



# MITCHELL-LAMA RESIDENTS COALITION

Vol. 23, Issue 1  
March 2017

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

## St. James Towers coop votes to remain in M-L program

**S**t. James Towers will remain in the Mitchell-Lama program, as residents of the Brooklyn cooperative voted on February 23rd to keep their units affordable for future moderate- to middle-income residents.

Advocates of privatization in the borough's Clinton Hill neighborhood were unable to secure the required two thirds of the 326 units to prevail. As a consequence, they will not be able to sell their apartments for "a killing"--hundreds of thousands of dollars in New York City's stratospheric housing market.

As in other M-L coops that went private, residents were sharply divided over the prospect of privatization. Those supporting it had hoped to secure a personal windfall, after years of living in the subsidized development. Those in favor of remaining in M-L argued that their years of affordability should be passed on to future purchasers. In addition, they argued that while they could have kept their own apartments under a privatization plan, their carrying or maintenance expenses would go up because the development would lose its tax-exempt status. Before the vote, the two groups held opposing rallies.

## NYCHA fears federal funding cuts will imperil public housing existence

**F**ollowing the announcement that federal grants to the New York City Housing Authority will be cut by \$35 million, city and NYCHA officials are expressing fears that the cuts could swell to as high as \$150 million. In fact, some fear that the effects of the cuts will be so severe as to render the projects inoperable--or non-existent. Shola Olatoye, NYCHA's chief operating officer, told the Wall Street Journal that "The direction we're moving in is one where public housing is drastically different or doesn't exist."

Federal funding amounts to around two-thirds of the agency's operating budget of \$3.2 billion.

The impending cuts--\$27 million for operating costs and \$7.7 million for Section 8 vouchers--which were planned before Ben Carson became HUD's secretary, comes at a time of increased homelessness in the city (see story on page 6). The homeless situation would be far worse were it not for the existence of Housing Authority projects, which provide homes to more than 400,000 low- and moderate-income people.

Even prior to the announcement

of the cuts, NYCHA officials had been considering plans to allow private developers to construct new housing on the projects' open land, currently used for recreation and other facilities by the residents. These plans may now gather steam, as a way to counter current and future revenue shortfalls.

The idea of enticing private developers to bid on NYCHA properties originated in the Bloomberg administration, but those plans called only for the construction of luxury units. Under Mayor de Blasio, the plan--now known as Next Generation Neighborhoods--calls for both luxury and affordable units.

## Upcoming MLRC activities: Meet & Greet, & Street Fair

**M**eeet and Greet, the MLRC's annual get-together with local elected officials, will be held on May 6, 2017.

The Mitchell Lama Residents Coalition will participate in the street fair on Sunday, June 4th, from 65th street to 72nd street on the west side of Broadway, in Manhattan.

**MLRC lobbying platform, page 6**

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

## GENERAL MEMBERSHIP MEETING

Saturday, June 17, 2017  
10:00 a.m - noon

Workshops for ML co-op shareholders, and current & former residents of post '73 ML rentals. *Refreshments at 10:00 a.m.*

**NOTE:** If weather is inclement, prospective attendees should call the MLRC hotline at [212-465-2619](tel: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

## RuthAnne Visnauskas new commissioner of NYS Homes and Community Renewal

RuthAnne Visnauskas has been appointed the new commissioner of the New York State Homes and Community Renewal agency. She will succeed James S. Rubin, who will leave the post to become director of operations for the Executive Chamber.

Ms. Visnauskas currently serves as Executive Deputy Commissioner for Housing Development, where she is responsible for strategic leadership and oversight of all housing and finance programs for HCR, according to a statement from the governor's office. Prior to joining HCR, she was Managing Director of the Housing Advisory Board for the Robin Hood Foundation, a large anti-poverty program in the state. The Housing Advisory Board was established to

fund initiatives to advance the quantity and quality of affordable housing for low-income New Yorkers.

Previously she held several key positions at the New York City Department of Housing Preservation and Development, including the role of Commissioner.

Gov. Andrew Cuomo also appointed Linda Manley as General Counsel for HCR, where she had been acting GC since May 2015. Her prior positions included serving with the Lawyer's Alliance for New York, where she helped provide legal services to nonprofit organizations focused on affordable housing, economic development and social services. At Lawyers Alliance, Linda was a member of the senior management team and supervised all staff attorneys.

