



MITCHELL-LAMA RESIDENTS COALITION

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WEBSITE: www.mitchell-lama.org

Independence House battle heats up over privatization

A legal battle is brewing between a group of tenants at Independence House, a Mitchell Lama development on Manhattan's upper west side, and an organization with decades of experience in supporting affordable housing.

The organization, the West Side Federation for Senior and Supportive Housing, is in the process of acquiring the development to keep it affordable.

Fighting them is the tenant group, wishing to privatize the building, perhaps to turn it into condos or co-ops, which could result in a financial windfall for themselves and other current residents, while further eroding the city's stock of affordable units.

In an e-mail to several MLRC

directors, Hally Chu of the Manhattan Borough President's office said that "Under WSFSSH's ownership and through leveraging project-based Section 8 subsidies, Independence House will continue to remain in Mitchell-Lama, undergo capital improvements, and all residents (whether they qualify for Section 8) will pay no more than 30% of their income towards rent."

Chu noted that the area's community board's (CB7) land use committee has since rejected the privatization appeal, and that City Council member Helen Rosenthal has met with WSFSSH many times over the past year and is in favor of WSFSSH's proposal."

Bronx project will house 600 affordable units

A vacant waterfront site in the South Bronx will eventually support a massive housing and commercial development offering, among other things, 600 units of housing affordable to very low- to moderate-income tenants.

The full development, to be known as Bronx Point, will feature over a thousand units of housing, and will house the Universal Hip-Hop Museum--highly appropriate since hip-hop began in the Bronx (at 1520 Sedgwick Avenue, which had been a Mitchell-Lama development).

The bid to develop the area was won by L+M Development Partners, which will work in tandem with Type A Projects, a woman-led firm specializing in educational structures.

On its website, L+M, founded in 1984, defines itself as "an innovator in developing quality affordable, mixed-income and market-rate housing, while improving the neighborhoods in which it works." For example, it was involved in renovating the

Continued on page 7

Brooklyn BP Eric Adams, and Brooklyn CB1 Chairwoman Dealice Fuller, on Mitchell-Lama crisis: Page 8

Homeless in NYC shelters nears sixty thousand

The city's homeless shelters housed 59,971 people on September 17, 2017, presumably a typical day during the year (although a day in winter might

show a different number). Among them were 12,766 families. Data was provided by the NYC Dept. of Homeless Services.

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

GENERAL MEMBERSHIP MEETING

Saturday, October 28, 2017
10:00 a.m - noon

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
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

Michelangelo Apts to remain affordable under federal RAD repair program

Michelangelo Apartments, a 494-unit development on East 149th Street in the Melrose section of the Bronx, will remain affordable for the next forty years, thanks to almost \$160 million in funds raised under the federal Rental Assistance Demonstration (RAD) program.

MDG Design + Construction, a developer of the affordable housing complex, built in 1974 under the federal 236 loan guarantee program, owns the project with Cary Fields, and will be responsible for renovations.

Among other amenities, the development will boast a new 71,000 square

foot courtyard, to be shared with an early childhood learning center. The project reflects the state's program to repair and upgrade various Mitchell-Lama, Housing Authority, and other affordable housing units.

Michelangelo's four towers contain 80 studios plus several hundred one-, two- three- and four-bedroom units, plus retail space and underground parking.

Under the deal, the state's Homes and Community Renewal agency will provide \$82.5 million in tax-exempt bond financing to back loans from various other agencies.

East Harlem residents sue landlords for lack of service

Three landlords in East Harlem were smacked with a lawsuit in September, as tenants charged them with cutting off hot water and gas for cooking last year. Tenants are hoping that the suit will force the owners to correct 144 code violations and cease harassment, as well as paying fines.

The owners — Yehuda Ruzorsky, George Zayas and 231 East 117th LLC — claimed they had to shut the gas because of reported gas leaks. But according to press reports, the landlords did not submit the required paperwork for repairs.

Although work had eventually been done on the gas leaks, inspectors from the Department of Buildings discovered that the work was shoddy, and that “gas was being illegally supplied to the building

through the improper piping without first getting DOB inspections for the work,” according to a spokesman from DOB.

