 to one individual and one community group.

The award for Champion of Affordable Housing Award went to Eric Enderlin, president of the NYC Housing Development Corporation (HDC) and former Deputy Commissioner for Development at the Department of Housing Preservation and Development (HPD).

The 2018 Champion of Equitable Economic Development was awarded to the Northwest Bronx Community & Clergy Coalition for its work "advancing programs and advocacy that promote economic opportunity and justice, including effective work on job creation, small business development, and quality workforce opportunities."