## Bronx families face greatest risk of being displaced by gentrification

Households in the Bronx face the highest risk in New York City of being displaced through gentrification, according to a new report from the Regional Plan Association. While the basic findings of the study--that gentrification displaces long time residents--will hardly be of surprise to anyone following affordable housing issues for the past few decades, one key finding is that in New York City, which has experienced gentrification and displacement as far back as the 1950s, is that among the five boroughs, the Bronx has the highest proportion of tracts--71 percent--with households at risk of being pushed out. Brooklyn follows with 55 percent. After that, in order, are Manhattan and Queens with 31 percent each, and

Staten Island, with 15 percent.

Among the Bronx's tracts, more than two-fifths are currently "shifting toward a higher housing market," the report said, which adds intense pressure against lower-income residents to remain in their homes.

In addition, the Bronx has the highest percentage of households that are "rent burdened," that is, which spend more than 30 percent of household income on rent. Staten Island, again, has the lowest proportion of such households.

The full report, "Pushed Out: Housing Displacement in an Unaffordable Region," is available online at <http://bit.ly/2ls3NVq>

## JOIN THE MITCHELL-LAMA RESIDENTS COALITION 2017

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.

## UPCOMING EVENTS

### MLRC General Membership Meeting Saturday, June 17, 2017

10:00 a.m - noon

Workshops for ML co-op  
share-holders, and current  
& former residents of post '73  
ML rentals

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.

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## Nadler, Tunstall to be honored at MLRC's 'Meet & Greet' event



Congressman Jerrold Nadler and MLRC Co-Chair Margo Tunstall

Congressman Jerrold “Jerry” Nadler, and MLRC Co-Chair Margo Tunstall, will be honored by the Mitchell Lama Residents Coalition at its “Meet & Greet” event on May 6th. Both will receive the group’s plaque of appreciation.

Nadler’s 10th district includes Manhattan’s Upper West Side, the Theater District and Times Square, Chelsea, Greenwich Village, SoHo, Wall Street, and the Brooklyn neighborhoods of Borough Park, Bensonhurst, and Kensington, and parts of Bay Ridge, Dyker Heights, Red Hook, Sunset Park, and Midwood.

Tunstall has been active for years in various capacities at the MLRC. In addition to her current position as co-chair, she serves on the editorial committee for this newsletter.

Well known for his championing of political and economic justice—affordable housing, civil rights, reproductive freedom, LGBT rights, as well as health care, support for the arts and similar issues—Nadler began his political career in 1976 in the New York State Assembly, where he served for 16 years. In 1992, following the death of Congressman Ted Weiss, Nadler was elected to the U.S. House of Representatives in a special election and has served in Congress ever since.

He has successfully garnered hundreds of millions of dollars for Section 8, and helped shape the national debate on Social Security by being the first to challenge the Republicans’ “doom and gloom” solvency forecast, to the passing of his bill to close the digital divide in education.

## Essex Crossing lottery for below-market rents on lower east side now open

The lottery for affordable housing at the Essex Crossing complex on Manhattan’s lower east side is now open. Applications for 104 below-market apartments at 145 Clinton Street are currently being accepted by the City’s HPD. Expectations are that this part of the development will be completed by the fall, and will bring the number of affordable units to 561.

Depending on family size and income, rents will range from \$519 for a studio to \$3,424 for a three-bedroom apartment.

When all of Essex Crossing’s nine site are developed, 1,078 new apartments will appear in the neighborhood, around half of which will be below-market. Retail and entertainment facilities

will be included.

In the housing lottery, priority for the units will go to tenants whose homes had been raised for the development during the 1960s. In addition, as reported by the real estate information service DNAinfo, those who lived in the Seward Park Extension Urban Renewal Area — bordered by Essex, Delancey, Grand and Willet Streets — between 1965 and 1973 “will be given preference in the application process for roughly a quarter of the units, according to the city Department of Housing Preservation and Development.”

