

**Moderator:** Roger Hayes, UNHP Board Member

**Panel:**

- **Joseph Zitolo**, a principal with Lemle & Wolff, a full service firm specializing in the development, construction and management of high-quality affordable housing.
- **Carmen Vega-Rivera**, Community Action for Safe Apartments (CASA), a community group that strives to protect and maintain affordable and safe housing through collective action.
- **John M. Reilly**, Executive Director, Fordham Bedford Housing Corporation, the largest community-based housing developer in NYC. FBHC works to improve our Bronx community by providing community-run, safe, sound and affordable housing.
- **Leila Bozorg**, NYC Housing Preservation and Development (HPD) Deputy Commissioner for Neighborhood Strategies.

**Q & A**

# VIEWS FROM THE NORTHWEST BRONX

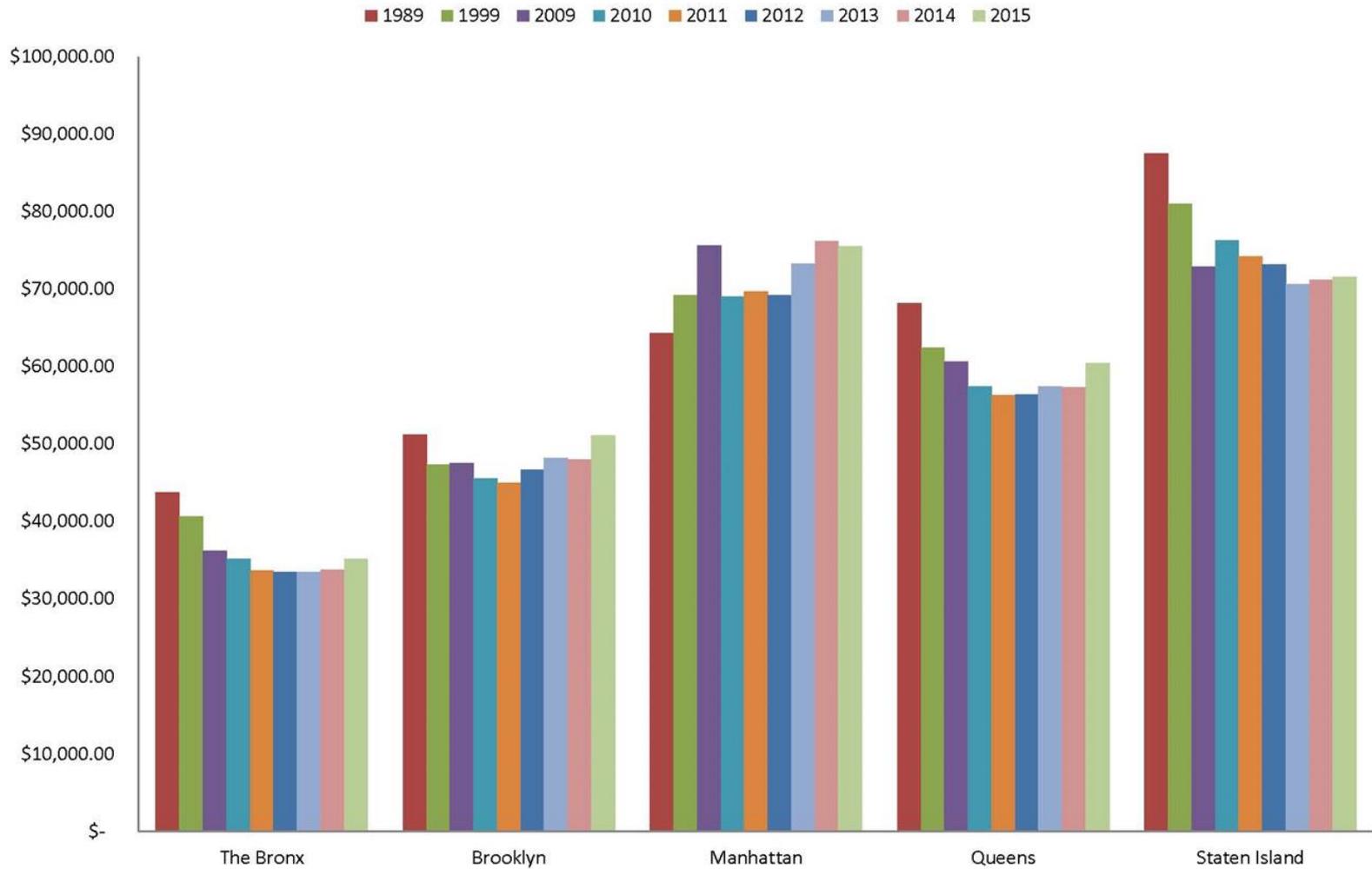


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**UNHP Affordable Housing Forum  
Thursday June 15<sup>th</sup>, 2017  
Serviam Gardens**

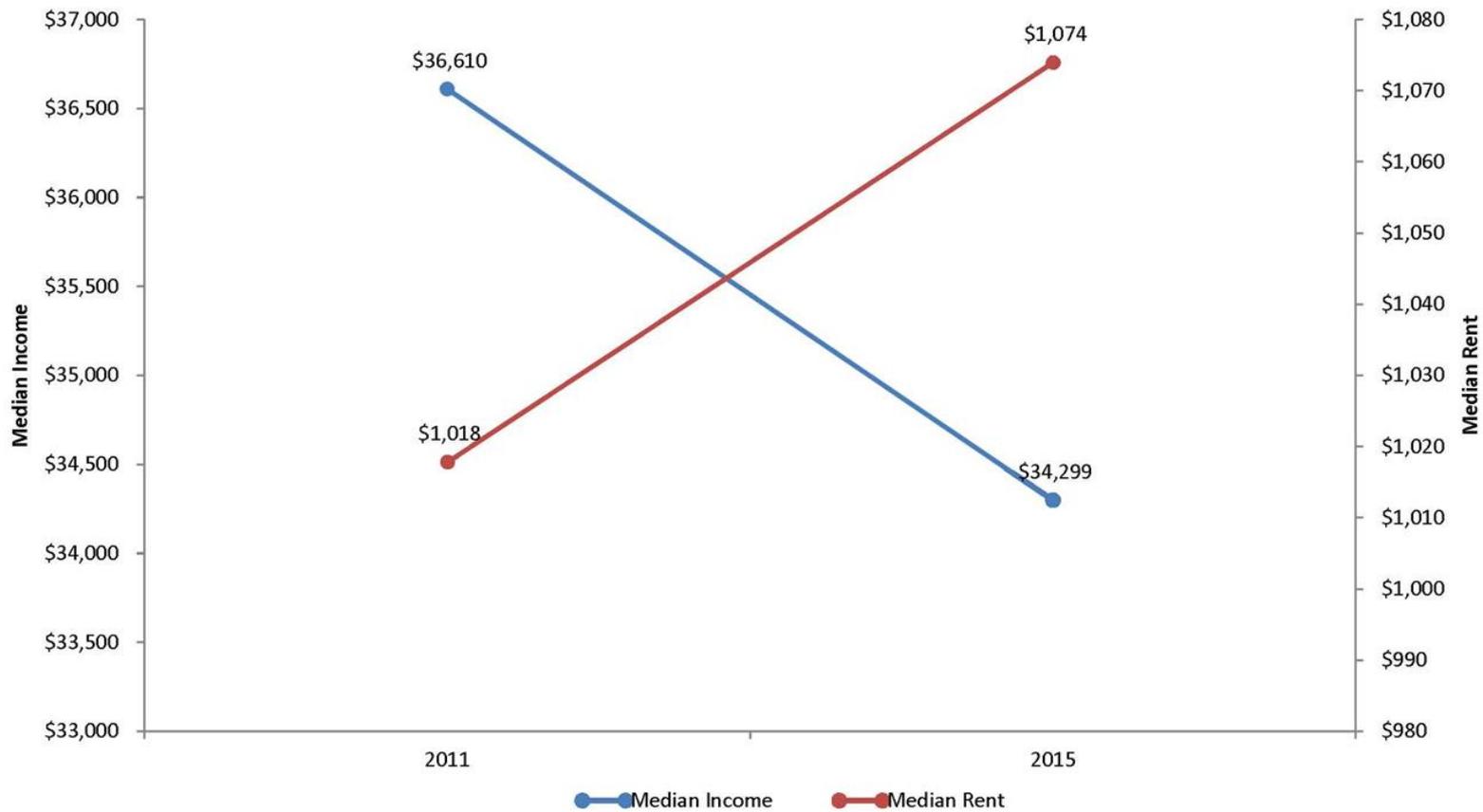
# Median Household Income by Borough in 2015 Dollars

