



University Neighborhood Housing Program

working to create, preserve and finance affordable housing in the Northwest Bronx

Biennial Report 2003 - 2005

The neighborhoods of the Northwest Bronx have changed dramatically since our creation in 1983, as have the ways in which University Neighborhood Housing Program (UNHP) works to achieve our affordable housing mission.

Despite the many positive changes brought about by the renovation of vacant buildings and the new families that have come to live in our neighborhoods, the need for affordable housing remains critical in our communities. Nearly three-fourths of households in the Northwest Bronx earn a wage or salary income but almost half of all families earn less than \$25,000 a year. The rise in multifamily sales prices is not a result of improvements to the buildings or an influx of higher income residents; our neighborhoods rank among the highest in the City for serious housing code violations in multifamily buildings and the Bronx remains the Borough with the lowest per capita income.

UNHP has continued to meet the challenges of creating and preserving affordable housing by developing new strategies through our Fordham Community Action Plan (FCAP) partnership with our neighborhood partner, the Fordham Bedford Housing Corporation (FBHC). Since 2002, the FCAP partnership has identified and addressed the wide range of housing needs and issues for neighborhoods in the heart of the Northwest Bronx, and has become the blueprint for our lending, organizing and technical assistance work.

Lending to create affordable housing through our low interest loan funds has been a cornerstone of our work for 18 years. A combination of UNHP technical assistance and acquisition financing has played the key role in the preservation, purchase and renovation of 53 multifamily buildings in the Northwest Bronx. UNHP's low interest and rehabilitation lending have assisted an additional 2100 units of affordable housing. UNHP is a U.S. Treasury certified Community Development Financial Institution with eleven investments from financial and religious institutions totaling over one million dollars.

In November 2005, UNHP funded the installation of heat computers in 13 multifamily buildings through the UNHP Green Loan Fund. The approximately \$60,000 in loans will help these nonprofit owned buildings hold fuel costs down at a time when the price of fuel is soaring. UNHP has used Green Loans to fund roof replacements, boiler repair and other work that will control or reduce operating expenses related to fuel usage.

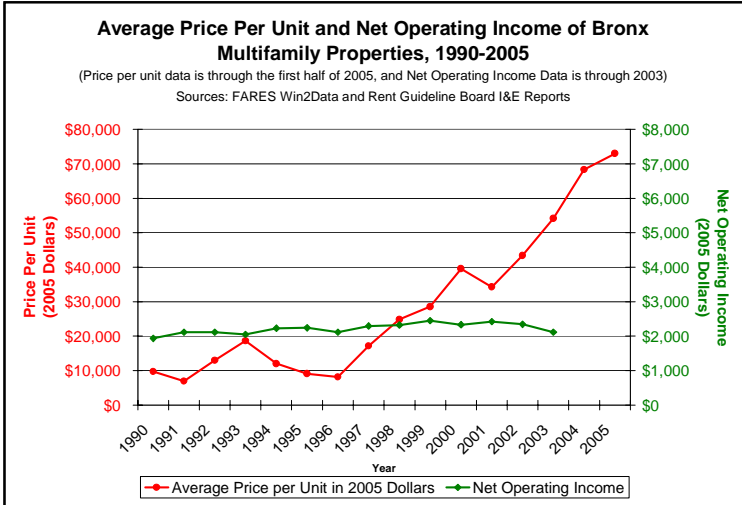


2241 Webster Avenue, although small, is important as it continues our joint efforts with Fordham Bedford Housing Corporation to improve the Webster Avenue Corridor and incorporates many environmentally friendly features. Among these "green" elements are hardwood bamboo floors, Energy Star Appliances and a green (planted) roof that helps to insulate the building, reduces rain water runoff and helps to improve air quality.

Under FCAP we have lent \$250,000 to FBHC to assist in the purchase of a 13 unit single room occupancy (SRO) building and the rehabilitation of a 9 unit vacant building on Webster Avenue (*see photos on left*). UNHP also provided technical assistance to FBHC on a new construction project to be known as Jacob's Place, named after the late charismatic community leader Astin Jacobo. Jacob's Place combines ground floor space for early childhood education with 63 units of affordable housing.