Rents vary considerably. For a breakdown of rents by household composition and income, see <http://on.nyc.gov/2lwXgxy>

## MLRC endorses Mayor's 'mansion tax' proposal

The Mitchell Lama Residents Coalition has endorsed Mayor Bill de Blasio’s mansion tax proposal. The special tax would hit all residential property sales of \$2 million or higher with an extra 2.5 percent levy. The revenue from such a tax — which would require approval from state lawmakers — would go toward creating rent subsidies for as many as 25,000 low-income seniors by providing up to \$1300 per month to help seniors stay in their homes. (See full MLRC lobbying platform on page 6.)

## MLRC to hold executive board elections in June

The MLRC will hold its bi-annual executive board elections on June 17, from 10 a.m. to noon, at its general membership meeting. Board members must be in good standing, having paid dues, having no MLRC outstanding debts, and having participated in at least two Coalition activities or committees per year.

## Bklyn armory developer offers \$500,000 for affordable housing

A developer in Brooklyn has offered a half-million dollars, to be derived from the future sale of new condominiums in the Crown Heights Armory, for affordable housing elsewhere in the neighborhood.

The money offered by the developer, BFC Partners, will go to a new fund, to be administered by the Local Development Corporation of Crown Heights, a developer of housing for low-income families and seniors. The fund will be overseen by both developers and Rev. Daryl Bloodsaw of the First Baptist Church of Crown Heights, the successor to the late Rev. Clarence Norman Sr., who founded LDCHH in 1987.

The new luxury townhouse condos will be built on President Street in what is now a row of former horse stables at the Bedford-Union Armory, originally constructed in 1903. On other streets of the armory, the development will include a residential building in which half the units will be sold at market rate. Of the remaining units, 30 percent will go for middle-income housing, and 20 percent for more affordable prices. These units will be in addition to any new affordable housing to be created under the new fund.

## Lafayette-Boynton to provide 435 affordable apartments

Lafayette Boynton, a former Mitchell-Lama complex in the Soundview section of the Bronx, is now undergoing ground-breaking renovation, which will contain 435 apartments. Units are expected to be rented to families earning up to \$24,480 for a family of three, and no more than \$77,520 for a three-member household. Apartment size will range from studios to three bedrooms. In addition, each building will have a community facility of 7,500 square feet.

Green space, a play area for children, and an outdoor fitness center, will also be included. In addition, a parking lot containing 366 spots will replace the current 123-car lot. Construction is expected to be completed by summer 2019.

The million-square-foot development was constructed in 1969 as middle-income housing under the Mitchell-Lama program.

The new designs were developed by Curtis + Ginsberg Architects.

## 5,000 Bronx NYCHA families to get free tablets, internet

Around 5,000 families in Bronx public housing will receive free tablets and internet access, according to a statement by Mayor Bill de Blasio in January.

“There are very few examples that are stronger of a tale of two cities than the question of Internet access,” de Blasio said. “It cuts immediately along economic lines. You have money, you have Internet access. It’s a given. And if you don’t have money, a lot of people don’t have it.”

The tablets will be provided by T-Mobile. The city’s Dept. of Information Technology and Telecommunications will fund two years of data for the devices.

NYCHA began to distribute the tablets in January to families that qualify who have children younger than 19 years old. The devices are preloaded with apps to help users connect to city services, including a 311 app and the NY Public Library’s SimplyE, which enables users with library cards to access to all 300,000 of the library’s e-books.

## Penn South agreement locks in affordability for two more decades

Penn South, an early affordable cooperative development in Manhattan’s Chelsea neighborhood, will be allowed to extend its affordability for another twenty-two years, as the result of a deal finalized by the Obama Administration just before the Trump administration took effect. The deal will also enable the co-op, which contains almost 3,000 units, to reduce its debt levels and lock in current interest rates.

The deal is especially welcome to the residents, many of whom are elderly, who faced a possible end of the development’s affordability.

According to NYS Sen. Chuck Schumer, the agreement was approved by the federal Office of Management and Budget.

“Penn South tenants can breathe a sigh of relief,” Schumer (D-N.Y.) said in a statement.

## Perkins regains Council seat in Harlem’s special election

State Sen. Bill Perkins was elected in February to represent Harlem in the City Council.

With only a third of the votes, Perkins out-pollled nine other candidates in the special election for the 9th district, one of whom was a write-in. His victory returns him to the seat he held between 1998 and 2005. The district entails central Harlem and segments of both East and West Harlem, along with Morningside Heights and the Upper West Side.

