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AFFORDABLE HOUSING FORUM PANELISTS

The State of Homeownership in the Bronx (2006)

Sarah Ludwig, *NEDAP (MODERATOR)*
Joe Hasselt, *Hasselt Realty*
Dwayne Jones, *Parodneck Foundation*
Irma Morales, *NHS of Chicago*
David Pechefsky, *HPD*

Shrinking Affordability (2007)

Frank Anelante, *Lemle and Wolff Real Estate*
Bill Carbine, *HPD*
Stacey Cooper, *North Fork Bank*
Dan Houlihan, *Houlihan & O'Malley Real Estate Services*
John Reilly, *Fordham Bedford Housing Corporation*

Water and Sewer Rate Reform Summit (2008)

John McCarthy, *Community Preservation Corporation (MODERATOR)*
Preston Niblack, *New York City Independent Budget Office*
Harold Shultz, *Citizen's Housing and Planning Council*
Marcia Van Wagner, *New York City Comptroller's Office*
Dart Westphal, *Mosholu Preservation Corporation*

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AFFORDABLE HOUSING FORUM

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West Bronx Housing and Neighborhood Resource Center

"We're talking about our homes!" Virginia Matic, leader of her limited equity cooperative, said that one day with a little bit of frustration after attending a meeting where people kept talking about "units" of housing. I keep thinking of Ginny's quote as I've been attending meetings, listening to news casts and reading analyses of the current financial crisis that are all too often very cold and detached. WE ARE TALKING ABOUT OUR HOMES.

For 25 years, we've been working to improve people's homes — rented *and* owned — create new homes and keep people in their homes. To accomplish that, we have stayed flexible so we can meet changing needs and address new problems.



University Neighborhood Housing Program has remained both responsive to changing neighborhood issues and true to our affordable housing mission by developing good working relationships with community organizations, the City of New York, non-profit and for-profit housing businesses, religious groups, foundations, and banks. These relationships have allowed us to accomplish a great deal. For over 20 years we have increased the amount and number of investors in our low interest loan funds by soliciting loans from banks and religious organizations to make acquisition, predevelopment and Green loans to community housing organizations. We have created technical assistance programs to support our community and lending work. Our informational and advocacy outreach has grown from a newsletter to an award winning interactive website with demographic information for community organizations and resources for homeowners and neighborhood residents. We have developed and shared timely research on issues of concern to our neighborhoods and low income neighborhoods throughout New York City. We worked with tenants in the 1990s to purchase their foreclosed properties and have now created a Building Indicator Project to try to identify problem buildings before foreclosure. We are working on issues that affect affordable housing like the Community Reinvestment Act, responsible lending, and water and sewer charges. We are responding to high homeowner foreclosure rates by supporting creative efforts to improve financial knowledge in our community and keep money in people's pockets and away from high interest refund loans, high fee check cashers and questionable refinancing and mortgage products.



What's going to happen in the near future and what new efforts will UNHP develop? Our nation will be under new leadership and new programs will develop out of all this federal legislation. There will also likely be new problems that have not surfaced yet. Amid this uncertainty, UNHP will maintain its existing efforts to preserve, create and improve affordable housing for our neighborhoods as we have for 25 years, and we will keep working with our friends and partners to develop new initiatives to address the changing needs of our neighborhoods. Join us!



- Jim Buckley
October 2008



University Neighborhood Housing Program



For 25 years, University Neighborhood Housing Program (UNHP) has worked to create, preserve, improve and finance affordable housing in the northwest Bronx. UNHP works to achieve our mission by lending from our community development loan funds, providing technical assistance to affordable housing owners, managers, tenants and community groups, and by organizing around and researching the issues that impact affordability. While UNHP primarily serves the residents of the northwest Bronx – 45% of whom earn less than \$25,000 annually – we expand our impact to a citywide level through our research and organizing work.

Since obtaining status as a Community Development Financial Institution (CDFI) in 2002, we continue to operate three loan funds to support affordable housing: our Green Loan Fund provides low interest funds to support energy and cost saving renovations, our Community Development Fund supports the acquisition of properties, and our STIRR (Short Term Interest Rate Reduction) fund refinances high interest debt. UNHP works closely with the eight corporate and non-profit investors in our loan funds, jointly providing over one million dollars for affordable housing investment. Since 1988, UNHP has provided nearly 4.5 million dollars in acquisition and renovation financing to affordable housing, and has been instrumental through a combination of technical assistance and lending in the affordable preservation, purchase and renovation of 59 buildings with over 2,000 units. UNHP has assisted a total of 93 buildings and over 3,500 units of affordable housing with our lending initiatives. We have issued 64 Green loans, 15 STIRR loans and 40 acquisition loans.

In addition to lending, our technical assistance, organizing and research work has created, preserved and improved affordable housing in the northwest Bronx and throughout the City. The highlights of this work over the past two years are detailed in this report.

