MITCHELL-LAMA RESIDENTS COALITION

Vol. 19, Issue 1
April 2014

WEBSITE: www.mitchell-lama.org

CU4ML's agenda seeks preservation of affordable co-ops 'in perpetuity'

Following is the policy and legislative agenda of Cooperators United for Mitchell-Lama (CU4ML), a membership organization comprised of Mitchell-Lama cooperators, or resident-shareholders, from around the city who are committed to preserving quality limited-equity cooperative housing developments, in perpetuity, for both themselves and for future generations of New Yorkers:

Protect affordable Mitchell-Lama cooperative developments from privatization by enacting legislation to prohibit the dissolution and/or reconstitution of any mutual company organized under Article II (Mitchell-Lama section) of the Private Housing Finance Law;

Rescind Section 3-14(i)(15) of the NYC Housing Preservation and Development rules that allow Mitchell-Lama cooperatives to withdraw from the Mitchell-Lama Program and reconstitute as much less affordable Article XI coops.

Strengthen city and state agency rules that protect current shareholders and those on the waiting lists for these developments from loss of affordability, and strengthen the power of the supervisory agencies to enforce these rules;

Require HPD and NYS Housing and Community Renewal to implement Section 31-b of Article II of the Public Housing Finance Law which would allow purchasers of ML coops to get low interest mortgages or secured loans to purchase their apartments;

Provide low-interest loans to Mitchell-Lama cooperatives and other affordable housing developments for infrastructure maintenance and capital repairs, and;

Construct more affordable housing using the successful model that Mitchell-Lama co-ops embody.

Strengthen MLRC
Join today (use form on page 2)

'Meet & Greet'

Honoring Manhattan Borough President

Gale Brewer

May 3, 2014 ,10:00 a.m. – 2:00 p.m.

Members are urged to voice concerns regarding their developments

CONTACT: Information@mitchell-lama.org
PLACE: Musicians Union Local 802
322 West 48th Street (near 8th Avenue) Ground Floor, "Club Room"
TRAINS: No. 1, train to 50th St. and 7th Ave.; Q, W trains to 49th St. and Broadway; E train to 50th St. and 8th Ave.

Can new housing chiefs really achieve affordability?

The heads of four housing agencies appointed by Mayor Bill deBlasio will focus on promoting affordability. So says our new mayor.

Perhaps. But they face an enormous challenge. The challenge is not specific to New York City; it relates to urban centers from the east to west coasts, from San Francisco to

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'Meet & Greet' to honor Man. Boro Pres. Gale Brewer

MLRC's annual "Meet & Greet" event, during which residents and their elected representatives get to express views and share information with each other, will be held Saturday, May 3, 2014, from 10 a.m. to 2 p.m. at the Musicians Union, 322 West 48th Street, Manhattan.

Known also as "Lobbying in our Neighborhoods," the event provides an opportunity for citizens to discuss issues that affect their developments and pending legislation.

This year, the MLRC will be awarding an appreciation plaque to Manhattan Borough President Gale Brewer for her tireless efforts on behalf of the Coalition and other tenants.

Mitchell-Lama Residents Coalition
P.O. Box 20414
Park West Station
New York, New York 10025

NYC budget passes 30 percent cap in rent for homeless aids victims

Victims and at-risk victims of AIDS/HIV who are also homeless won a striking victory in March, as the fiscal 2015 budget of Mayor deBlasio included a provision that caps rent on their disability payments. The provision will be financed in part by the state.

The cap amounts to thirty percent of such income, compared with seventy percent they paid previously.

Efforts to establish the new cap date back several years. Most recently, advocates developed a petition to the Gov. Cuomo and the NYS legislature in support of bills designed to "extend the same affordable housing protection that already exists in every other comparable low-income housing program in New York to the HIV/AIDS rental assistance program, so that low-income people living with HIV/AIDS in the program pay no more than 30 percent of their disability income towards rent."

Prepared by the advocacy organization Vocal New York, the petition was signed by MLRC, along with other organizations.

Senator Brad Hoylman and Assembly Member Robert Rodriguez sponsored the latest version of that rent cap bill in the legislature. The state will pay one-third of the financing, and the city will pay the rest.

Supporters of the proposal maintain that the policy will "eventually pay for itself" through reducing "emergency housing placements, rent arrears, and other avoidable costs associated with housing instability, even before taking into account additional indirect savings from unnecessary Medicaid spending and averted new HIV infections."