His nearest competitor was Marvin Holland, who had garnered nearly a fifth of the total votes. Holland is the policy director for

the Transportation Workers Union Local 100.

The seat became vacant upon the departure of Inez Dickens, who left to take her seat in the Assembly last November.

Perkins will hold the Council seat for a year, which is the norm for special elections. In September, citizens will vote in a primary; the winner of that election will serve a four-year term.

Perkins, who had been accused by Holland of petition fraud, won in court. He was eventually endorsed by Mayor Bill de Blasio and the Council’s Progressive Caucus, a left-oriented group of councilmembers.

### 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	Michangelo 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

## Mayor de Blasio's \$84.7b budget allocates \$1 billion for NYCHA; the remainder is for police, schools, repairs & wages

The \$84.7 billion budget released by Mayor Bill de Blasio in January allocates one billion dollars for NYCHA, which will be used essentially for roof repairs on 729 buildings over the next decade. These funds will be in addition to the \$300 million announced in 2015.

The remaining funds will go towards improving police facilities and public safety; infrastructure, including the proposed third water tunnel and bridge repairs; education and youth; and wage increases for city employees.

The new budget has set aside one billion dollars in reserves (compared with the traditional \$300 million) in large part because of “unknowns” regarding federal funds to the city. A key unknown is whether President Trump will retaliate against Mayor de Blasio's statements that New York City will not cooperate with Trump's anti-immigration policies, such as his opposition to sanctuary cities.

Following are highlights of allocations based on information provided by City Hall. The full budget data is available at <http://on.nyc.gov/2k4I89c>

### Police and public safety

**Bullet-proof glass:** \$10.4 million to install bulletproof glass in all NYPD patrol cars

**Police training:** \$275 million to upgrade the Rodman's Neck NYPD training facility over the next five to seven years.

**Gun violence:** \$4.5 million for a community-based gun violence prevention system.

**Street safety:** \$330 million to boost Vision Zero efforts, including street safety reconstruction, bike lane

safety improvements and pavement safety markings.

### Education and youth

**Internet in schools:** \$16.4 million for improved internet service in schools.

**New school seats:** \$495 million to fund 38,487 new school seats.

**After school:** \$14.9 million to fund 22,800 slots in the School's Out NYC after-school program.

**Youth employment:** \$9 million to expand the Summer Youth Employment Program from 60,000 to 65,000 slots.

**Life sciences:** \$150 million for a life sciences research and development facility.

**Literacy:** \$29 million for the Universal Literacy Program, targeting second graders at risk.

**Crossing guards:** \$6.3 million to hire 100 school crossing guard supervisors and 200 school crossing guards.

**Beacon:** \$6.2 million in FY18 and out to establish new Beacon programs in underserved communities and create cultural competency for training providers. (Beacon programs are school-based community centers serving children age six and older, and adults.)

### Roads, infrastructure and related repairs

**Roads:** \$147 million to repave 1300 miles of roads and highways in Fiscal Years 2018 and 2019.

**Third water tunnel:** \$303 million in capital funding, part of the 10-year capital plan, to complete work on New York City's third water tunnel.

## Lawyers group says non-profits may take political stands

The Lawyers Alliance for New York has issued an “alert” informing non-profit organizations of their right to take political stands on current issues without losing their tax-exempt status.

In the alert, which is intended only as general information rather than legal advice, the group said that while groups with 501(c)(3) status may not lobby or advocate for any individual for public office, they can “criticize or

praise sitting public officials, including the President, for actions that they take while in office; take a position on issues, such as environment, refugees, or school reform; and take a position on specific government actions, including Executive Orders, and proposed laws and regulations.” However, “Taking such a position may count towards a public charity's limit on lobbying activity.”

## Rent freeze applications for SCRIE and DRIE now available online

The New York City Department of Finance (DOF) has announced that 2017 application forms for the Rent Freeze Program for seniors and people with disabilities (SCRIE and DRIE) are now available for download as fillable PDFs. Copies may be downloaded from <http://nyc.gov/rentfreeze>

The forms feature an eligibility checklist, income worksheet, application, and frequently asked questions. Residents will have the option to download the complete application packet or just the application pages they need. Larger print versions and translated versions in a fillable PDF format will also be available for your convenience.