Multifamily Preservation

While creating new units of affordable housing is important, preserving the affordability of existing housing is the key to keeping New York City a place that low and moderate income families can call home. In 2005, we created the UNHP Multifamily Assistance Center to preserve affordable rental units by researching emerging affordability issues, creating a tool to identify distressed properties prior to foreclosure, and collaborating with private and non-profit partners to address preservation issues.

- Updated the Building Indicator Project (BIP), a database that identifies and ranks financially and physically distressed properties, to include the most recent violation, mortgage and lien data for all 7,170 Bronx properties with at least six rental units.
- Developed working relationships with 11 financial institutions around the development and use of the UNHP Building Indicator Project. Financial institutions have voluntarily used the BIP listing to contact owners, inspect properties and gain improvements for the most distressed buildings on the list. The BIP produced improvement in 74% of the buildings identified as distressed and mortgaged by lenders that are working with UNHP on this initiative.

- Created *Shrinking Affordability: Housing Prices, Quality and Preservation in the City's Last Expanse of Affordable Private Rental Housing*, a report discussed and distributed at UNHP's 2007 Affordable Housing Forum. The Forum, attended by over 100 people representing a range of housing interest groups including banks, realtors, city representatives, foundations and community groups, outlined the dramatic rise in housing values, deteriorating apartment conditions, and recommendations to improve housing quality and preserve housing affordability.



- UNHP identified both the increased foreclosure risk and threat to affordability posed by private equity investment group purchases of multifamily buildings. UNHP research showed that in the Bronx during 2007, private equity capital purchased 9,007 apartment units in 144 buildings with an average purchase price of \$83,298 per unit, compared to other entities that purchased 7,601 units in 254 buildings for an average of \$76,070 per unit (a difference of 9.5%). These higher purchase prices, spurred on by the promise of a 20% return on capital to equity investors, have generally been accompanied by aggressive approaches to increasing rents including harassment of lower rent paying tenants. UNHP, in collaboration with citywide and neighborhood housing and organizing groups researched and prepared maps for elected officials identifying private equity purchases throughout New York City.

Multifamily Development

During the early 1990s, University Neighborhood worked with its neighborhood development partners to create new affordable housing in vacant multifamily buildings using Low Income Housing Tax Credits. In addition to creating new affordable units, UNHP is working to ensure the long-term affordability of these 10 buildings with over 250 affordable units as their tax credits expire by securing renovation capital and long term financing.

- Worked with Rose Hill Apartments, a low income senior citizen apartment building, to refinance the existing mortgage and renovate the 119 affordable apartments.



- Provided \$400,000 in bridge equity financing and loan packaging assistance to the Fordham Bedford Housing Corporation towards the purchase of 6 multifamily properties with 286 units in 2007. The project was the first to utilize NYC's award winning Acquisition Loan Fund and the purchase of these properties from the private sector will ensure their long term stability and affordability.

- Provided technical assistance and a \$150,000 equity loan toward the new construction of Serviam Gardens, a 240 unit low income senior citizen housing complex on the grounds of Mount Saint Ursula, a neighborhood Catholic high school for girls.

Water & Sewer Reform

University Neighborhood Housing Program has opposed the increases to water and sewer rates and has testified at the Water Board rate hearings since the early 1990s in order to address the impact of rising rates on housing affordability. UNHP has stepped up our work for water and sewer rate reform in the past two years as rates have climbed higher, capital costs of a local filtration project have far exceeded original estimates and it has become clear that there is no end in sight to increases.

- UNHP received increased press and local TV coverage on the rate hikes and followed up with a series of meetings with the Comptroller's Office, the Department of Housing Preservation and Development (HPD) and the Department of Environmental Protection (DEP). By meeting with homeowner and affordable housing groups, UNHP increased awareness on the issue and turnout at water board meetings.



- Sponsored with the Local Initiatives Support Corporation (LISC), NEF and Enterprise a workshop focusing on the *Multi-Family Conservation Program* offered by DEP. Deputy Commissioner Joseph Singleton and staff answered questions and addressed specific problems with water and sewer billing issues with the 50 individuals from 25 organizations in attendance.

- Published a report that addressed the question: *Can New York City Achieve Affordable Water Rates, Promote Conservation and Control Capital Costs?* The report was presented at the 2008 Affordable Housing Forum and Water and Sewer Rate Reform Summit, attended by over 80 individuals from the public, private and non-profit sectors including financial institutions, environmental coalitions, community groups, foundations and affordable housing owners and managers.

- One of the organizing members of an ad hoc committee for water and sewer rate reform that includes non-profit and for-profit members.

Financial Education

UNHP launched a financial education initiative in 2007 as our work to assist homeowners at risk for foreclosure made us more keenly aware of the range of financial issues that face our neighborhoods, including fraudulent, predatory and high cost financial services.