New book on history of city's tenant movement

When Tenants Claimed the City: The Struggle for Citizenship in New York City Housing, a new book on New York City's tenant movement, was the subject of a March 20 talk by its author, Roberta Gold, who teaches history and American studies at Fordham University. The talk was held at Hostelling International, 891 Amsterdam Avenue (at 103rd St).

The book is available for $55 in cloth (a less expensive paper edition will be published shortly) from University of Illinois Press. Copies may be purchased at *http://www.press.uillinois.edu/books/catalog/55efq7hy9780252038181.html*

JOIN THE MITCHELL-LAMA RESIDENTS COALITION
2014
INDIVIDUAL $15.00 per year and DEVELOPMENT 25 cents per apartment
($30 Minimum; $125 Maximum)

Name____

Address____________________________ **Apt.**__________

City______________ **State**______________ **Zip Code**________

Evening Phone________________ **Day Phone**________________

Fax________________ **E-mail** ______________________

Current ML: Co-op________________ **Rental** ______________

Former ML: Co-op________________ **Rental** ______________

Development____________________ **Renewal**____**New Member**____

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, N.Y. 10025

MLRC fights for you and your right to affordable housing!

UPCOMING EVENTS

'Meet & Greet'

Honoring Manhattan Borough President

Gale Brewer

May 3, 2014 ,10:00 a.m. – 2:00 p.m.

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

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Musicians Union, 322 West 48th Street, between 8th and 9th Avenues

For more information, e-mail: info@mitchell-lama.org

Mitchell-Lama Residents Coalition, Inc.

Officers
Co-chairs: Jackie Peters
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Margo Tunstall

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MLRC NEWSLETTER STAFF

Editor: Ed Rosner
Assistant editors: Katy Bordanaro
Sonja Maxwell
Jackie Peters
Margo Tunstall
Editorial Coordinator: Nathan Weber

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Fax: (212)864-8165
Voice Mail: (212) 465-2619
email: information@mitchell-lama.org

Can new housing chiefs really achieve affordability?

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Boston and points in between, where rents and purchase prices continue to soar beyond the reach even of decently-paid professionals--those who work for, rather than own, high tech or financial companies, as well as staff employees in nonprofits or government agencies.

Let alone low- and moderate-income residents.

The best case scenario is that three of the four who previously had been employed in organizations charged with generating or preserving affordability, will continue those efforts, holding their own against the city's powerful real estate industry. The fourth appointee is a scholar of urban real estate and law professor who, we'll assume, shares her colleagues' goals.

The worst case? All four will be outmaneuvered by the overwhelming influence of big real estate, whose interest is, above all, profit, and whose efforts against rent regulation, of whatever sort, are relentless. Since regulations have long been the primary source of affordability, at least in New York, deBlasio's appointees may well face crushing obstacles.

At the moment, however, some positive signs have begun to appear. First, in March, Deputy Mayor Alicia Glen held a closed-door meeting with three dozen pro-tenant advocates. It is doubtful that this has ever been done before.

Second, de Blasio can fill five of the Rent Guidelines Board's thirteen seats in the coming months. This may herald a terrific precedent: the RGB has never in its history called for a rent freeze, even in years when landlords' own studies have shown owner costs declining.

A rent freeze will be especially helpful to tenants in two groups of former Mitchell-Lama developments: those that were constructed before 1974 and have since exited the program; and others that have exited ML but worked out a LAP [Landlord Assistance Program] agreement with the owner.

We can only hope for the best case scenario: stabilized rents will be held in check, and the new leaders will accomplish what they are hired to do. Here's who they are:

Shola Olatoye, formerly vice president of Enterprise Community Partners, Inc., will head the NYC Housing Authority. At ECP, she had been responsible for coordinating public and private sector entities to construct and manage around three thousand affordable homes yearly. She had previously managed the Community Reinvestment Act program of a major bank.

Cecil House, NYCHA's general manager under Mayor Bloomberg, will remain in that position.

Gary D. Rodney will head the city's Housing Development Corp, an agency with a mandate to "incease the supply of multi-family housing. . . and [finance] the creation and preservation of affordale housing for low-, moderate-, and middle-income New Yorkers." He had earlier served at Omni New York LLC, a real estate development firm that has "either rehabilitated or is in the process of rehabilitating 7,117 units of affordable housing in New York state," according to its website.