The new applications are specific to the calendar year, so these application forms will be in effect through December 31, 2017.

Forms include

¶ The 2017 SCRIE and DRIE Initial Applications;

¶ SCRIE/DRIE Benefit Takeover Applications, combined for both SCRIE and DRIE applicants with an option to apply for a redetermination all on a single form;

¶ 2017 SCRIE and DRIE Renewal Applications, available for applicants who have not received one in the mail.

The Department of Finance will continue to mail renewal applications pre-populated with applicant information about 60 days before the benefit end date.

Residents with questions should visit either [nyc.gov/contactscrie](http://nyc.gov/contactscrie) or [nyc.gov/contactdrie](http://nyc.gov/contactdrie). They can also call 311.

## \$93 million for tenant legal services program

City Hall and the City Council announced in February a \$93 million program to guarantee legal services for tenants facing eviction in New York City Housing Court.

Under the program, New Yorkers with household incomes below \$50,000 will have access to free legal representation; for those with higher incomes, the city will provide legal counseling. Funds for the program will be phased in over the next five fiscal years, starting with \$15 million in 2018 and reaching \$93 million by 2022.

“No longer will low-income New Yorkers have to face the life-altering threat of an eviction alone,” said Councilman Mark Levine who had proposed the legislation in 2014.

According to the city, roughly 400,000 New Yorkers will be served under the program.

# MLRC 2017 lobbying platform

Following is the 2017 MLRC lobbying platform. MLRC supports:

## **Mitchell Lama reform bill:**

**A1349** (Rosenthal)

This bill would authorize the local legislative bodies to declare a housing emergency and extend the protections of rent regulations to building that were formerly Mitchell-lama rentals or HUD subsidized housing and were privatized. Additionally this bill authorized local legislative bodies to declare a housing emergency and extend the protections of rent regulations to current Mitchell-Lamas rentals or HUD subsidized housing developments that privatize in the future.

**Mitchell-Lama Bill on transfer tax on sale of rental project or mutual company A04441/ S03184** (L. Rosenthal/Krueger) (Senate Co-sponsors: BAILEY, HAMILTON, HOYLMAN, MONTGOMERY, PERKINS, SERRANO, STAVISKY).

Provides for a transfer fee of 75% of the fair market value in dissolution or sales of a rental project or mutual company.

**Mitchell-Lama Bill on use of funds from privatization of Mitchell-Lama developments A05011**

(D. O'Donnell) (Co-sponsor: D. Glick) (MLTSPNSR: R. Gottfried)

Provides that revenues from buy-outs of Mitchell-Lama projects, whether state-aided or municipally-aided, must be used for affordable housing purposes by the state or the municipality; creates a special state fund, the Mitchell-Lama buyout affordable housing fund; provides that such fund's revenues may only be used for housing projects meeting Mitchell-Lama eligibility criteria.

**The Mayor's Mansion Tax proposal.** The "mansion tax" would hit all residential property sales of \$2 million or higher with an extra 2.5 percent levy. The revenue from such a tax — which would require approval from state lawmakers — would go toward creating rent subsidies for as many as 25,000 low-income seniors by providing up to \$1300 per month to help seniors stay in their homes.

**Passing a law which allows Mitchell-Lama developments which have left the program to be brought back in to Article 11 of the PHFL.**

**Creating a program based on the principles of SCRIE to protect the**

rents of former Mitchell-Lama renters unprotected by public subsidy or permanent, private protection agreements.

**The platform of Cooperators United for Mitchell-Lama.**

**Assembly Bill A08358** (L. Rosenthal) -Requires that municipal tax exemptions be expired before a M-L co-op can privatize.

**Assembly Bill A03199/ S02338** (L. Rosenthal/M. Alcantara) -Initiates a four year moratorium on M-L privatizations State Senate Bill S6916 (A. Espallat) [identical to A08358; called "same as"] 2015

**The platform of the Alliance for Tenant Power**

**Strengthening the rent stabilization laws by repealing high rent vacancy destabilization: S1593** (Serrano)/ A954 (Kavanagh) This bill would eliminate the statutory vacancy bonus, an automatic rent increase of up to 20% that landlords can use to raise rents every time the apartment turns over.