- Responding to data showing low income neighborhoods are targeted for high cost tax refund loans, UNHP teamed up with Fordham Bedford Children's Services, Fordham Bedford Housing Corporation, JPMorgan Chase and Food Change to provide free tax preparation and filing assistance to 146 northwest Bronx residents in 2008. Each person who used our services saved close to \$200 over a storefront income tax preparation service and the cost of a refund anticipation loan.



- Hosted a community bank fair with representatives from Amalgamated Bank, Apple Bank, Bank of America, Bethex Federal Credit Union, Capital One Bank, Citibank, Commerce, Emigrant Savings Bank, HSBC, JPMorgan Chase, and Ridgewood Savings Bank providing information about financial services and products available to neighborhood residents. On the spot accounts and special low cost services were offered to fair attendees.

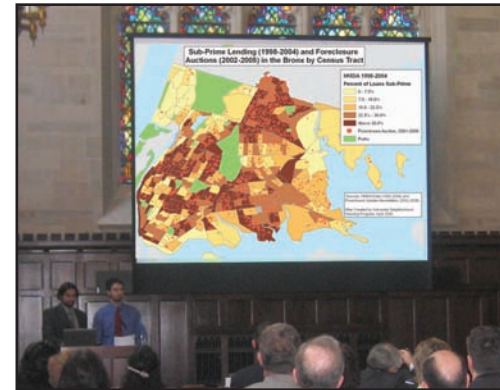
- Received training in financial education from the Neighborhood Economic Development Advocacy Project (NEDAP) and provided a wide ranging series of financial education workshops to neighborhood residents, youth workers, building superintendents and low income housing residents. UNHP has assisted close to 250 residents over the summer of 2008 through these workshops.

Homeownership Preservation

Keeping with national trends, foreclosures in the Bronx remain on the rise. For one to four family homes in the northwest Bronx, foreclosure filings (*lis pendens*) jumped 59% from the third quarter of 2007 to the third quarter of 2008; borough-wide foreclosures increased 64%. In total there have been 645 filings in the northwest Bronx since we began tracking this data in June 2005, or about one every other day. Foreclosure filings in the Bronx have increased at an average rate of 28 new filings per quarter and show no signs of decreasing any time soon.

University Neighborhood has been working to assist homeowners remain in their homes through outreach, intake and referrals, homeowner resource fairs, advocating for improved foreclosure prevention programs at banks and counseling agencies and by researching the foreclosure rates and lending patterns in our community.

- In 2006, UNHP published a report, *The State of Homeownership in the Bronx*, detailing the dramatic rise in sub-prime lending, foreclosures and gaps in homeownership preservation in the Bronx. Our 2006 Affordable Housing Forum fostered a discussion among the panelists and over 60 individuals from a broad spectrum of housing interests on the significance of the rise in sub-prime mortgages, policy alternatives and expanding foreclosure prevention services. The report, doubling as a homeownership guide with articles about predatory lending, homeownership programs, and home buying basics, has been downloaded over 12,000 times.



- Monitors and tracks *lis pendens* and sends a letter to the homeowner providing referrals and assistance. UNHP mails out about 25 letters a week, fields phone calls, and meets with interested homeowners. UNHP works with the loss mitigation staff of the leading private mortgage lenders in the Bronx to improve foreclosure prevention efforts.

- University Neighborhood Housing Program is part of two larger coalitions working on homeownership preservation; the *New York City Anti-Predatory Lending Task Force* and a statewide coalition, *New Yorkers for Responsible Lending*.

HOMEOWNER RESOURCE FAIRS

- **APRIL 26, 2007 FORECLOSURE PREVENTION WORKSHOP:** Working with Countrywide, JPMorgan Chase, and Bank of America, UNHP hosted a workshop for homeowners who were behind on their mortgage payments. Homeowners learned what to do in the event of a financial hardship and about options to resolve mortgage delinquency. A representative from the Parodneck Foundation provided information about predatory lending and foreclosure scams.

- **OCTOBER 4, 2007 HOMEOWNERSHIP WORKSHOP:** Homeowners were able to speak one-on-one with a foreclosure prevention counselor from Neighborhood Housing Services of the North Bronx and representatives from JPMorgan Chase and Washington Mutual to discuss loss mitigation options. WaMu's representative discussed a refinancing program for homeowners to convert adjustable rate mortgages to fixed rate loans.

- **MARCH 13, 2008 HOMEOWNER RESOURCE FAIR:** Along with the Northwest Bronx Community and Clergy Coalition, UNHP connected homeowners in foreclosure with counseling services and provided information on a range of cost saving initiatives to local homeowners who are just getting by and need help fighting the rising cost of owning a home in NYC. The Coalition's Weatherization Assistance Program discussed their application process and guidelines and distributed free weatherization kits. M&T Bank, a participating SONYMA lender, discussed the State's Keep the Dream refinance program and its requirements, the Parodneck Foundation and West Bronx Housing discussed counseling options, and CHANGER offered homeowners the chance to get involved in organizing campaigns.