Source: US Census



## Change in Bronx Median Income and Median Rent, 2011 (adjusted to 2015 dollars) and 2015

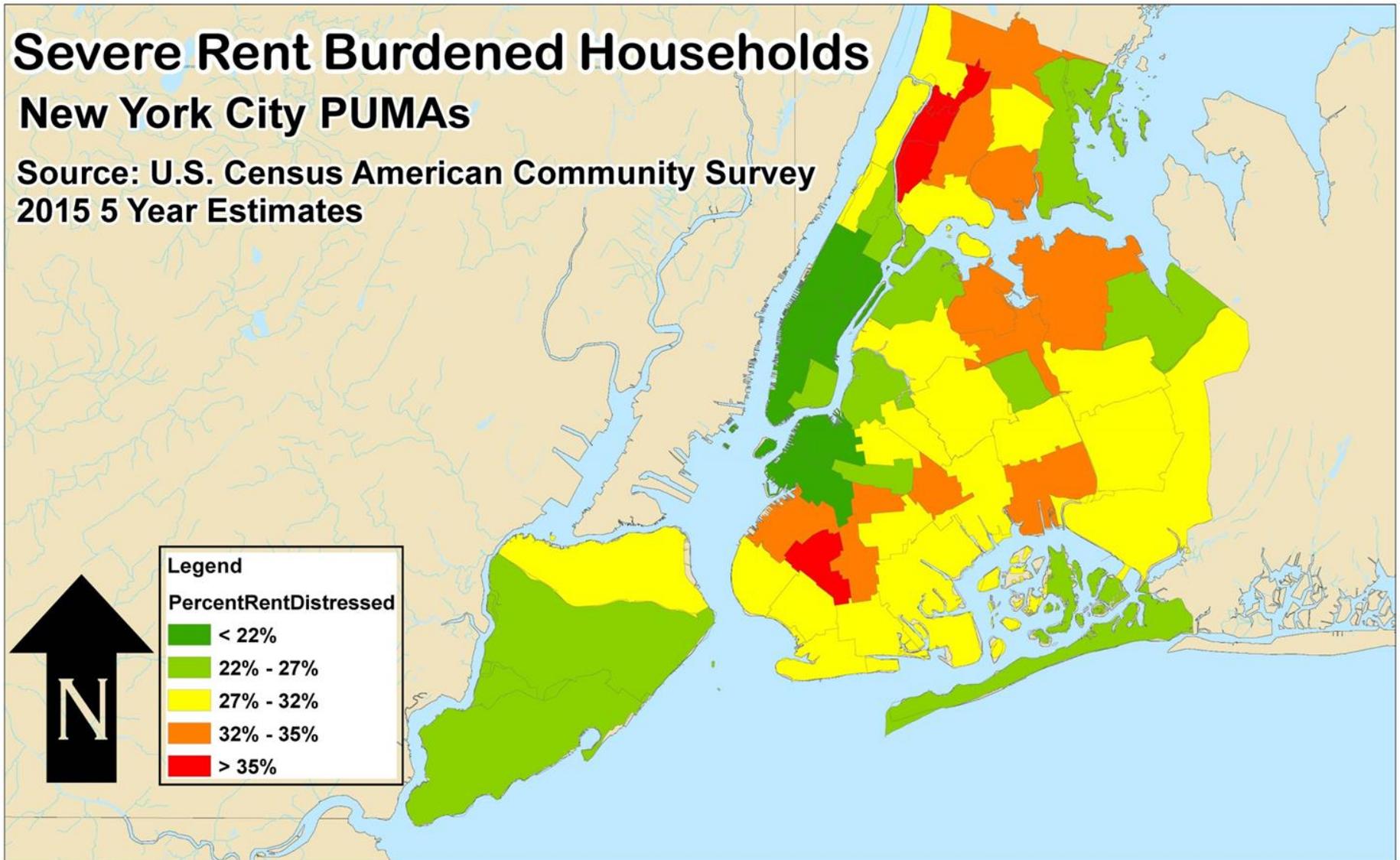
Source: U.S. Census Bureau, 2011-2015  
American Community Survey 5-Year Estimates



# Severe Rent Burdened Households

## New York City PUMAs

Source: U.S. Census American Community Survey  
2015 5 Year Estimates



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**Slide 2 (*Median Household Income*)**

- The Bronx has had negative growth in median household income over the past twenty years; when adjusted for inflation incomes fell 20 percent from 1989 to 2015.
- The Borough saw a modest increase in 2014 and 2015 ending at just over \$35,000.
- When adjusted for inflation, incomes in the Bronx remain the lowest in the city. Still the lowest earning borough in NYC, the closest borough in terms of median income is Brooklyn with over 51,000. A 45% difference from the Bronx.

• **Slide 4 (*Income vs. Rent*)**

- Over the past 5 years, the median income in the Bronx declined while the median rent continued to rise.
- In 2011, incomes dropped over 6 percent, inversely during this same period rents rose about 5.5 percent.
- Affordability is a challenge in the Borough like much of the city. However despite having the lowest asking rents in NYC it is the least affordable borough to the people it currently houses.

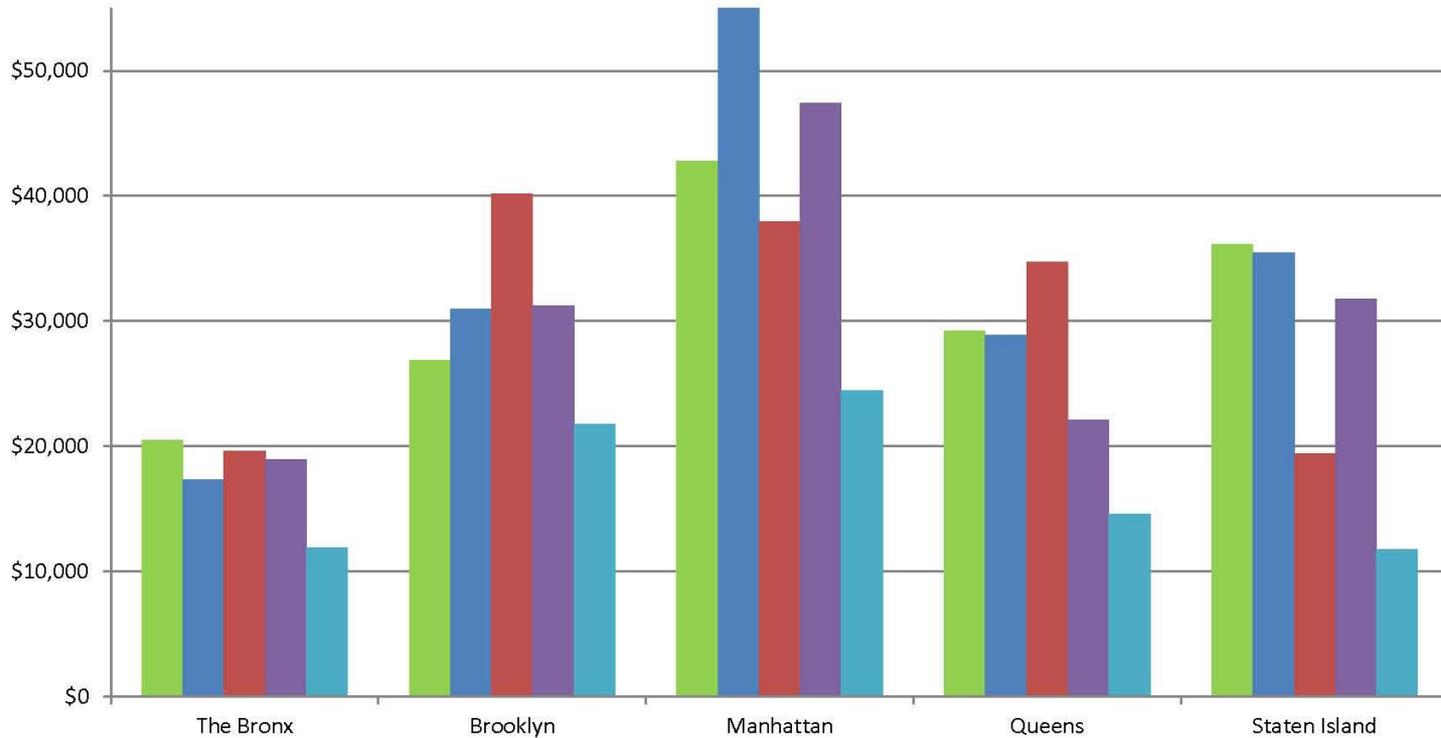
• **Slide 5 (*Severe Rent Burden*)**

- This can be seen when looking at Severe rent burden.
- 6 of the 10 geographic boundaries (PUMAs or Public Use Microdata Areas which closely line up with community districts in NYC) have over 32% or more households that are paying in excess of 50 percent of income toward housing cost.
- Over one third of all households in the Bronx are severely rent burdened (pay in excess of 50 percent of income toward rent). Coupled with downward trends in income, people in our borough are struggling to make ends meet and this gap has resulted in doubling up, eviction, and loss of housing.