**Excluding Social Security from SCRIE eligibility: S1930** (Addabbo)/ A8608-2011 (Titone)- to be reintroduced) This bill would allow the city to exclude Social Security payment and supplemental security income from the definition of "income" when determining eligibility for the Senior Citizen Rent Increase Exemption (SCRIE) program. (MLRC supports an amendment to make the same change to the DRIE program.)

**Indexing the income ceiling for both SCRIE and DRIE to the Cost of Living Index.**

**The prohibition of the use of New York City or New York State pension funds for the financing of Mitchell-Lama buy-outs.**

**End source of income discrimination statewide: S149** (Squadron)/ A 06764(Crespo) This bill would end source of income discrimination, making it illegal for landlords to deny tenancy to people who pay their rent using Section 8 vouchers or any other forms of rental assistance.

**The repeal of the Urstadt Law** and the re-establishment of Home Rule for New York City.

The speedy enactment of an amendment to the NYC Human Rights Law providing that a rental building's amenities should be equally available to

## **Will HUD programs benefit Trump? Carson declines to say**

During a US Senate hearing in January regarding his then forthcoming appointment as the Secretary of HUD, Ben Carson declined to guarantee that none of the money the federal agency provides in grants and loans to citizens would benefit President Donald Trump or his family members. Trump, who made his own fortune in real estate after inheriting his father's realty empire, has not yet fully divested himself of his real estate interests.

Carson, a conservative retired neurosurgeon with no background in either housing or government, said he "will absolutely not play favorites for anyone" as secretary. "It will not be my intention to do anything to benefit any American," he said. "It's for all Americans, everything that we do."

Nevertheless, responding to questioning by Democratic Senator Elizabeth Warren, Carson said he would not cut or limit a program if "someone" gained money from it.

"If there happens to be an extraordinarily good program that's working for millions of people, and it turns out that someone that you're targeting is going to gain, you know, ten dollars from it, am I going to say no, the rest of you Americans can't have it? I think logic and common sense probably would be the best way," he said.

Warren responded that "The problem is that you can't assure us that HUD money, not of ten-dollar varieties but of multimillion-dollar varieties, will not end up in the president-elect's pockets. And the reason you can't assure us of that is because the president-elect is hiding his family's business interests from you, from me, from the rest of America. And this just highlights the absurdity and the danger of the president-elect's refusal to put his assets in a true blind trust."

In contrast to Warren's concerns, Republican senators at the hearing showed little concern for Carson's lack of experience. For example, Senator Mike Rounds said "It seems to me that probably running this department is not really brain surgery, and if you can handle that you most certainly have the abilities to step in and look at this with fresh eyes."

Carson eventually won sufficient Republican support to be appointed HUD Secretary. The votes were 58 for and 41 against.

## Affordable housing news from around the nation

### National: federal budget confab spells danger for housing

Warning that President Trump's budget negotiations could result in drastic reductions in funding for key federal affordable housing programs, a post on Shelterforce's blog "Rooflines" wrote that danger faces project-based rental assistance (PBRA), Housing Choice Vouchers, the HOME program, and Community Development Block Grants, all of which are already drastically underfunded today. "The Bipartisan Budget Act of 2015 is set to expire this year, which means that sequestration caps will return. Recently, President Trump spoke about eliminating parity by lifting the spending caps for defense programs, which would place the full weight of budget limitations on non-defense expenditures. Moreover, he proposed cutting non-defense spending by an additional one percent each year for the next 10 years. These proposals could devastate housing programs, significantly increasing poverty and homelessness in America." --*Rooflines (Shelterforce)*, 2/10/17

### Baltimore: task force seeks network of affordable artist studios

Following the fire at a run-down building containing do-it-yourself artists' studios in Oakland, Calif. last December, which took the lives of 36 people, Baltimore's mayor has set up a Safe Arts Space task force to create a network of safe and affordable spaces for her city's artists, many of whom also live in illegal spaces.

The group will identify artists' space needs, study code and regulatory issues, and attempt to secure financing options for new development.

Challenges facing the task force include finding out how many artists are working in Baltimore. Also, according to Aran Keating, the artistic director of a local opera, artists living in underground spaces are traditionally loath to draw attention to themselves, for fear of "trigger[ing] some sort of inspection," as well as drawing the wrath of right wing Internet vigilantes, who claim the Oakland space was a "radical leftist commune rife with HIV, drugs and alternative lifestyle degeneracy."