Vicki L. Been, a former professor of law at NYU and head of the school's Furman Center for Real Estate and Urban Policy, will head HPD. Among other publications, she co-authored an annual report, "The State of New York City's Housing and Neighborhoods," for several years.

An article in the New York Law Journal noted that "Although New York City Mayor Bill de Blasio has touted his new housing commissioner, Vicki Been, as a progressive tenants' advocate, landlord and tenant attorneys said they aren't expecting radical changes from the agency."

Earlier, Mayor deBlasio appointed **Carl Weisbrod** to head the City Planning-Commission. Weisbrod, a long time government functionary, had led the effort to stop the exodus of residents and businesses from lower Manhattan after the Sept.-11 terrorist strike. He as well is expected to promote affordability.

Jumanne Williams, tenant advocate, to chair Council's housing committee

Jumanne D. Williams, a city councilmember from Brooklyn, and formerly executive director of Tenants & Neighbors, will chair the Council's housing and buildings committee in the DeBlasio administration.

Williams represents the communities of Flatbush, East Flatbush, Flatlands, and parts of Midwood and Canarsie.

He co-chairs both the Gun Violence Task Force and the Black, Latino and Asian Caucus, and is a founding member of the Progressive Caucus.

On his website, Williams says he will "continue his focus on reform to the NYPD and the City Charter, as well as push for the rights of New York City's public school children and its tenant population."

Questions and answers on Mitchell-Lama

Tenants and cooperators are welcome to submit questions to: Information@mitchell-Lama.org

Q: I have been unemployed and looking for work for three years. Is there a rule that my monthly maintenance is to be reduced to the minimum? If so, what is the procedure to prove such, in addition to the yearly income documentation report that is required?

A: Where a tenant/ cooperator anticipates a *long-term reduction* in income, resulting from death of a wage earner, retirement, or other such circumstances, he or she must submit documentation of the change in income to the managing agent.

In turn, the agent must check and verify the documentation. If the agent finds that the change in income is valid, then he or she must remove the surcharge and inform HPD of such action.

HPD, however, reserves the right to disapprove the action of the housing company.

Where a tenant/cooperator anticipates a *temporary reduction* in income, such as job loss, temporary illness, or the like, he or she must still submit documentation to the agent. Again, if the documentation and temporary income reduction are found to be valid, then the agent may either reduce, eliminate or defer collection of surcharges for a reasonable period of time, or may arrange for an extended payment plan.

In either case, the agent must maintain supporting documentation for all agreements which shall be available for review by HPD.

Rent regulations restored to 28,000 units

Rent protections were restored to more than 28,000 rental units in New York City and surrounding areas in January, after an audit by the state's three-year-old Tenant Protection Unit, a division of Homes & Community Renewal. The audit found that the buildings, constructed before 1974, were either not properly registered with the state, or were lacking documentation of improvements landlords cited in efforts to remove the units from regulation.

CSS offers pointers to deBlasio on promoting affordable housing

In a study demonstrating the decline in affordable housing in New York City, especially for lower income residents, the Community Service Society offered a series of recommendations to the DeBlasio administration.

For traditional public housing, the CSS urged the City to end the annual $100 million the Authority (NYCHA) pays to the city, including $75 million to the NYPD for special police services that are provided free to all other housing developments. This proposal has since been adopted, and will restore some $60 million in the authority's operating budget, enabling it to reduce or eliminate its enormous backlog of needed repairs and capital improvements.

Among its other recomendations, the CSS suggested appointing members of the city's Rent Guidelines Board who will weigh the impact of rent increases on low-income renters;

Halting NYCHA's infill development process and applying the Uniform Land Use Review Process (ULURP) to any future infill proposal;

Re-establishing priority access for homeless families to public housing and housing vouchers;

Targeting more new affordable housing development to people with the lowest incomes;

Using mandatory inclusionary zoning to augment affordable housing development, prevent displacement, and promote mixed-income communities;

Tying tax exemptions for developers to stronger commitments to build affordable housing; and

Making affordable housing the highest priority use for city-controlled land.

Donovan seeks $5 billion for U.S. housing trust fund

Shaun Donovan, the U.S. housing secretary, called for providing five billion dollars yearly to the federal housing trust fund to support affordable housing.

In a speech before the National Association of Hispanic Real Estate Professionals in February, Donovan said the prevention of another Great Recession requires "an expansion of the housing trust fund and the capital magnet fund so that the new system explicitly supports more affordable housing initiatives."