## Median Income in the Past 12 Months (in 2015 Dollars) by Residence One Year Ago

Source: U.S. Census 2015 ACS 1-Year Estimate

- Same house 1 year ago
- Moved from different county within same state
- Moved from abroad
- Moved within same county
- Moved from different state



NWBX provides much of New York City's affordable housing stock in the form of privately-owned, rent-stabilized multi-family properties

Community District 7 and 5 rank are the sixth and ninth densest neighborhoods in NYC.

In the 2000's the Bronx added more people (52,458) than any other NYC borough, an increase of 3.9% and closing in on the borough's peak population in 1970.

About one-third of neighborhood residents are foreign-born, with the largest group from the Dominican Republic. The largest concentration (40%) of the City's Dominican-born residents is now in the northwest Bronx.

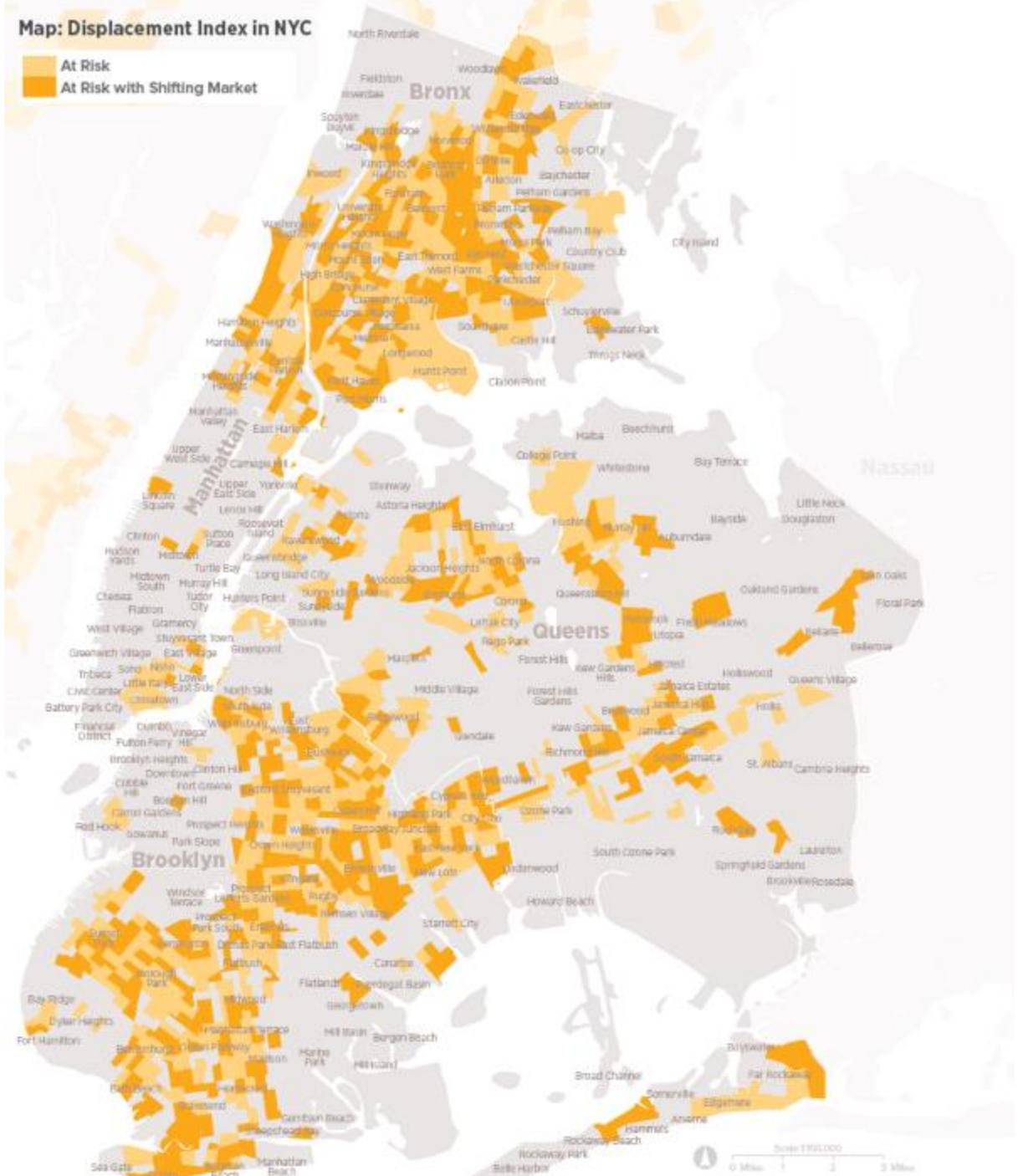
Other large and growing ethnic groups include those born in Mexico, Ghana and other parts of West Africa, and Bangladesh. Our neighborhoods are also majority Latino at 54% of the population, along with 22% Black, 16% White, and 4% Asian.

The percent of population that is foreign-born is rising faster in the Bronx than any other borough, up 4.9% since 2000.

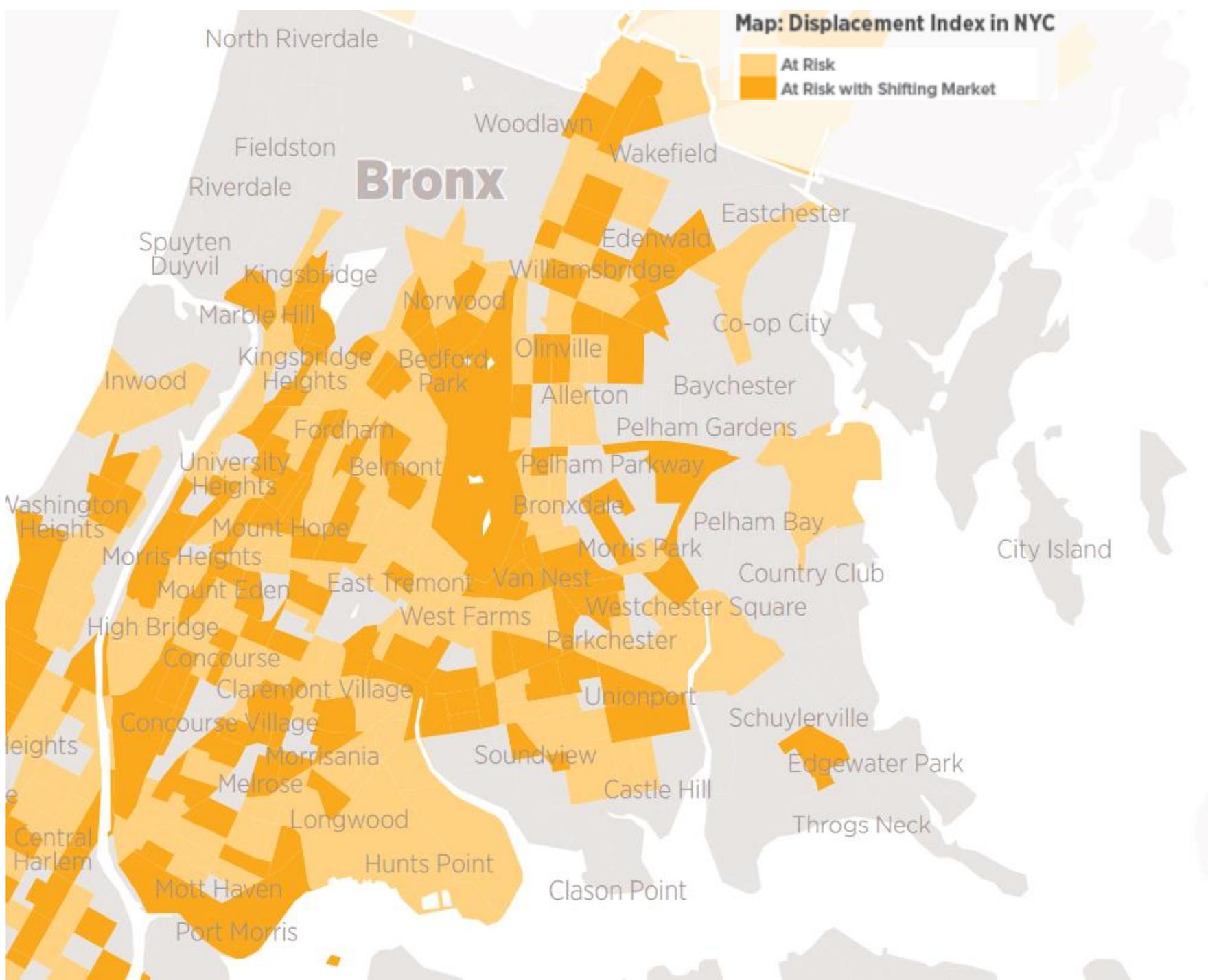


# Map: Displacement Index in NYC

- At Risk
- At Risk with Shifting Market



# Map: Displacement Index in NYC





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- **Slide 6 (*Median Income by Residency*)**

- Over 30 percent of Bronx households live below the federal poverty line and the majority of new residents coming into the borough are making even less than our current residents.
- When current resident compared to incoming new residents, the Bronx and Staten Island are the only boroughs that have new people coming into the area that under-earn current residents in every category.
- This trend is indicative of a concentrated poverty in the Bronx and the people are from other parts of the city are possible being priced out of other boroughs and coming to the city's "last affordable borough."