In a related development, **Denver's** commission on cultural affairs

is also exploring the idea of creating a resource bank of professionals willing to donate pro bono time to helping arts spaces get up to code.--*Next City*, 2/14/17

### Seattle: new revolving loan fund for transit and housing

Seattle launched a \$21 million revolving loan fund to offer low-cost financing for the acquisition of transit-accessible property to construct housing for low-income working families. The goal is to prevent luxury housing developments in an area where new transit facilities are located. Usually, private developers tend to buy up lots and buildings where new transit facilities either open or are slated to open. The process often leads to soaring rents and consequent displacement of longtime non-wealthy residents.

The new fund is designed to enable affordable housing developers to compete with their luxury-oriented peers. For example, nonprofit developers will be required to have only 5 percent equity or cash on hand to acquire a property, versus 10 percent equity for for-profit developers.

### Texas: bill seeks to stymie new housing under the LIHTC

A bill introduced in the Texas state legislature would make it almost impossible to build affordable housing under the Low-Income Housing Tax Credit. At present, Texas developers seeking to use the LIHTC must notify only local officials and community leaders in the immediate district surrounding the development. Under the bill (H.B. 1792), however, all neighborhood groups within five miles would be allowed to comment, and then only by adding negative points to an application. Neutral or supportive feedback would not count.

Further, any proposed affordable housing using the LIHTC would have to be identified as "low-income government-subsidized housing," which in many areas of the state has a negative connotation. The author of the proposed bill, Valoree Swanson, had campaigned on "stop[ping] low-income government housing," and "protect[ing] neighborhoods' safety and property values."

--*Atlantic City Lab*, 2/17/17

## Housing Briefs

### Jarka Hall to keep all senior apts affordable

Monsignor Alexius Jarka Hall, a development on Bedford Avenue in Williamsburg, Brooklyn, will keep all 63 senior apartments affordable for another 35 years, according to a statement from the Mayor's office in January. The development is undergoing a \$19-million preservation project, which includes repairing the building's roof, exterior, plumbing and electrical system. The kitchen in each apartment will be renovated.

### New leaders at HPD and EDC

Two city officials under Deputy Mayor Alicia Glen will preside over the city's housing and economic development agencies, the de Blasio administration announced in January. Maria Torres-Springer, the president of the city's Economic Development Corp. will head HPD, succeeding Vicki Been, who has led the agency since 2014. James Patchett, Glen's chief of staff who also served as vice-president at Goldman Sachs' Urban Investment Group under Glen, will head EDC.

### Towers of Bay Ridge urged to extend application deadline

State Senator Diane Savino's office has been fielding a torrent of complaints from residents seeking to apply to a lottery for the Towers of Bay Ridge, a M-L complex in Brooklyn. Residents have been furious that they were not given enough time to acquire and fill out application forms before the original deadline of December 23.

The lottery is operated by Election Services United Corp. An official from that firm reportedly told Savino's office that ESUC sent out the papers with sufficient time to reply, and that blame should be placed on the US Postal Service for delay in delivering the required papers. The local branch of the Service denied any delays.

### Lefrak and Roth to head Trump's infrastructure council

Richard LeFrak of the LeFrak organization and Stephen Roth of Vornado Realty Trust will head a new council in the Trump administration to monitor spending on a planned national infrastructure effort. The effort aims to generate up to a trillion dollars by offering private developers \$137 million in tax cuts. Both Roth and LeFrak have been longtime friends and associates of Trump.

## Gov. Cuomo predicts his revised 421-a will generate 2,500 affordable housing units

Gov. Andrew Cuomo has predicted that his budget's revised tax exemption program known as 421-a will generate 2,500 units of affordable housing in New York City.

The exemption program allows developers who are building mixed income rental housing on sites that are vacant, underutilized or have a "nonconforming" zoning use to avoid paying taxes resulting from the new construction.

The old program, which expired at the end of 2015, had been widely condemned by affordable housing proponents as a giveaway to developers who used it for luxury developments, while detracting from the City's tax revenue.

The original 421-a program, created in 1971, offered a ten-year tax abatement for *any* new construction, with no requirement that it include affordable units. The result was enormous tax benefits for developers of luxury condos, such as One57 and 15 Central Park West, both in Manhattan.