The HTF was created in 2008, but was never financed. It is geared towards assisting federal, state and local efforts to preserve affordable housing, especially for low-income families. The CMF--if funded--would provide grants to community-based financial institutions and nonprofit housing groups for affordable dwellings and related economic developments.

If funded, the HTF would provide assistance for down payments and the production of more affordable rental housing, among other initiatives.

Donovan's call was made in the context of efforts to reform Fannie Mae and Freddie Mac, two GSEs (government-sponsored entities in the private sector). The two agencies have been criticized for irresponsible policies that enabled banks to precipitate the US and world financial crisis.

Among other things, they purchased billions of dollars worth of junk mortgages issued by private banks, then combined them into securities they sold to investors. Because the underlying mortgages were nearly valueless, the process eventually collapsed, plunging the U.S. and Western European economies into deep recession.

Academy Gardens tenants facing final battle in demolition plan

Residents of Academy Gardens, a forty-unit rent stabilized two-story apartment building in Great Neck, NY, may be facing their last battle to save the structure, which the owner wants to demolish to make way for luxury condominums.

Most of the families are working class African Americans and Latinos, but the area in which they are located is largely affluent.

The owner, the Kings Point Gate Associates, LLC, has reportedly offered the remaining twenty-eight tenant families, some of whom have lived there for decades, buyouts ranging from $100,000 to $125,000. In Great Neck, however, as in many areas of New York City, those amounts are well below market rate apartments.

Depending on the size of the units, rents in the complex range from $750 to $1700 monthly.

At two recent rallies, tenants condemned the Great Neck mayor, Ralph Kreitzman, as well as the town's board of trustees, for refusing to act on the owner's proposal for the demolition. The proposal has been presented to the Village of Great Neck Planning Board. The mayor has said he lacks authority to stop the plan.

Tenants have been supported at their rallies by the Nassau National Action Network, NYS Tenants & Neighbors and some community residents.

MLRC Developments

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

Donations above the membership dues are welcome.

These developments are members of the Mitchell-Lama Residents Coalition

Bethune Towers
Castleton Park
Central Park Gardens
Clayton Apartments.
Coalition to Save Affordable Housing of Co-op City
Concourse Village
Dennis Lane Apartments
1199 Housing
Esplanade Gardens
Independence Plaza North
Jefferson Towers
Lindville Housing
Lincoln Amsterdam House
Manhattan Plaza
Marcus Garvey Village
Masaryk Towers Tenant Association
Meadow Manor
Michangelo Apartments
109th St. Senior Citizen Plaza
158th St. & Riverside Dr. Housing
Parkside Development
Pratt Towers
Promenade Apartments
RNA House
Riverbend Housing
River Terrace
River View Towers
Ryerson Towers
Concerned Tenants of Sea Park East
Starrett City Tenants Association
St. James Towers
Strykers Bay Co-op
Tivoli Towers
Tower West
Village East Towers
Washington Park SE Apartments
Washington Square SE Apartments
West View Neighbors Association
West Village Houses

If your development has not received an invoice, please call the MLRC Voice Mail: (212) 465-2619. Leave the name and address of the president of your Tenants Association, board of directors, or treasurer and an invoice will be mailed.

City, state pols call on HPD to modify'downsizing' policies

Recipients of Section 8 housing vouchers who are facing the prospect of being forced to relocate from their homes to smaller units--a process known as downsizing--received political support in February when a group of City and State representatives signed onto a letter to HPD's new commissioner, Vicki Been, demanding that the agency become much more transparent, fair, and uniform in dealing with the issue.

Prepared by Manhattan Borough President Gale A. Brewer, the letter also expressed concern that HPD's procedures fails to account for individual residents' circumstances. Fourteen respresentatives signed onto the letter, copies of which were sent to Mayor Bill de Blasio, all council members, all state senators and assemblymembers, and all community boards.

The text of the letter follows:

Dear Commissioner Been, We would like to extend our congratulations on your appointment as the Commissioner of the Department of Housing Preservation and Development. We look forward to working with you.

We write on behalf of residents receiving Section 8 vouchers who have been notified by HPD that they will be "downsized" to a smaller apartment, thereby displacing them from their homes of thirty years or more, and reducing families to "0" bedroom accommodation. It is our understanding that this policy is being implemented to find a $35 million savings in the Section 8 program in the face of significant federal budget cuts. We hope that HPD can find another way to achieve these cost savings without unduly burdening our most vulnerable residents.