- **Slide 9 and 10 (*MF Pricing and NOI*)**

- Residents are fearful of being displaced; this is reinforced by pricing trends.
- Sharp increase in multifamily sales prices in 2016. In the second half of 2016 the purchase price per unit rose to \$153,000 per dwelling unit. Meanwhile, the most recently available net income data in buildings increased very modestly.
- **(Slide 10, Cluster Sites)** We took a data centered approach to crafting these pieces. We found that it was difficult to make finite conclusions or certainty because of the lack of data. We attempted to calculate the capacity of Homeless using public data from DHS using the average NYC household averages. / Conflation of data points.

- **Slide 12 and 13 (*Supportive Housing Boom*)**

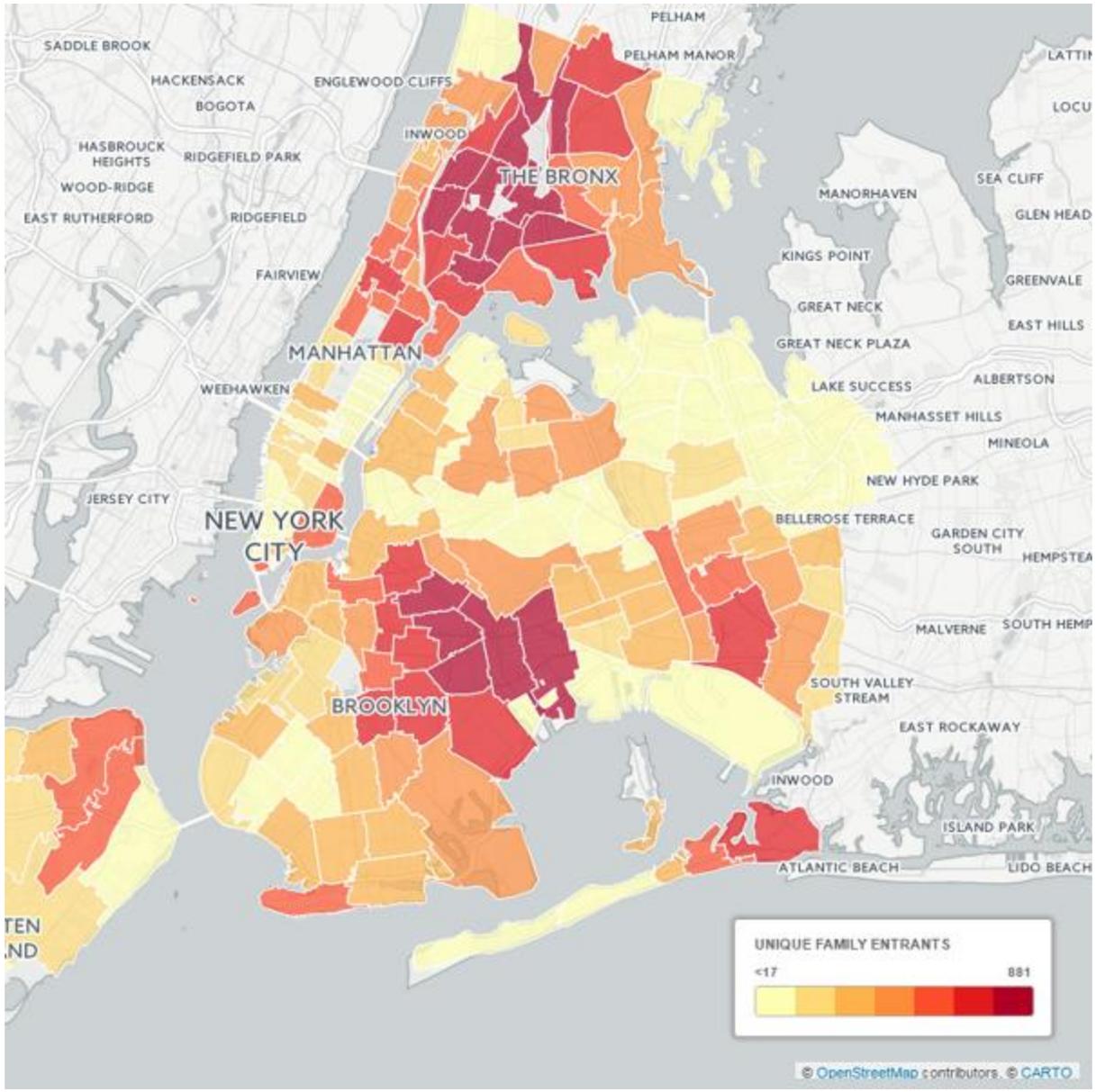
- The city has added more supportive housing in the Bronx over the past decade than in other boroughs, according to data from the Department of Housing Preservation and Development.
- New York City has created about 2,500 supportive housing units in the Bronx since 2005. While the borough doesn't have the most, it certainly has the fastest growth rate and more.

Number of Family Units, Number of Beds for Single Homeless Individuals, DHS Reported Totals and UNHP estimates of #Number of Sheltered People by Borough Source: (DHS Scorecard January 2017)

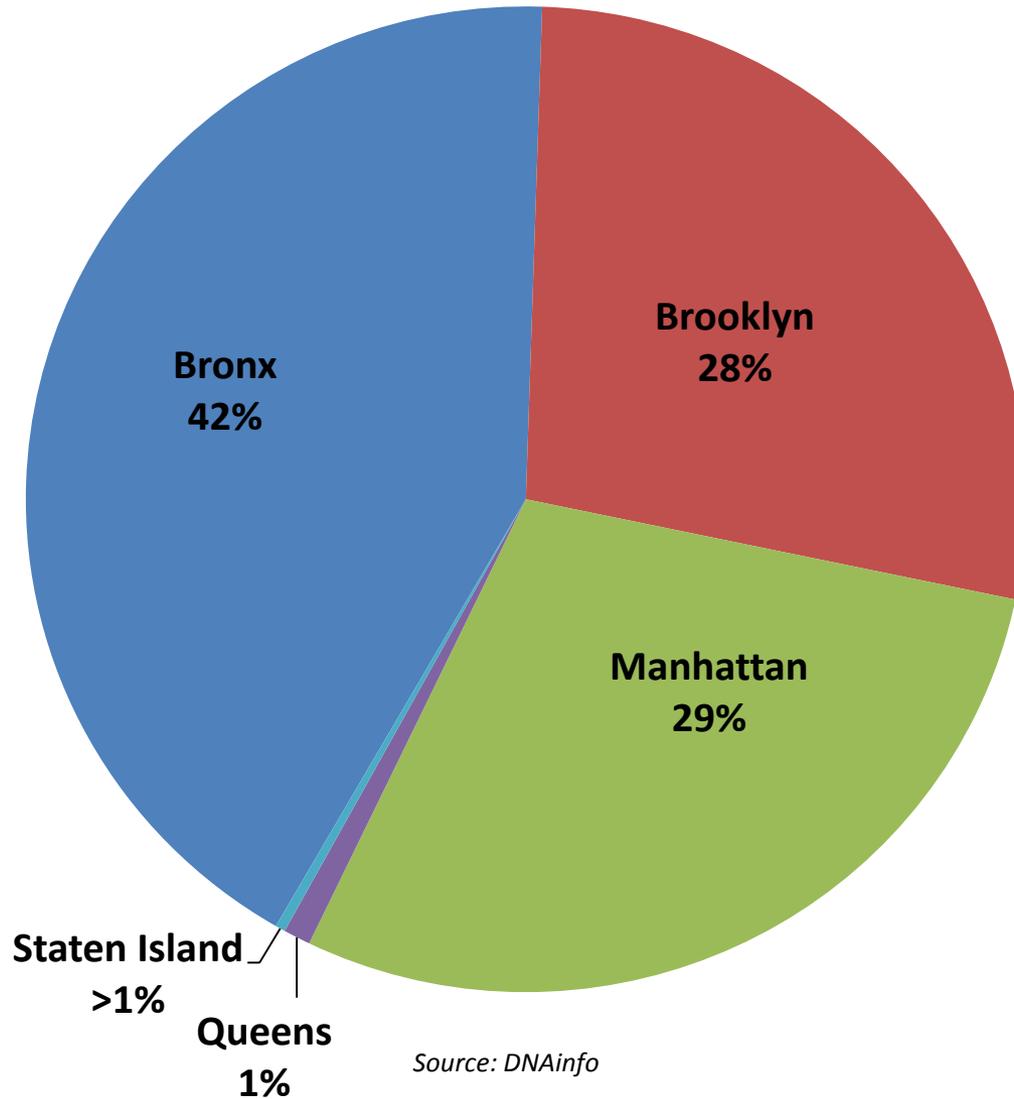
Apartments/Units	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Grand Total
*Family Apartment Units	6,262	3,980	3,110	2,977	46	16,375
Individual Beds	2,292	5,337	5,172	2,411	30	15,242
DHS Scorecard Total	8,554	9,317	8,282	5,388	76	31,617
**Estimated Sheltered People	19,074	16,003	13,507	10,389	153	59,127