Fearful of potential accidents because of the improper work, DOB asked Con Ed to cut off the gas. Later, when inspectors attempted to check up on the situation, they were refused admission by the super.

Some tenants, finding it unbearable to remain in their apartments without being able to cook, have left.

According to DNAinfo, an online news service, previous owners had attempted to force out the tenants to replace them with others paying much higher rents. In 2007, a London based firm had attempted to do the same thing. The firm eventually sold the building.

UPCOMING EVENTS

MLRC General Membership Meeting

Saturday, October 28, 2017

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

Mitchell-Lama Residents Coalition, Inc.

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MLRC NEWSLETTER STAFF

Editor:	Ed Rosner
Assistant editors:	Katy Bordonaro Sonja Maxwell Jackie Peters
Editorial Coordinator:	Nathan Weber

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

JOIN THE MITCHELL-LAMA RESIDENTS COALITION 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.

Q & A: When the landlord offers to buy you out

By Sam Himmelstein

The following article appeared initially in [Brick Underground](#)

Q: I'm the last rent-stabilized tenant in a Cobble Hill building, where I've lived for many years. My landlord has offered to buy me out, either through a lump sum or by allowing me to live in another of his apartments rent-free for one year. My current rent is about \$2,000. Am I eligible to get a larger buyout? What's a reasonable amount to ask for?

A: First of all, renters in this situation are under no obligation to move, unless the landlord can come up with grounds to force them out within the bounds of rent stabilization laws (illegal sublets and non-primary residence claims are two main grounds for eviction from stabilized apartments).

One way a landlord could force out an otherwise rule-following stabilized tenant is if he intends to demolish the building and develop a new property on the site.

But then he'd have to file a case at the Division of Housing and Community Renewal, which could drag on for years. This doesn't seem like your landlord's plan, nor is it likely in a neighborhood like Cobble Hill, where zoning laws restrict the development of high-rises.

If you are a stabilized tenant whose landlord plans to demolish the building, you may be entitled to a stipend, based on the difference between the rent you're paying now and what it would cost to get a new apartment. Tenants paying significantly below market rate, therefore, stand to get much larger stipends than ones paying a higher rent. However, in many demolition cases, tenants negotiate seven-figure buyout payments that are far above the stipend amounts.

Another way a landlord might try to deregulate a unit is by doing Individual Apartment Improvements (IAIs)—for example, renovating your bathroom or kitchen, installing new flooring, or making other significant upgrades—which would then allow them to increase the rent, in some cases over the threshold for

deregulation. In this case, your landlord still can't charge the market rate for the apartment until you vacate. But don't expect a seven-figure buyout if this is what's happening.

People tend to get some multiple of the difference between what they're paying and what the landlord could get for the apartment."

If your landlord doesn't have grounds to deregulate and just wants you out, then being the last stabilized tenant in your building may provide you some added leverage.

The landlord doesn't have to worry that if he pays them a certain number, other tenants will find out and come also looking for buyouts. Being the last man standing is always something that's valuable.

A buyout isn't a question of eligibility, he adds, but rather a number of objective and subjective factors—most significantly, the temperament of your landlord.

Are they a cheapskate or a big spender? I find that when negotiating buyouts, there's often no rhyme or reason to it other than the individual. Some never pay buyouts, some pay less than others, and some just want to get it done quickly and will pay the maximum so they can move on.

Whoever your landlord is, it's crucial that you speak to a lawyer before engaging in negotiations. A tenant who has had a conversation with her landlord about buyouts before retaining an attorney may have limited her prospects, by suggesting an amount lower than what a lawyer could get.

After a tenant says they'll take a certain amount, the landlord will probably say 'No way' to more.' People begin negotiations and think they're being non-committal, but they're not. Landlords are professionals who negotiate these things all the time.

Sam Himmelstein is a lawyer who represents residential and commercial tenants and tenant associations.