HPD's implementation of this program has raised serious concerns about the process' transparency, basic fairness and the perceived lack of uniformity in downsizing decisions. We are also deeply concerned that this program contravenes HPD's obligation to account for the individual circumstances of the residents it is seeking to displace from their homes.

First, the "downsizing" undertaken by HPD appears to violate the underlying rationale of the enhanced Section 8 "sticky voucher" that was created to preserve affordable units for low and middle-income residents, including those in buildings exiting the Mitchell-Lama program. The intent of these vouchers was to protect residents from eviction, maintain individuals in their homes, and to sustain the communities of mutually-supportive residents that had developed over many years in Mitchell-Lama and other types of supported housing.

Second, HPD has reportedly done a poor job of communicating with residents and coordinating its actions with its management agents, and it continues to fail to provide timely and proper notification to the residents it seeks to "downsize." For example, HPD stipulated that residents who were being downsized to "0" bedrooms would be notified with two letters, one from HPD and another from their building's management office.

However, many residents to date have received notification only from management, and many essential questions remain unanswered. In particular, is the notice of transfer that residents receive from management the "official" notification of their "downsizing," or must they also receive a notice from HPD? This question is critical, because receipt of the notification starts the fifteen day "clock" in which they can appeal.

In addition, there is widespread confusion about the timing of the notifications and the deadlines they establish. Does the clock start on the date the notification is issued, or on the date it is received? Is the schedule based on 15 calendar days or business days? Is Saturday considered a business day by management, but not by HPD?

Third, fifteen days is simply not enough time for residents, especially if they are elderly, hindered by winter weather conditions, or require travel assistance to obtain the necessary documents and prepare appeals based on medical or other extenuating circumstances--and this is especially true if the 15 day notice is reduced by delivery delays or includes non business days when records cannot be obtained.

Finally, the process through which residents are selected for "downsizing has not been transparent, and the rationale for selecting one resident over another in comparable circumstances, or one before another, has been mysterious at best. HPD must assume far more responsibility for clear and compassionate outreach to each affected resident, and to the wider community in which they live.

At a minimum, HPD must clarify how it determines which residents are selected for "downsizing," do far more comprehensive outreach to affected individuals and communities, and provide a detailed fact sheet of the process. It must clarify and expand

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NYS bills may offer relief from endless rent control hikes

Bills in the state Senate and Assembly would provide some relief to the remaining rent controlled tenants in New York City and parts of Westchester and Rockland counties.

The bills would end the current process of mandatory increases, at 7.5 percent annually, for the roughly 38,000 rent-controlled apartments left (from the roughly 1.3 million apartments back in the early 1970s).

The bills (S1815 and A848) "would bring the formula for calculating rents in rent-controlled apartments in line with that used to calculate rents in rent-stabilized apartments." At present, apartments under rent control, as opposed to stabilization, are governed by a formula that does not take into consideration landlord "hardships" or "improvements." In other words, it is automatic, regardless of landlord profit. The formula was set back in 1970.

In support of the proposed law, the sponsors state that "Rent-controlled tenants are currently subject to steep rent increases calculated using an abstruse formula with little relevance in today's housing market. Rent increases in rent-stabilized apartments are set by the Rent Guidelines Boards (one in New York City and one each in Nassau, Westchester, and Rockland counties) using a formula that takes into account a wide range of economic factors.

"Rent-controlled apartments, on the other hand, are subject to the Maximum Base Rent Program, which establishes maximum base rents for rent-controlled apartments according to an arcane formula that does not take the same factors into account."

The bills would do away with these "unfair and arbitrary automatic increases" by making "rent-controlled apartments subject to the same formula for calculating rent increases to which rent-stabilized apartments are subject and requiring greater scrutiny of proposed increases for rent-controlled apartments."

Some rent controlled apartments, however, have been spared the annual steep increases, because owners of their units, unlike those who own stabilized units, are required to correct violations before getting an increase.

Beyond the annual 7.5 percent increases, since 1979 landlords were allowed to impose an additional fee--fuel cost pass-alongs.

The bills are sponsored by state Sen. Adriano Espaillat (D-Manhattan) and Assemblymember Linda Rosenthal (D-Manhattan).

Mayor de Blasio's housing plan: ten billion dollars well spent

The following article, reprinted with permission, was prepared by Housing First!, a coalition of community, business, labor, civic and religious organizations addressing the city's affordable housing crisis. It was written prior to the release of the Mayor's budget.