\* Includes children, their adult parents and adult families in apartment units

\*\* Estimate multiplies Family Apartment Units by NYC household average of 2.68 and adds Individual Bed count



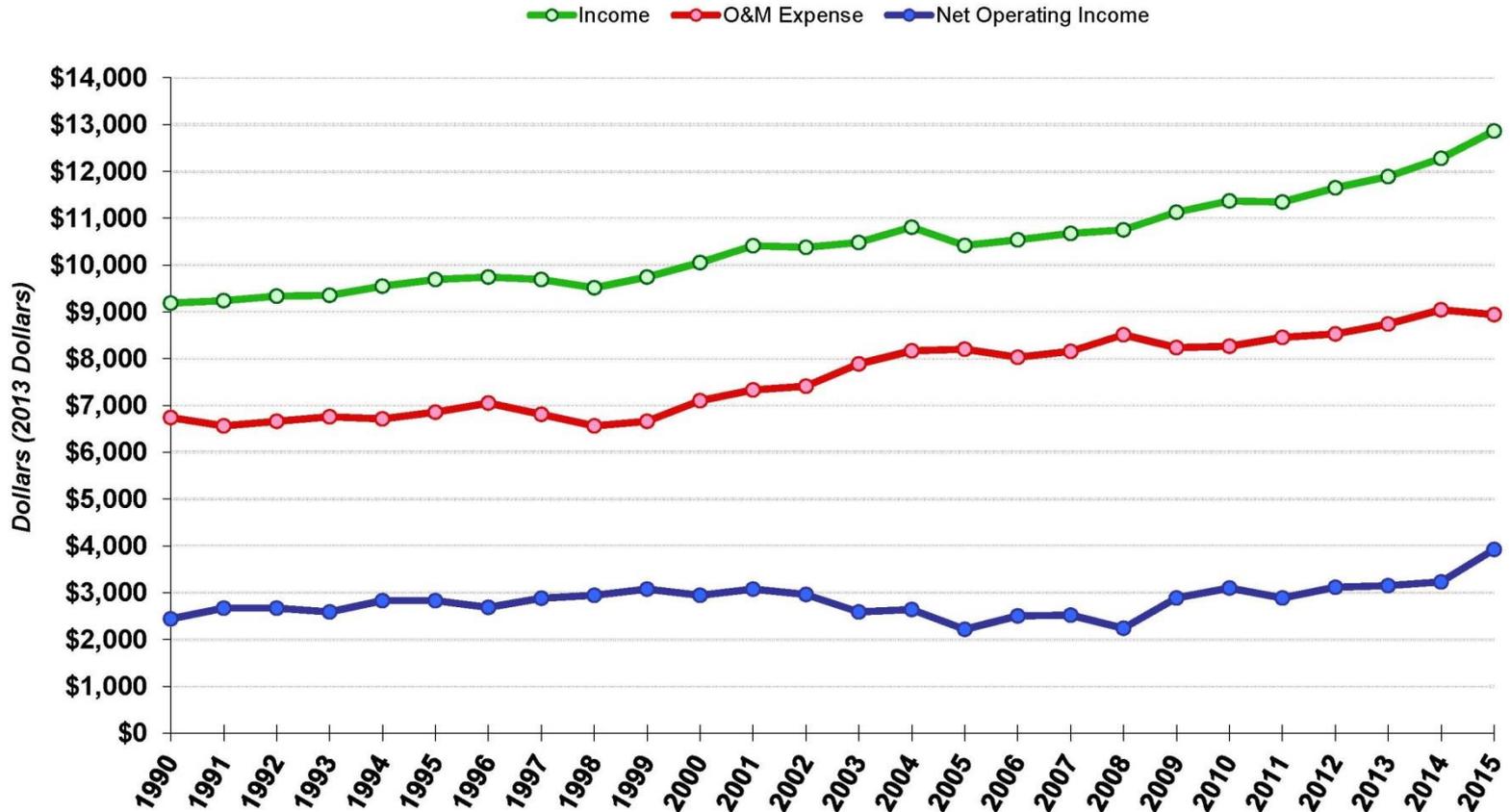
# Supportive Housing Built Between 2005 - 2014



Source: DNAinfo

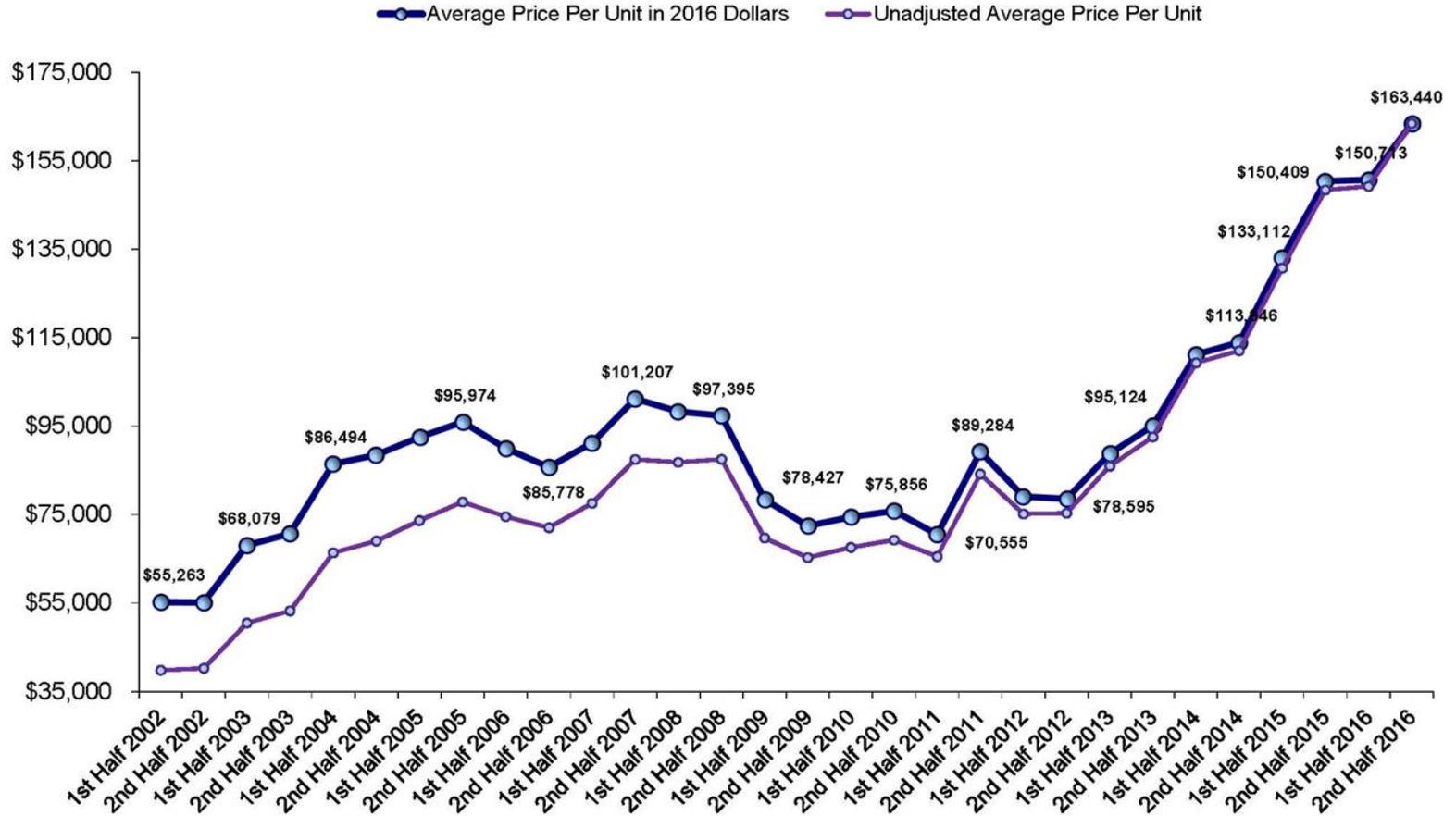
# Average Annual Income and Expense per Unit for Bronx Rent Stabilized Properties, 1990-2015 (2015 Dollars)