Housing Briefs

RSA is state's largest pol donor

The Rent Stabilization Association, representing the city's largest owners who continuously lobby for increases in rent stabilized apartments, was the state's largest political donor in 2016, spending \$3.6 million to politicians on issues ranging from stabilization--its primary focus--to taxes. That amount was nearly two and a half times what the group had spent the year before (\$1.4 million). The data was released by the Joint Commission on Public Ethics in July.

Altogether, groups representing real estate and construction spent \$35.7 million during the year.

Critics of LIHTC charge private skimming

An investigation into housing funded by the Low Income Housing tax Credit Program by PBS' Frontline and National Public Radio in May concluded that some private builders "have been able to skim immense wealth off the top of the program for their own benefit, at taxpayers' expense," according to a report in Next City. Critics of the program have also charged that the program inadvertently promotes housing segregation. According to the investigators, the vast majority of LIHTC developments were located in low income areas, largely because of intense opposition of wealthier (and whiter) areas to affordable housing.

Patton, wedding planner new head of HUD's NY-NJ office

Lynne Patton, a longtime wedding planner and personal assistant to the family of President Donald Trump, was appointed to the top HUD office for New York and New Jersey in June. Other than a few months' stint as a public engagement specialist in HUD, Patton has had no government or housing experience. Her boss, HUD chief Ben Carson, a retired neurosurgeon, likewise has no government or housing experience. Carson's boss, Donald Trump, likewise has had no government experience prior to his taking office.

New roofs for Red Hook Houses

All 28 roofs at the Red Hook Houses in Brooklyn will finally be repaired, five years after being damaged by Hurricane Sandy. Funding will come from FEMA to the tune of \$63 million. Beyond the new roofs, the restoration project will include new boilers and, in anticipation another hurricane, backup electricity generators.

Tenants sue Trump son-in-law's firm on alleged rent overcharges

Kushner Companies, the real estate firm owned by the family of Jared Kushner, the son-in-law and key advisor to President Donald Trump, was sued in New York State Supreme Court in August. They alleged that the company violated the state's rent stabilization law and bilked the tenants of tens of thousands of dollars.

Housing Rights Initiative, a tenant advocacy group, provided the research for the suit, filed on behalf of nine tenants. HRI said that it has found similar violations of the law in at least fifty buildings owned by Kushner's companies.

The building at the center of the lawsuit is 89 Hicks Street, in the borough's wealthy Brooklyn Heights area. The complaint alleges that Kushner Companies failed to charge the legal rent stabilized rents after it purchased the building, formerly owned first by the Jehova's Witness Watch Tower and then by the Brooklyn Law School.

Rent Stabilization applies to any building above six apartments that was constructed before 1974. Owners must charge rents in accordance with the stabilization guidelines. According to Aaron Carr, a founder of Housing Rights Initiative, the failure to offer stabilized

rents was "willful," and intended to remove the apartments from any rent regulations.

Carr cited one example of how serious the alleged rent overcharges were: a tenant in a one-bedroom unit which should have rented for around \$1,000 a month was charged \$2,500 instead. Extended over a year, the tenant was paying around \$17,000 in illegal overcharges.

The complaint, seeking class action status, was filed by the law firm of Newman Ferrara. It argues that more than one hundred tenants have been similarly aggrieved. If so, a win for the suit, if it becomes class action, could find the Kushner Companies liable for over one million dollars in a single building.

Kushner Companies is hardly the only real estate firm in the city to face suits alleging illegal rent overcharges.

Several months ago, tenants in some sixty apartment buildings sued Stellar Management, headed by real estate mogul Laurence Gluck, alleging that the firm "illegally overcharged tenants for four years," as reported in the Wall Street Journal. The suit alleges Stellar received tax abatements but did not charge regulated rents as required.

Affordable housing news from around the nation

New Orleans: State okays inclusionary zoning

A committee in the Louisiana state legislature, which is Republican controlled, nixed a measure in June that would prevent municipalities from utilizing inclusionary zoning as a technique to generate more affordable housing. Had the measure become law, it would have rendered moot the efforts of the city's mayor, Mitch Landrieu, to require developers to set aside apartments for low income residents in various developments.