Mayor de Blasio's ambitious but achievable 200,000-unit affordable housing plan is exactly the visionary initiative New York City needs to address sky-high rents and record homelessness. This housing development effort will be the largest in the nation, and will produce far more affordable housing than any prior mayoral administration.

Huge investment

Achieving this goal will require the greatest investment in housing a city has ever made, equal to at least $9.9 billion in public capital subsidy, including approximately six billion dollars in City capital resources, or $604 million a year beginning in City Fiscal Year 2015.

While $9.9 billion requires a substantial sum, up to three billion more in capital may be needed if the private market fails to generate half of the fifty thousand subsidy-free units expected in the Mayor's plans to transform the Inclusionary Zoning program.

Additional subsidy will also be needed if the Mayor intends to make units more affordable to extremely low-income families who can pay less rent, or more affordable to middle-income families who are eligible for fewer federal subsidies. Lastly, any new labor agreements that expand prevailing wage requirements will also increase costs.

Budget breakdown

We estimate that the City's Department of Housing Preservation and Development requires about six billion dollars in City-funded capital over ten years. We expect that the remaining $3.9 billion can be funded through federal, state and other local resources. This includes nearly one billion dollars in federal funds over a decade, assuming a portion of the Sandy disaster recovery funds are repurposed for new construction replacement housing. At least $1.5 billion may come from NY State, if the City aggressively pursues Medicaid Redesign and other funds.

Another $1.4 billion is available from local resources, due in large part to the success of the City's Housing Development Corporation, which generates revenues as one of the nation's top issuers of multi-family bonds. A twenty percent increase in HDC's capital commitment will generate $1.1 billion over ten years.

In addition, reforming the process for allocating Reso A funds (school specific capital improvement or enhancement projects that are funded through individual grants which are allocated by the borough presidents or councilmembers) may direct up to forty percent more Reso A capital to affordable housing.

Even if federal or other funds remain inadequate, the City can allocate the additional capital, confident that the housing created will more than repay this investment. It is expected that a $9.9 billion public investment will leverage $31 billion in private resources. The same investment is projected to create 350,000 jobs while generating $28.2 billion in economic spinoff activity and reducing public spending on shelters and other expensive emergency interventions based on economic impact findings of a 2012 study by HR&A Advisors, Inc.

Action necessary

However, Mayor de Blasio must act now to achieve his ambitious goal of 200,000 units over ten years. The Mayor's City Fiscal Year 2015 proposed budget (released in March) must increase capital for housing development to at least $604 million to be on course to reach two hundred thousand units. Just to maintain current production levels, $354 million in City capital is required, compared to the $207 million in the City's current capital plan.

But maintaining the status quo is not an option. It will be impossible for Mayor de Blasio to play catch-up in later years of the housing plan. By design, his plan is already dependent on much higher levels of production in the later years since much of the city will need to be rezoned before 50,000 guaranteed inclusionary housing units can be generated.

The Mayor must also act now to increase not only the HPD capital also its staffing capacity, to fully maximize the City's production and leverage finite resources allocated on an annual basis such as low income housing tax credits and tax-exempt bond financing.

With a Mayor committed to the issue, a Deputy Mayor who knows housing, visionary agency leaders, and New York's top-notch affordable housing developers, 200,000 units is a goal we can achieve.

Briefly noted: Domino building; suit against TPU; NYCHA funding

Domino luxury developer agrees to more affordable units

The controversial plan to develop Brooklyn's Domino Sugar Factory as luxury housing will now go ahead, as the developer, Jed Walentas, agreed to Mayor deBlasio's demand that he allocate 700 units for low-to-middle income residents. In addition, more of those units will be larger to accommodate families. Walenta originally offered 660 units. In exchange, he will get zoning variances that will allow him to construct towers up to fifty-five feet high, well above the thirty- to forty-feet limit under the previous plan. Also, he will be allowed to charge more for some of the affordable units.

Owners sue new NYS tenant protection unit

Groups reprensenting landords in New York City, plus two individual owners, are suing to have the State's new Tenant Protection Unit's regulations declared "invalid and unenforceable." Established in 2012, the TPU's mission is to investigate fraud; it has already found sufficient examples to restore regulations in some 28,000 units (see article, page 3.). The suit, in Brooklyn's Supreme Court, alleges that the TPU represents "an agency's dramatic intrusion into the legislative and judicial areas, usurping powers specifically enumerated to the legislative and judiciary branches of government."