Source: NYC Rent Guidelines Board Income and Expense Studies, 1990-2017

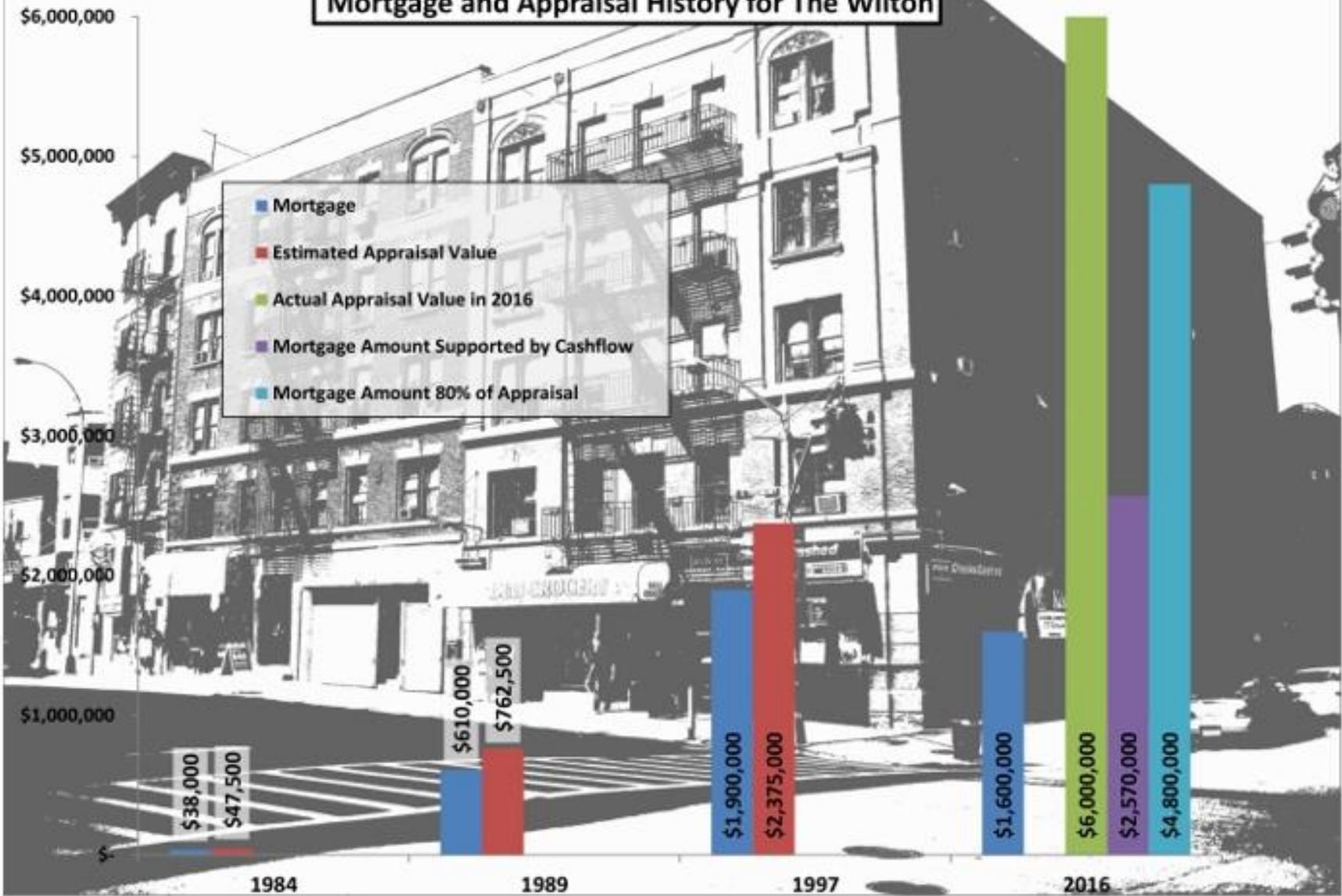


# Average Price Per Unit of Bronx Multifamily Residential Properties, Bi-Annually 2002-2016

Sources: FARES Win2Data (2002-2007), FARES/CoreLogic RealQuest (2007-2012) and NYCDOF Rolling Property Sales (2013-16)



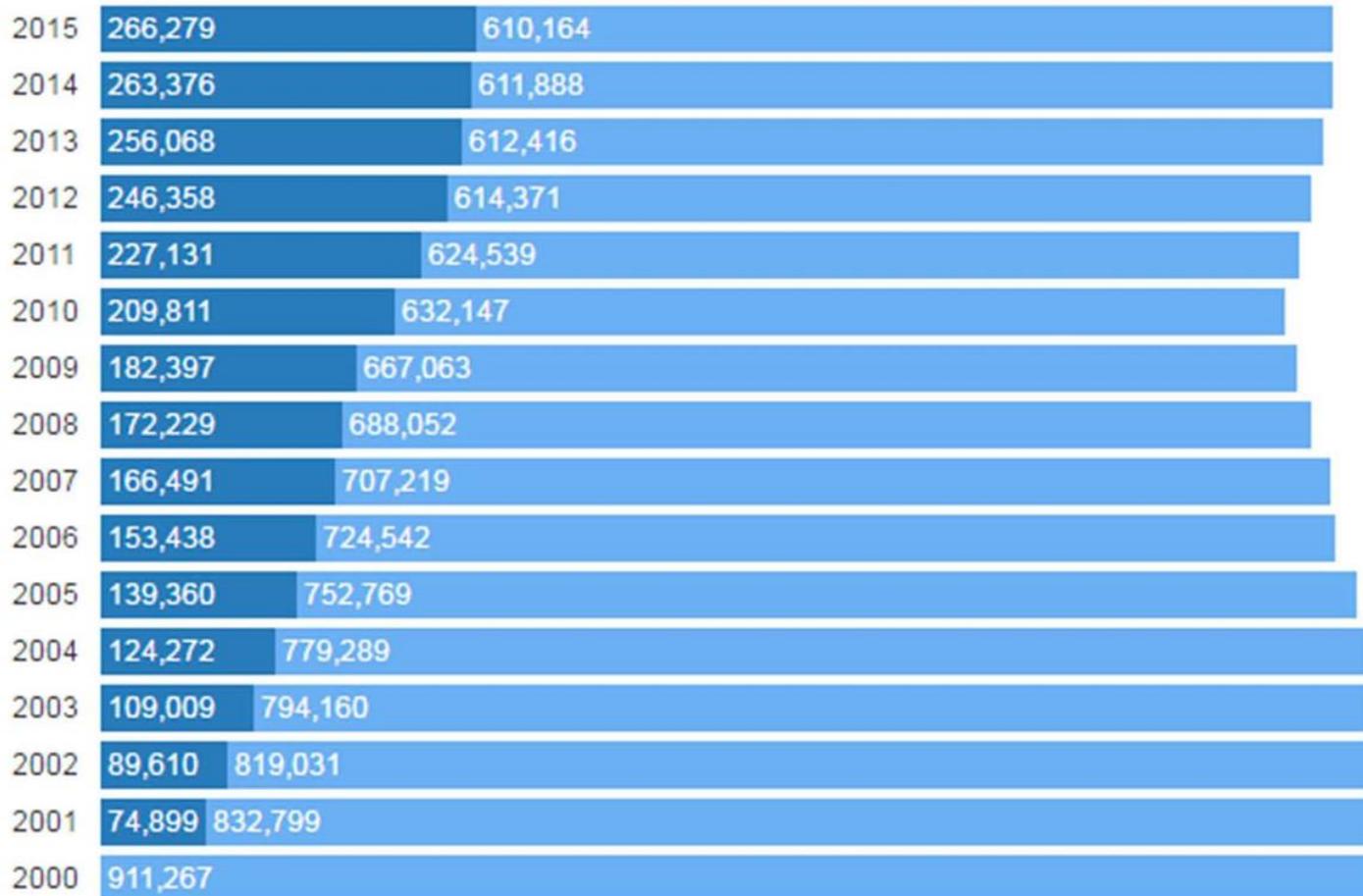
# Mortgage and Appraisal History for The Wilton



# Preferential Rents Become More Common Every Year

In 2000, New York State had 62 preferential rent units. Fifteen years later, it had 266,279. More than 95 percent of all rent-stabilized units in the state are in New York City.