--Next City

Atlanta: renege on affordability promise

A promise of 5,600 affordable housing units to accompany the city's

BeltLine project--an open air rails to trails biking and hiking development--will not be kept, according to a report in the local press. The report noted that "BeltLine Inc. kept units that it funded affordable for only a short time; decreased spending on affordable housing as the city entered its current housing crisis; and even passed up on millions of dollars of potential funds. The untapped funds were enough to more than double the project's affordable housing budget, the investigation found." It went on: "Had the city continued to issue bonds as planned, BeltLine Inc. would have been legally required to spend 15 percent of it on affordable housing. But because city statute stated that 'bond proceeds,' not tax dollars, would go to affordable housing, BeltLine Inc. was free to spend the TAD windfall elsewhere."

Next City

Bklyn landlord brothers fined \$350,000 in harassment case

Two Brooklyn landlords who pleaded guilty to unlawful eviction charges in November wrote out a series of checks totaling \$350,000 in June to tenants who were their victims, and to the state's Tenant Protection Unit.

The landlords, Joel and Amrom Israel, were accused of physically destroying the tenants' apartments in an effort to evict them. They were accused of using pit bulls and men wielding baseball bats, to render some apartments uninhabitable. As a result, some tenants were unlawfully evicted.

One tenant noted that "Opening your door and finding your kitchen gutted and your bathroom and your sink on top of all the bricks is the last memory I have of where I lived with my children." Because of what they did to us our lives will never be the same. There's no amount of money that can ever repay what they've done."

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

This is news? Rents here are rising more than twice as fast as wages

It should come as no surprise to any tenant living in New York City that over the past seven years, rents have risen twice as fast as wages.

This finding comes from a new report by StreetEasy, a multiple listing real estate service.

The study, *The Widening Gap: Rents and Wages in New York City*, found that while median asking rents rose by 3.9 percent annually from 2010 to 2017, median wages rose only 1.8 percent.

Guess who were slammed the most: the report notes that among income brackets, New York's "lowest earners saw the least amount of wage growth, while their homes--the lowest bracket of rents--increased the most (4.9 percent annually) since 2010."

Further, "Increases in asking rents far outpaced the 1.2 percent annual increase in the cost of [all] other goods."

Although over the past year the pace of rental increases actually slowed compared with the pace following the 2008 Great Recession, the study notes that "New York City remains ranked firmly among, if not atop, the country's most expensive places to live, and for many New Yorkers, rents continue to consume a large share of household income."

As the economy began to recover, rents in the city "grew more than five percent annually in 2010, 2011, and 2012, but less than four percent in subsequent years. On average, an apartment asking \$2,000 per month for rent in 2010 would now ask \$2,657 per month," an increase of nearly 33 percent [or 19 percent after adjusting for inflation--ed.]

The pace of asking rent growth far surpassed the growth of other goods. **While asking rents rose 3.9 percent per year, inflation in general rose only 1.5 percent.** And in New York City's metro area, inflation--excluding the cost of shelter--grew only 1.2 percent annually.

Employment in general since the end of the recession has also grown, but that growth did not accompany any significant increase in median wages, which edged up only 1.8 percent annually since 2010.

The income and wealth disparity in the city was brought into high relief by the study, which found that the highest increases in rents were levied on the city's least expensive apartments. **Rents for the wealthiest real estate units grow by 2.6 percent; that compares with a rise of 5.1 percent for the homes of the lowest earners (for many of whom wages either "stagnated or fell.")**

Again, as if to confirm a generally accepted reality, the study notes that housing "remains affordable to those in the uppermost tier of the labor market, including the technology sector that has helped transform cities such as San Francisco, Seattle, and Los Angeles."