The landlords' effort appears to coincide with a plan by the Senate Majority Coalition to weaken "a wide range of critical protections for the environment, worker safety, tenants' rights, and public health," according to State Senator Liz Krueger (Dem, Manhattan).

NYCHA to stop paying double for police

Mayor deBlasio's preliminary budget relieves NYCHA of the remaining $52.5 million that would otherwise be owed to the NYPD in FY 2014. That will result in more money to service outstanding work orders on the NYCHA repair docket. To keep the NYPD budget whole, the mayor's preliminary budget also provides the NYPD with an additional $52.5 million in city funds.

Organizing for action

Newly elected to the City Council, Helen Rosenthal, who chairs the Council's committee on contracts, addresses audience at the Mitchell Lama Residents Coaltion's March 2014 general meeting. Seated from left to right are MLRC Co-chairs Margot Tunstall Brown, Jackie Peters, and Ed Rosner.

New campaign seeks closure of luxury loophole for more affordable housing

Tenant organizations and progressive political groups are demanding that Mayor deBlasio close a loophole in incentives to real estate developers to generate more affordable housing. The developers now get huge tax writeoffs, especially in gentrying neighborhoods, in exchange for more affordable units.

Behind a campaign called Real Affordability for All, the groups have released a study showing that between the years 2008 and 2012, developers in Brooklyn have constructed sixty-one buildings, and will receive nearly $160 million in "luxurious" tax breaks. However, only five of those buildings have affordable units, that is, apartments that rent below market rate.

While the lack of affordable units affects most New Yorkers, black and Latino residents have suffered the most, according to a statement from the Metropolitan Council on Housing.

The campaign is pushing for fifty percent of all new residential developments to be allocated to lower income households.

Rejecting this proposal, Steven Spinola, president of the Real Estate Board of New York, said that while "We all agree New York needs more affordable housing," an equal split is simply not possible for every new development.

Notwithstanding his objection, the Seward Park Urban Renewal Plan for the Lower East Side, "Essex Crossing," includes a 50-50 split of the housing between market rate & affordable condos and rentals.

Katie Goldstein new director of Tenants & Neighbors

Katie Goldstein, a staff member of Tenants & Neighbors since 2007, has been named the organization's new executive director. She succeeds Maggie Russell-Ciardi.

In her most recent position of director of organizing, Goldstein led policy and legislative campaigns, field organizing, and education and leadership development initiatives.

Her previous organizing activities included work in tenant, community, faith-based, immigrants' rights, and labor groups.

She has served at Jews for Racial and Economic Justice, is a graduate of the Rockwood Leadership Institute, and is a participatory budgeting facilitator in her neighborhood of Kensington, Brooklyn. She is a graduate of Sarah Lawrence College in Global Studies.

Lawsuit alleges city, state property tax policies are racially discriminatory

Two tenants in buildings with a high percentage of minority resdients have filed a class action lawsuit against New York City and New York State alleging that the city's property tax system discriminates against minority tenants.

Filed under the Fair Housing Act, the suit is based on a 2013 study by NYU's Furman Center that found that those who own condos and cooperatives and several other types of real estate, which tend to have a larger percentage of white renters, generally face lower tax rates, which are passed on to tenants. The suit was filed in the NYS Supreme Court.

Enest Robinson of the Bronx and Rosa Rodriguez of Queens are the two named plaintiffs. The class is composed of city dwellers who rent apartments in buildings with at least eleven units.

The city's property tax system is highly complex, as the state classifies residential real estate into two-and-three-family homes (Class One) and all the others (Class Two). Those others are further divided into condominiums and cooperatives; buildings with fewer than eleven apartments; and those with eleven or more units. (Two additional categories pertain to commercial property and property owned by utility companies. They are not affected by the suit.)

According to the lawsuit, "As currently applied, the City's property tax classification system perpetuates a 'tale of two cities', has a disparate and adverse impact upon the City's African-American and Hispanic residents, and denies such residents their statutorily and constitutionally protected rights to due process and equal protection."

Among the evidence for this allegation, the suit notes that "Class One properties [i.e., smaller houses] make up 47.7% of New York City's overall property value, yet pay only 15.5% of New York City's property tax. Conversely, Class Two properties make up 23.20% of New York City's overall property value, yet pay 37% of New York City's property tax."