■ Preferential Rent Units ■ All Other Rent-Stabilized Units



Source: Propublica. <https://www.propublica.org/article/new-york-landlords-exploit-loophole-to-hike-rents-despite-freeze>

## Bronx Sample of Set-Up Sheet

### The Difference Between Legal and Preferential Rent

Bronx Neighborhood	Preferential Rent Apartments	Total Apartments	Average Preferential Rent Discount	Potential % Increase
University Heights	17	45	\$ 523.35	14%
Kingsbridge Bldg 1	20	55	\$ 199.75	6%
Kingsbridge Bldg 2	11	27	\$ 807.18	23%
Kingsbridge Bldg 3	14	55	\$ 434.79	10%
Kingsbridge Bldg 4	10	36	\$ 682.90	13%
Kingsbridge Bldg 5	14	36	\$ 750.50	19%
Morrisania	10	12	\$ 722.10	30%
Mt. Hope	16	35	\$ 541.88	18%
Fordham	3	11	\$ 340.00	6%
Fordham-Bedford	16	30	\$ 433.69	12%
Kingsbridge Bldg 6	63	91	\$ 379.21	18%
University Heights	7	23	\$ 657.00	13%
University Heights	19	35	\$ 700.84	24%
Bedford Park	19	27	\$ 626.32	27%
Melrose	6	10	\$ 422.17	12%
Woodlawn	10	20	\$ 414.20	16%
Crotona	8	30	\$ 301.25	11%
Crotona	16	48	\$ 502.25	12%
	<b>279</b>	<b>626</b>	<b>\$ 524.41</b>	<b>16%</b>

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- **Slide 15 (*Biannual pricing, volume and by neighborhood*)**
  - 2016 ended with an average of \$163,000 per unit.
  - This trend is concerning considering just 3 years ago in the second half of 2013, we averaged less than 100,000 per unit. A 42% rise in average price per dwelling unit.
  
- **Slide 19 (*Set up Sheets*)**
  - Multi prong issue of Legitimacy of legal rents, instability for the tenant, and the disincentive to organize for tenants with preferential rents.
  - Bronx multifamily sale set-up sheets are sharing both the preferential rents in the property and the legal maximum rents.
  - The chart shares data from set-up sheets in different northwest Bronx neighborhoods.
  - In our sample, more than 45% of units had preferential rents and the average difference between the preferential rent and the higher legal rent was \$524 per month.
  
- **Slide 20 (*Preferential Rents*)**
  - UNHP has been working with a tenant who receives preferential rent for her 1 BR Bronx apartments in the Fordham-Bedford neighborhood. She came to our offices because she could not understand why she was getting such large increases when the legislative increase was so small.
  - This graphic shows the percentage increase in her preferential rent each year and compares it to the Rent Guidelines Board (RGB) allowable increases on legal rents.
  - The significant yearly increases are affecting the ability of this tenant to remain in the unit. The graph also illustrates that while RGB increases have been very low, tenants with preferential rents can still experience large rental increases.

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- In 2017, the RGB legislated a 0% increase for a one year lease, and the tenant's landlord is proposing a 25.54% in her preferential rent.
- Rent stabilization offers tenants two major protections: it ensures that increases in rent are regulated and tenants have the right to renew their rental leases. Today, tenants in rent-regulated units under a preferential rent lease have been stripped of a significant part of that protection.
- These themes aren't unique to the Bronx, they are occurring throughout the city and the nation; they are especially acute in the Bronx. We've put forward a set of recommendations that are sensible but possibly difficult to implement.

# Sample One Bedroom Preferential Rate Percent Increase Compared to The Rent Guidelines Board Rent Rate Percent Increase (2013-2017)



- “DHCR does not attest to the truthfulness of the owner’s statements or the legality of the rents reported in this document.”

# Sample Supportive Housing Planned and in Construction 2015-2017



In construction Marion Avenue 100 units  
Grand Concourse and Bedford Park 76 units  
Hull Avenue 69 units  
Villa Avenue 56 units  
In Construction Jerome Avenue 40  
Parkside Place 58  
In construction Webster Avenue 41  
Planned Minerva & Jerome 120 units  
Total # of supportive units in sample = 560

# New Development Morris Avenue



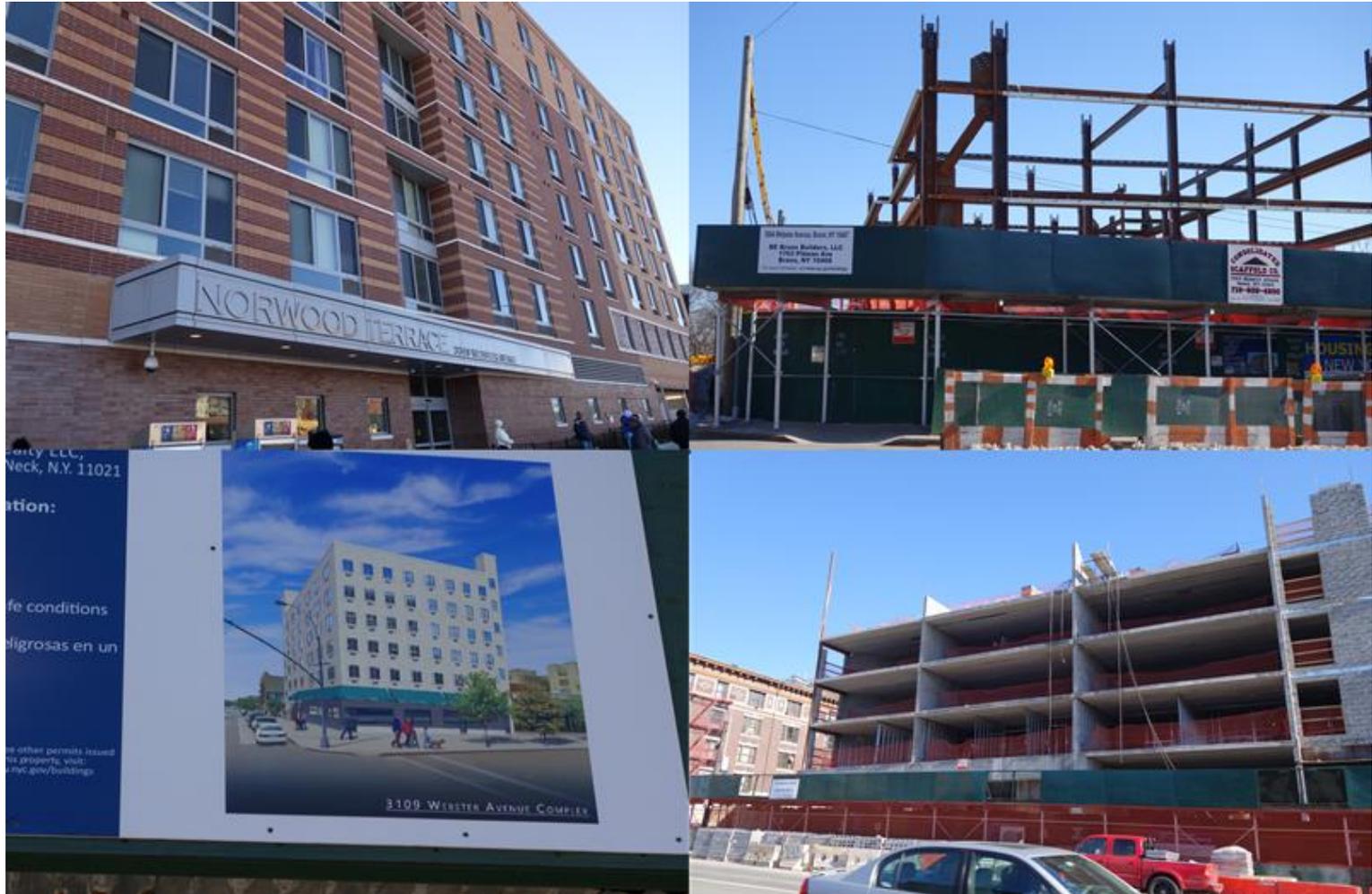
- Studio \$1,850
- 1 BR \$2,025
- 2BR \$2,395
  