(The full Streeteasy study is available online at <http://streeteasy.com/blog/nyc-rent-affordability-2017/>)

No surprise: richer gain more than poorer

In a separate study released in September, the US Commerce Department found that, nationwide, median household income grew 3.2 percent last year after inflation. But that increase did nothing to slow income inequality. The same study noted that over the past decade, after adjusting for inflation, the poorest fifth of US households saw their income drop by \$571 over the past decade; while for the wealthiest fifth over the same period, income leapt by \$13, 479. (For a news report on the Census Bureau study, see NYT, September 12, 2017. For the study itself, see <http://bit.ly/2h05z3P>)

Small businesses organize here to fight displacement

A new coalition of small businesses in the city has formed to counter displacement threats from luxury developments. The group, United for Small Business NYC, represents community groups throughout the boroughs. It focuses primarily on owner-operated, low-income, minority-run businesses serving lower income areas.

New city laws aim to protect tenants from owner harassment

The city's tenants chalked up a major victory in August, as they welcomed Mayor Bill de Blasio signing into law eighteen bills to protect them against landlord harassment.

Under the new laws, landlords can face fines of up to \$5,000 when found guilty of harassment. The laws also allow housing court judges to award damages; restrict building permits if they owe more than \$25,000 in violations; and redefine harassment to include repeated unwanted landlord contact.

The laws were motivated by numerous tenant complaints over the years, especially among those in rent controlled or rent stabilized apartments. Once such units are vacated, owners can charge market rate rents.

One of the new laws address landlords who engage in disruptive and illegal construction, or deliberately interrupt essential services such as running water. Another law would create an office of tenant advocate withing the Department of Buildings.

Landlords lose effort to undermine the NYS tenant protection unit

Efforts by landlords to eliminate New York State's Tenant Protection Unit failed during the summer, as a state judge ruled that the unit did not usurp the authority of the legislature, as the owners had claimed.

The judge, State Supreme Court Justice Richard Velasquez, rejected the landlords' argument, stating that "The creation of TPU does not deprive plaintiffs of due process since the landlord is given a fair and meaningful opportunity to present evidence" against tenant allegations of unlawful rent overcharges "prior to DHCR's final determination."

He also noted that the rent stabilization law endows the state housing agency with authority to "provide safeguards against unreasonably high rent increases and, in general, protects tenants and the public interest."

Plaintiffs in the case were Portofino Realty Corp., the Rent Stabilization Association, the Community Housing Improvement Program, and various individual owners.

East Harlem residents furious at rezoning plan

Residents of East Harlem reacted furiously to a proposal by the City Planning Commission to rezone 96 blocks to allow higher density construction in residential and commercial areas. Under the proposal, new buildings would be allowed to soar to 35 stories.

At a stormy Community Board 11 meeting first in July, and later at the end of August, residents insisted that the board reject outright the proposal, regardless of promises offered by the city, or even if the city met conditions stipulated by the board. City promises included a "significant portion" of 3,500 new housing units to remain permanently affordable.

While not condemning the proposal outright, the board called for various conditions in order to approve the proposal, such as excluding a local playground and a specialty hospital from the zoning area, making buildings constructed on public land 100 percent

affordable, providing subsidies for housing preservation, and hiring local union workers for construction projects.

Such conditions did not mollify the residents. A spokesperson for the East Harlem Preservation group argued that regardless of the board's stipulations, the rezoning plan was a form of ethnic cleansing and would "destroy the very fabric of what has historically been an affordable tenement community serving immigrants and low-income families of color."

An impact statement by the city estimates that 27 residents and 14 businesses, including an estimated 209 jobs, could be displaced by the plan.

Public comments are currently being reviewed by the City Planning Commission, which can alter the plan. It will then head to the City Council in the fall. City Council sends recommendations to the mayor.

A final decision on the plan is expected by the end of the year.

Public Advocate releases list of banks funding worst landlords

Letitia James, the city's public advocate, released for the first time in August a list of the banks that lend the most to the City's Worst Landlord Watchlist.

"Banks should put their money where their values are, and stop funding the City's Worst Landlords until they fix unsafe housing conditions," James said in a statement. "Banks must use their economic leverage to get bad landlords to take responsibility for maintaining basic living conditions in their buildings. We won't rest until every single tenant has access to safe housing all across New York City."