The use of research is a relatively new tool for UNHP in the pursuit of our affordable housing mission and yet it now compliments and informs all of our work. UNHP has been tracking the rise in Bronx multifamily sales prices since 2000, updating our original research with the 2005 publication, *Rising Values in a Highly Subsidized Market: An Assessment of Bronx Multifamily Affordable Housing Indicators*. UNHP's research, analysis and maps were presented at a March 30th 2005 forum to 70 attendees representing a wide range of affordable housing interests (see photo on back).

New strategies to preserve existing affordable housing are crucial as the clear majority of Northwest Bronx affordable housing is comprised of privately owned multifamily buildings. This private multifamily housing stock is threatened by an unprecedented rise in sales prices without a corresponding rise in net operating income (see chart below), cuts to building services and an overburdened renter population.



UNHP has tracked the rise in sales prices from \$10,000 per unit in 1990 to over \$70,000 per unit in 2005. This rise in sales prices has not been matched with a corresponding rise in net operating income. UNHP has continued to monitor and analyze these trends most recently in the 2005 *Rising Values in a Highly Subsidized Market* publication that also details that renters in our neighborhoods have the lowest median household incomes, pay the highest percentages of their incomes for rent and live in housing with the highest incidence of housing quality problems in the City.

Much of our work over the past two years has been focused on identifying physically and financially distressed buildings, and developing partnerships with lenders, owners, foundations and the City of New York to improve building conditions. University Neighborhood Housing Program has been working to create the UNHP Multifamily Assistance Center for owners and financial institutions to use as an alternative to foreclosures and as a way to preserve and rehabilitate affordable housing for low-income New Yorkers.

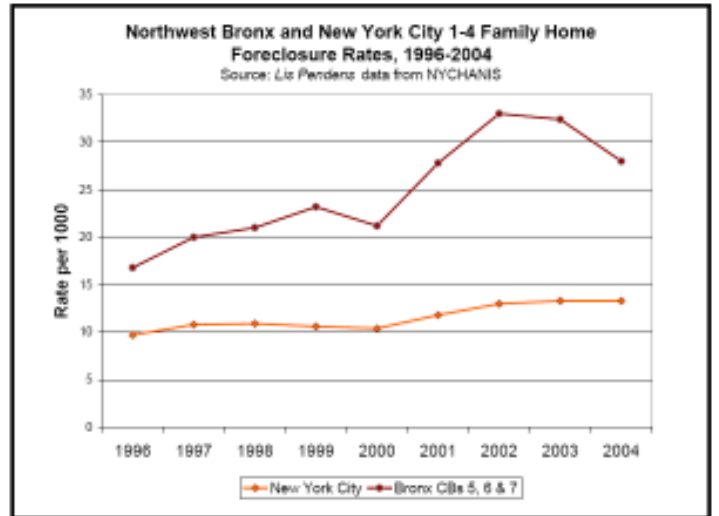
UNHP has forged partnerships around the idea of a Multifamily Assistance Center with the NYC Department of Housing Preservation and Development (HPD), Fannie Mae, Enterprise, FBHC, and numerous financial institutions. Roundtable discussions in September 2004 and November 2005 with leading Bronx lenders have been instrumental in creating a collaborative approach to gauging market conditions, assessing lending practices and developing a common strategy to preserve and improve distressed multifamily housing.

A new research and organizing initiative was developed by UNHP in response to possible foreclosures and deteriorating multifamily building conditions; the UNHP Building Indicator Project (BIP). The BIP tracks the multifamily lending of leading Bronx mortgage lenders and its database consists of more than 2500 buildings. The BIP database is a research and organizing tool that uses violation and lien data to identify properties that warrant further review by the owner and lender. UNHP has been meeting with Bronx lenders to share our research on their portfolios and discuss at-risk properties.

In November and December 2005 Deputy Director Greg Jost provided training to 50 participants from financial institutions and community groups to develop their own research for their neighborhoods at a hands-on training to identify problem buildings in New York City. He has also been working closely with a number of organizing groups to identify problem properties throughout the City.