The discrimination against minorities emerges because rent includes property taxes that the owners pass on to tenants.

For-profit developers more likely to use government financial aid programs

It is no surprise that government financial assistance programs are used by both for-profit and non-profit housing developers to create affordable rental and ownership dwellings. However, a new study published by the National Housing Institute found that in New York State, the for-profit developers--especially those building rentals--are far more likely to utilize both federal and state sources, with the exception of the state's program for homeless assistance.

In a new study published by the National Housing Institute, the researchers found that for-profit developers made greater use of such federal sources as the HOME Investment Partnership Program, the Low Income Housing Tax Credit, community developerment block grants, and financing under Section 202 (supportive services for the elderly) and 515 (loans for rural housing).

Regarding state programs, the for-profits made greater use of the state housing trust fund, the state's low income housing tax credit, and bond financing. The only state source more likely to be used by the non-profit developers was the Homeless Housing Assistance Program.

The study was prepared by Corianne Payton Scally and J. Rosie Tighe. The first installment was published in Rooflines, a Shelterforce blog of the National Housing Institute.

Government programs used by affordable housing developers

	Non-profit (n=32)	For-profit (n=14)
Federal		
HOME Investment Partnership Program	91%	100%
Low Income Housing Tax Credit	63%	86%
Community Development Block Grant	56%	64%
Section 202	31%	50%
Section 515	19%	50%
NY State		
State Housing Trust Fund	70%	79%
Homeless Housing Assistance Program	67%	29%
State Low Income Housing Tax Credit	15%	79%
State Bond Financing	30%	43%

Source:"New York State's Affordable Housing Developers: What They Do, How They Do It; Rooflines," February 4, 2014

City, state pols say HPD must modify 'downsizing' policies for voucher tenants

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on its rationale for these actions; on the steps, timetable, and notification requirements; and particularly on the rights of residents, and their grounds for and methods of appeal. In addition, HPD should provide this information- as well as contact numbers and adequate staff- and ensure that it is available in the primary language of the affected residents.

In conclusion, HPD must be aware that it is imposing extreme stress and fear on many of its most vulnerable residents, ones who over the course of their long working lives have earned a right to be treated with dignity and respect. Thus far, the process created by HPD and its implementation by the agency and its managing agents has failed to meet even this basic standard. HPD has a statutory responsibility to do far better, and a long history of working on behalf of the residents for whom it has assumed responsibility. It should do no less now.

Given the problems identified above, and the hardship the "downsizing" policy is creating, we request that HPD impose a moratorium on the implementation of this program until its practical, ethical, and legal challenges are resolved.

Thank you for your attention to this issue. It needs your immediate attention as hundreds of residents who live in affordable housing are impacted.

The Bronx is now unhealthiest county in New York State

The Bronx is the unhealthiest of all sixty-two counties in New York State, judging by such health-affecting measures as high school graduation rates, access to healthy foods, rates of smoking, obesity, and teen births.

In the latest annual ranking of every county in every state, the Bronx came in at #62 in New York. The healthiest county in the state is Livingston, situated in the upstate Finger Lakes region south of Rochester and east of Buffalo.

For the city as a whole, Kings County (Brooklyn) ranks #57, Queens #43, Richmond (Staten Island) #27, and New York (Manhattan) #11.

The rankings are a collaboration of the Robert Wood Johnson Foundation and the Population Health Institute of the University of Wisconsin.

In nearby counties, Westchester ranks #7, Nassau #6, and Suffolk #15.

To develop the rankings, the authors attribute thirty percent to such health behaviors as smoking, diet and exercise, alcohol and drug use, and unsafe sexual behavior.

Twenty percent is given to clinical care--both access to it and the quality of such care.

The largest portion of the rankings, at forty percent, reflects a combination of social and economic factors, including education, employment, income, family and social support, and community safety.

The final ten percent pertains to conditions in the physical environment, including air and water quality, housing and transit.

The Rankings are designed to help county governments understand the factors that influence the health of residents and their life span.

Richards and Reynoso new leaders of Council's progressive caucus

Councilmembers Donovan Richards and Antonio Reynoso are the new co-chairs of the City Council's Progressive Caucus, succeeding Melissa Mark-Viverito. Mark-Verito is the new Speaker, and Brad Lander is the deputy leader.

Freshmen lawmaker Ben Kallos is the new vice chair for policy, and freshman Helen Rosenthal is the new chair of the committee on contracts.