The banks listed include:

Signature Bank (58 Loans, \$130,000,000 aggregate amount of mortgages held)

Capital One (24 Loans, \$30,000,000 aggregate amount of mortgages held)

Customers Bank (20 Loans, \$40,000,000 aggregate amount of mortgages held)

JPMorgan Chase (19 Loans, \$20,000,000 aggregate amount of

mortgages held)

New York Community Bank (15 Loans, \$30,000,000 aggregate amount of mortgages held)

Dime Community Bank (12 Loans, \$15,000,000 aggregate amount of mortgages held)

Investors Bank (11 Loans, \$12,000,000 aggregate amount of mortgages held)

Peapack-Gladstone Bank (10 Loans, \$15,000,000 aggregate amount of mortgages held)

Deutsche Bank (6 Loans, \$10,000,000 aggregate amount of mortgages held)

Astoria Bank (6 Loans, \$8,000,000 aggregate amount of mortgages held)

James urged banks to withhold loans from any landlord on the Worst Landlords List until all violations charged by HPD and the Department of Buildings are rectified.

Further, she said, banks should assess future property revenue only on the current rent roll.

Comptroller: Some new M-L tenants evade official lists

Thomas P. DiNapoli, New York State's Comptroller, charged several Mitchell Lama developments with allowing various tenants to skip their turns on waiting lists, thereby acquiring the much-valued apartments ahead of those who had been waiting far longer.

In a review of 74 tenant files at five developments during January 2014 through May 2016, DiNapoli found that while the "majority of sampled new admissions, internal transfers, and successions were selected from the Automated Waiting List (AWL) and approved by the state's Homes and Community Renewal, in most cases, neither [HCR] nor the development maintained the documentation required to confirm that tenants were selected in the order they appeared on the AWLs."

In a release, DiNapoli listed other findings, including:

- One development, Knickerbocker Village, did not request or receive DHCR approval for eighteen apartments it awarded. Moreover, it awarded three apartments to individuals who were not on the AWL.

- Four of the five developments did not comply with the required 3:1 internal/external ratio when offering apartments to applicants. For example, Knickerbocker Village officials awarded [various] consecutive one-bedroom units to external applicants, while at Amalgamated Warbasse Houses, we found several instances where at least six consecutive internal transfers were selected for the available two- and three-bedroom units.

- As of July 31, 2016, Westview had 51 vacant units, even though it had applicants on its internal and external AWLs. Ten of these units were vacant for as long as five years.

DiNapoli's recommendations included:

- Take appropriate action regarding tenants who were awarded apartments without DHCR approval and/or not selected from the AWL.

- Ensure that occupancy changes are supported by documentation showing the order in which applicants are selected.

- Ensure that housing developments comply with the requirements for awarding apartments, including (but not limited to) the 3:1 internal/external applicant ratio, the proper use of AWLs, as well as the prompt filling of vacant apartments.

Defections like Trump Village add to scarcity of affordable housing

The following article first appeared in the September 7 issue of *Habitat Magazine*. Reprinted with permission.

The very first real-estate project the current president of the United States worked on as a young developer was Trump Village, which his father, Fred Trump, built in Coney Island in 1964 and which he described, with the family's ingrained flair for hyperbole, as a "miracle mile [of] luxury housing" featuring "a Taj Mahal of aesthetically appealing apartment houses" – even though it lacked air conditioning and resembled a warren of Soviet-era housing blocks on the outskirts of Minsk.

The seven 23-story buildings with 3,700 co-op and rental apartments were built under the Mitchell-Lama program. Nearly 140,000 affordable apartments, both rentals and co-ops, were built under the program between the late 1950s and the early 1980s. In a city starving for affordable housing, demand continues to outstrip supply: middle-class New Yorkers who qualify under the income requirements routinely have to wait years to get one.

Part of the reason for the long wait is that the demand keeps rising while the supply keeps shrinking. In the past 20

years, owners of 38,000 Mitchell-Lama apartments, representing 28 percent of the program's housing, have left, Crain's reports, opting for the freedom to sell their apartments at prevailing market rates. In 2007, the residents of Trump Village voted to join the defectors. This wave of defections poses a formidable challenge to Mayor Bill de Blasio, who has promised to preserve or create 200,000 affordable units. As additional Mitchell-Lama apartments look to enter the open market, more battles loom for control of these valuable properties. In fact, bitter in-fighting is taking place today at market-rate Trump Village.