- \$35,540 Median HH Income Board 7
- \$1,777 Median rent recent movers CB 7

# Bedford Park CB 7

Demolition of homes, Drive toward big development on small blocks with homes and multifamily properties

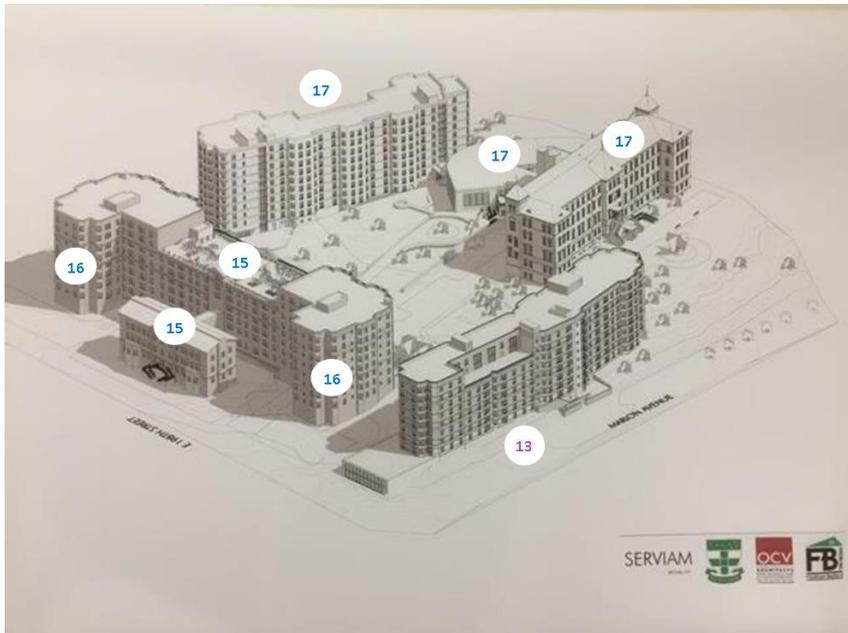


# Webster Avenue Development



# Serviam Campus

## Fordham Bedford Housing Corporation & The Ursuline Community

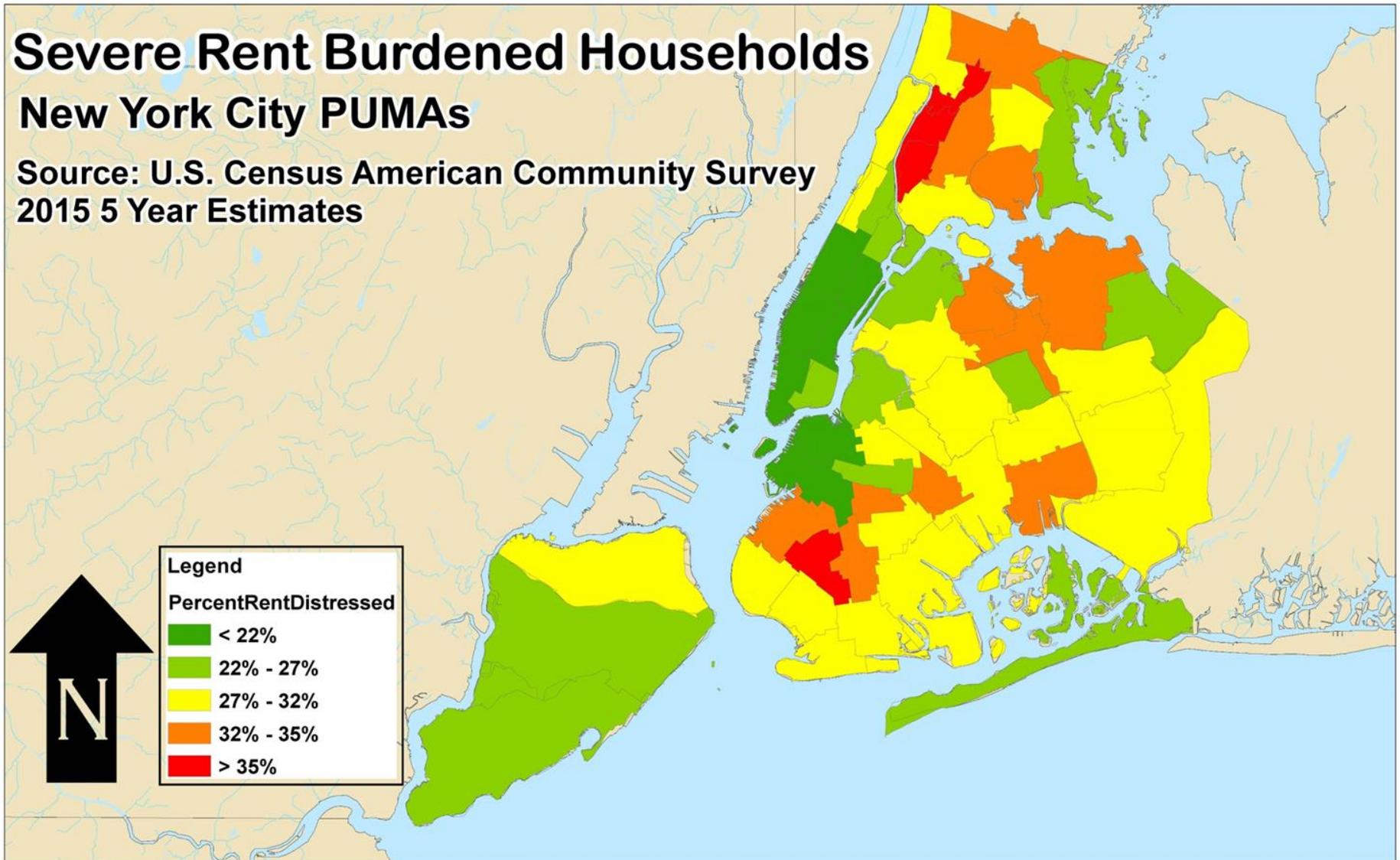


- 15 and 16: **Serviam Gardens and Towers**, opened their doors in 2009 and 2010 affordable housing for 243 senior households.
- 17: **Serviam Heights** in-construction on Bainbridge Avenue. Includes a renovation of the former Ursuline Convent together with a new building which will, combined, provide an additional 197 units of affordable housing for low income seniors. The Ursuline Chapel will be converted to provide a Community Life Center for all of the seniors living in the Serviam buildings.
- 13: **The Bronxview at Serviam** is planned for the Marion Avenue. 114 new affordable apartments for low and moderate income families.

# Severe Rent Burdened Households

## New York City PUMAs

Source: U.S. Census American Community Survey  
2015 5 Year Estimates



Borough	Housing Choice Vouchers (2014)
Bronx	49,687
Brooklyn	39,477
Queens	10,825
Manhattan	19,588
Staten Island	2,741
<b>NYC</b>	<b>122,318</b>

The Bronx held 41% of all Section 8 vouchers in NYC

If you consider the observations and proposals made in Views from the Northwest Bronx, it seems the answers are fairly straightforward:

- Tougher code enforcement, with less reliance on tenant complaints to identify violations in problem buildings
- Aggressive enforcement of rent laws to ensure that what owners are calling legal rents are in fact legal
- Legislative change to protect tenants against sudden rent increases in preferential rent situations
- Consistent, reliable and sufficient rental subsidies to keep vulnerable low-income families and individuals housed
- Open and inclusive communication with communities about housing and development plans in their communities
- Local planning goals and neighborhood well-being should be considered for new development, not just State or Citywide outcomes

- Solicitation of community development organizations in community development projects in neighborhoods
- Improved lending practices to ensure speculative real estate practices are not being used to justify otherwise unsupported prices of buildings through appraisals and preferential rent levels
- Sufficient funds allocated to programs to allow for placement of different types of housing in different neighborhoods (i.e. supportive housing should be able to be placed in areas other than the Bronx)
- Ensure cluster site buildings are being restored to rent stabilization with fair rents
- Furnish more comprehensive, accessible and accurate datasets from city and state agencies for analysis

***“The Bronx is Brooklyn ten years ago.”***

Whether this remark—heard at a recent UNHP meeting with lenders—is deemed a threat, good news, or a ridiculous prediction depends on your perspective.

Instead of making the Bronx ***Brooklyn***, let's make the Bronx ***the Bronx***, - with decent wages for its working families and stable affordable rents.