Stabilizing homeownership and preventing foreclosure for low income families is the main goal of UNHP's work in one to four family homes. While 90% of all units in the Northwest Bronx are in multifamily buildings, the status of private homes also impacts the quality and stability of our communities. 73% of the 11,000 buildings in the Northwest Bronx are homes and just one deteriorated or

boarded up home on a block can create a blighted appearance and a haven for criminal activities. Foreclosure rates remain significantly higher in the Northwest Bronx than in the City overall (see chart below).



Foreclosure actions have risen dramatically in our neighborhoods since 1996. *Lis pendens*, a legal action filed by the mortgage holder after the mortgage has not been paid for three consecutive months, is the most reliable data that can be obtained on the foreclosure process and is the data used in this graph. Between 1996 and 2003, the rate of 1-4 family foreclosures in the Northwest Bronx had nearly doubled (a 97% rise), and the rate remains higher than the city-wide average despite a drop in 2004. The need to assist local homeowners remain in their homes is serious and growing; during the five month period ending November 2005, 276 Bronx homeowners were served *lis pendens*.

UNHP has developed a comprehensive strategy to identify and assist at-risk homeowners, prevent foreclosures and reclaim vacant homes for low income families. UNHP has created a database to track local homeowners who have borrowed more than the value of their home or owe back taxes in order to perform targeted outreach. In October 2005, UNHP held a Homeowner Resource Fair to provide assistance to local homeowners. Ten groups showcased programs that ranged from home repair and weatherization to foreclosure prevention and senior aid. UNHP continues to work with other Bronx and citywide nonprofits to monitor a Homeowners Protection Program phone hotline.

UNHP has also been working to reclaim federally insured foreclosed homes in our community. Based on UNHP research that indicated a high number of these foreclosures in our community, meetings with HUD and our partners (Fordham Bedford Housing Corporation, Enterprise, Fannie Mae, National Training and Information Center, HPD and Cypress Hills LDC) were held in 2003. On November 22, 2005, HPD, HUD and Restored Homes (a new nonprofit created through Neighborhood Restore, LISC and Enterprise) announced the creation of an Asset Control Area (ACA) program in several NYC neighborhoods, including sections of the Northwest Bronx, to renovate and resell HUD foreclosures at affordable prices (see photos below).



Vacant HUD owned homes in the Northwest Bronx like the ones pictured above would qualify for the newly announced Asset Control Area (ACA) Program. Under the ACA program, 300 HUD foreclosed homes will be sold at 50% of their appraised value to Restored Homes, which will in turn renovate the homes in coordination with a local sponsor for resale at affordable prices. In order to combat the high real estate prices in New York, HUD will include 60 homes for a dollar apiece to further reduce the final sales prices of ACA homes. This announcement is gratifying because the program will create real homeownership opportunities for low income families, and it confirms that a combination of UNHP targeted research and organizing has brought attention and resources to this affordable housing issue.

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Rising Values in a Highly Subsidized Market Forum



Rising Values forum panelists (pictured above are from l. to r.) Jim Buckley, Dan Houlihan of NY Appraisal, Elaine Calos of HPD, Elliot Hobbes of JPMorgan Chase Community Development Group, and Daniel White from Congressman Jose Serrano's Office reacted to and discussed the data presented at the forum on sales prices, operating income, demographics, subsidies and other market factors. Also discussed was the future of the Section 8 rent subsidy program, which is highly concentrated in the Northwest Bronx, as well as lending initiatives in NYC to support affordable housing and new City programs designed to support the development of affordable housing in a marketplace with rising values. The forum was moderated by Guillermo Franco from Deutsche Bank, and the data was compiled and presented by UNHP Deputy Director Gregory Jost. Joseph Muriana, UNHP Board President, dedicated the forum to the memory of Mike Crawford, a long time advocate of community development and affordable housing preservation, who passed away in early 2005.

Website

UNHP's award winning online Community Resource Guide (CRG) continues to guide users to a variety of sites where they can gather demographic, financial and other useful community information. University Neighborhood staff continues to update CRG with relevant links and new maps. UNHP has provided assistance to groups citywide using the site and has used the crg in-house to track multifamily building conditions and the status of private homes. CRG can be accessed at www.unhp.org/crg.html.