"Mitchell-Lama was one of the most successful affordable-housing programs ever," says Erica Buckley, a partner at law firm Nixon Peabody and former chief of the state attorney general's Real Estate Finance Bureau, where she reviewed the plans of buildings looking to exit the program. Her use of the past tense is telling. "As apartments leave," Buckley adds, "it has caused lots of complications."

NYS eviction prevention program to increase rent grants to \$1,515

Families eligible for funding under the state's eviction prevention program will shortly receive an increase in their grants from \$850 a month to \$1,515, so long as their current rent is below the larger amount.

The new rate for the program, known as the Family Homelessness and Eviction Prevention Supplement (FEPS), was agreed to in a settlement reached in February, following a lawsuit by four single mothers in New York City who were represented by the Legal Aid Society and Hughes, Hubbard & Reed. Filed in

2015, the suit argued that the old rate had not changed since 2009, notwithstanding rapidly rising market rents.

Eligible households, including mothers on public assistance with children who face eviction, and victims of spousal abuse, may receive the new rate as early as April.

The FEPS program will merge with a smaller program operated by the city, which already provides the \$1,515 rate. The city's program has aided almost 800 households since 2014.

Bronx project will house 600 affordable units

Continued from page 1

Marcus Garvey Apartments' \$190 Million Renovation in Brownsville, Brooklyn, which extended the affordability of 600 apartments in that Mitchell Lama complex for an additional forty years. The firm was also involved in converting a

former naval prison in Brooklyn into an affordable housing project.

Beyond the apartments and museum, Bronx Point will house a theater, a food and beverage mini mall, space for education, and a waterfront esplanade.

Bed-Sty resurgence detailed in NYS report

The economic resurgence of Brooklyn's Bedford Stuyvesant neighborhood has been apparent to young "hipsters" for the past several years, is now officially described in a new report by New York State Comptroller Thomas DiNapoli.

Issued in September, the report highlights the specific employment, trade, income, education and health developments of the neighborhood today, once considered a hardscrabble area fraught with poverty and crime.

The boom, however, has not been shared by all. As the report notes, "Gentrification has brought economic growth and new opportunities to Bedford-Stuyvesant, but the benefits have not been shared by all residents. Many long-term residents still face challenges."

The report's executive summary follows:

- The population in Bedford-Stuyvesant grew by 34 percent between 1980 and 2015, faster than the citywide rate of growth.
- The immigrant population has grown by one third since 2000, far faster than in Brooklyn or in the City as a whole.
- The number of businesses has increased by 73 percent since 2000, the fourth-fastest rate of growth among New York City's 55 Census defined neighborhoods.
- Private sector employment has increased by 45 percent since the end of the recession, exceeding 17,000 jobs in 2016.
- The retail trade and the leisure and hospitality sectors had the largest job gains between 2009 and 2016.
- In 2015, there was a wide disparity in median household incomes between new residents (\$50,200) and long-term residents (\$28,000).
- The number of households with incomes below the federal poverty level has increased by 13 percent since the end of the recession.
- The share of households that devoted more than 30 percent of their incomes to rent increased from 47 percent to 55 percent between 2005 and 2015.
- Residents suffer from above-average incidences of chronic health problems.
- Violent crime fell by 44 percent between 2000 and 2016, but crime remains a concern.

The full report can be accessed at <http://bit.ly/2hAiCck>

LIVING THE MITCHELL-LAMA DREAM

BY ERIC ADAMS AND DEALICE FULLER

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Public housing was once the egalitarian dream of urban planners in post-war New York City, uniting people from all walks of life in a social experiment that prospered. Today, these developments are under attack from systematic neglect and deliberate sabotage by predatory developers looking to cash-in.