The affordability component, in fact, had not been added until 1985, after then Mayor Ed Koch denied a \$50 million abatement to the Trump Tower on Fifth Avenue. (Trump sued, and the City lost.) The new provision required that any projects below 14th Street and above 96th Street in Manhattan--an excluded area for 421-a--had to provide either on-site or off-site affordable units to secure the abatement. That provision, however, was not very effective in generating housing for anyone other than the very wealthy. It did, however, cost the

City around \$1.1 billion in lost revenue, according to the Municipal Art Society.

The revised 421-a, known as Affordable New York, presumably meets Cuomo's demands for labor provisions--an average hourly wage of \$60 (which includes benefits) for construction workers in Manhattan and \$45 for workers in Queens and Brooklyn--and more affordable units. It extends the terms of both rent caps on the apartments created and the tax break.

Mayor Bill de Blasio, however, has criticized the Cuomo plan, arguing that taxpayers will lose much more than his own proposal. For example, the mayor said his program, dating to 2015, had a per-unit subsidy of \$421,700 and would have produced 25,500 apartments over 10 years. In contrast, he said, the state's proposal has a per-unit subsidy up to \$544,300 and would produce 21,750 affordable apartments over ten years. "In other words, more than \$100,000 per-unit above the cost of our proposal with less affordable housing," de Blasio said.

Also in the governor's budget plan, separate from 421-a, is \$20 million to create or preserve 100,000 units of affordable housing and 6,000 units of supportive housing over the next five years, beginning in 2017. Another \$100 million is slated for Mitchell-Lama properties; up to \$54 million toward homeownership aid and incentives; and up to \$10 million toward continued neighborhood revitalization investments.

## Ruth Vool Ellen, actor and tenant leader at Central Park Gardens dies

The Central Park Gardens Tenants' Association has announced the passing of one of its founders and long-time president, Ruth Vool Ellen.

In a statement, the association noted that "A retired actor and administrator in the Yiddish theater, Ruth was--always with sharp wit--a wonderful neighbor. As a one-person head of the tenant association, she was available to tenants day and night for decades. She set our association on a sound footing financially and as part of a larger community. Our successes come from the base

that she created. After Ruth became frail, our indefatigable neighbor Lenore Richter managed Ruth's care with the warm help of Amina Bah and other caretakers.

"Our condolences go to Ruth's sister Lola Mendelson, Lola's son Simon and his wife Sharon, and their extended family."

The funeral was held Monday, March 20, 2017 the Plaza Jewish Community Chapel, Amsterdam Avenue at 90th Street.

## In spite of income gains for poor, affordable housing remains elusive

For the first time since the 2008 recession, U.S. household income increased significantly during 2015 even among the lowest income households, according to federal data compiled and analyzed by the National Low Income Housing Corporation. The group's new report, issued in March, said that "gains were seen even among the lowest income households, with the poverty rate declining from 14.8 percent to 13.5 percent."

Nevertheless, "Millions of people . . . continue to struggle economically. Household income for the poorest ten percent of households remains six percent lower today than in 2006, and more than 43 million Americans remain in poverty, many of whom struggle to afford their homes."

This year, for the first time, the NLIHC adopted the federal government's new statutory definition for "extremely low income" (ELI) households. That defines ELI as households whose income is at or below either the poverty guideline or 30 percent of their area median income, whichever is higher.

Based on 2015 American Community Survey data, the report provides information on the affordable housing supply and housing cost burdens at the national, state, and metropolitan levels.

The new study, "A Shortage of Affordable Homes," is accessible at <http://bit.ly/1BoMSJG>

## MLRC 2017 lobbying platform

*Continued from page 6*

all its residents in NYC, whether they be market rate, LAP, voucher, rent stabilized, rent controlled tenants, or belong to any other group of affordable housing tenants. Moreover, that paid amenities be available on a sliding scale to all residents.

**Legislation to end all illegal hotel activity in New York State.**

Funding the National Housing Trust Fund with revenue raised from modifications to the mortgage interest deduction.

\* Some bill numbers will be revised after their reintroduction in 2017.

**Raising the Senior Citizen Homeowners' Exemption (SCHE) income limit from \$37,399 to \$50,000 and indexing it to the cost of living going forward.**