As a pillar of the city's most critical affordable housing stock, Mitchell-Lama is in crisis. We hear it every day in community meetings, on the streets across Brooklyn, and on social media; and we see it in buy-outs, displacement and rising rents. This essential housing supply faces threats including conversion to market-rate housing and a lack of upkeep.

New York City was built on a thriving middle class that, in the middle of the 20th century, came home to a newly erected Mitchell-Lama community. Brooklyn is home to 35 such developments, with more than 18,000 housing units, ranging from Atlantic Terminal I and II in Fort Greene to Starrett City in East New York. These developments can also be found in Brownsville, a neighborhood with the highest concentration of public housing in the United States.

An alarming trend

The statistics reveal an alarming trend. Since 2005, New York City has lost nearly 33,000 of its Mitchell-Lama rental stock and, since 1990, eight developments in Brooklyn alone, totaling almost 4,300 units of affordable housing, have left the program, according to Tenants & Neighbors. Many of these units have been converted to market-rate apartments, while more than 1,000 have entered into programs providing vouchers.

For too long, the Mitchell-Lama portfolio has lacked funds for regular maintenance and oversight, and many of the boards overseeing these buildings have run amok, playing their own rules while ignoring the needs of residents who generally do not participate in the voting process. Instead of safeguarding the integrity of the Mitchell-Lama program, the city's Department of Housing Preservation and Development (HPD)

and the state's Department of Housing and Community Renewal (DHCR) have allowed these select boards to defy the rules regarding apartment allocation, contracting and financial reporting. This needs to change, for the sake of those living under these conditions, and to restore accountability and integrity in the system.

Needed: Hands-on approach

We need a robust approach to both preserve the physical condition of Mitchell-Lama housing and ensure transparency in the system's governance. Both DHCR and HPD must take a more hands-on approach to ensuring that resources are being allocated in the right places. The laissez-faire attitude by these agencies is not working – residents need accountability and oversight. If the city has the authority and willpower to take over land through eminent domain, there is no reason that that authority cannot be harnessed by taking a more active and meaningful role in managing Mitchell-Lama housing.

One way to do that is to have HPD and DHCR enforce reforms in the structures of the building management boards. At the moment, many board members are not allowed to speak with the residents they represent. Instead, these select boards are stuffed with people with no vested interest in the community and, at worst, aim to privatize units for their own financial gain regardless of the impact on other residents who do not have the same luxury of privatizing their property. The system that chooses board members must be changed so that these individuals truly represent the concerns and views of residents.

HPD and DHCR must provide better management education and training for board members for them to understand the importance of affordability and maintenance. Both agencies must also take a more active role in supporting this housing stock to protect residents from rent increases and unfair maintenance charges.

The New York City Council must also play a role in these measures by holding regular oversight hearings on

Mitchell-Lama developments. In February 2016, Brooklyn Borough Hall hosted, in partnership with the New York City Council Committee on Housing, the first oversight hearing on Mitchell-Lama in seven years. More than 400 people turned out for the hearing, underscoring the pent-up demand for answers and need for accountability from agencies. In addition, the city must provide support to housing developments that have a significant senior citizen population. Older residents should not have to be forced out of their homes, because they cannot afford to downgrade to a smaller unit that is affordable.

The state must also do its part to ensure fairness. The recently announced audit from the Office of the New York State Comptroller – which found several Mitchell-Lama buildings bungling waiting list requirements by letting some apartments sit vacant for as many as five years – is a step in the right direction.

Raising awareness

In response to the Mitchell-Lama crisis, we are proud to regularly host the Mitchell-Lama Task Force, which educates residents across Brooklyn about their housing rights. Many tenants are unaware of the protections and services available to them to contest unfair decisions and practices. This task force brings together activists, housing practitioners, and legal experts to raise awareness about how to successfully advocate for residents and Mitchell-Lama communities. That's exactly the kind of unified front that is needed to ensure this precious public housing stock is maintained for generations to come.

Eric Adams is the Brooklyn Borough President. Dealice Fuller is Chairwoman of Brooklyn's Community Board 1. The original essay appears at <http://bit.ly/2fdyXij>