Ten Blogs and a Forum UNHP

On June 15th 2017, UNHP hosted an affordable housing forum based on our #ViewsNWBX blog series and shared a presentation as well as a printed series summary. While the blog series and our affordable housing forum concluded on June 15th, they informed and fueled a re-dedication of our effort to bring Bronx issues to the forefront of discussions about affordable housing creation and preservation.



The UNHP #ViewsNWBX Forum was held at Serviam Gardens, a senior citizen affordable housing project developed and managed by Fordham Bedford Housing Corporation. UNHP shared a presentation that covered many of the topics highlighted in our ten-part blog series. Panelists shared their perspectives and took questions from the attendees. Bottom right, UNHP staff, VaNessa LaNier, Catherine Clarke, Jim Buckley and consultant #ViewsNWBX Blog Editor, Tyler Falish.

Forum Panelists, Carmen Rivera-Vega, Moderator Roger Hayes, Joe Zitolo, Leila Bozorg and John M. Reilly.

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.

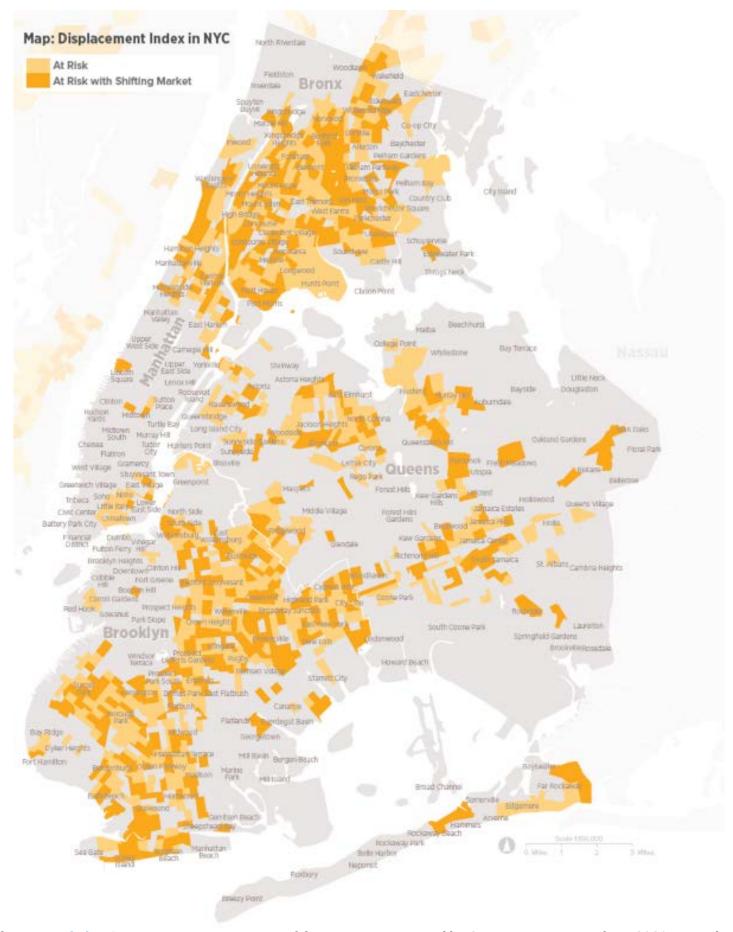
Thank you to our distinguished panel who responded to our presentation from their unique tenant, public, private and non-profit based perspectives.

The Forum:

UNHP staff members Catherine Clarke and VaNessa LaNier made our <u>presentation</u> recapping the blog series while making a compelling case for the need for:

- greater community participation in determining community development plans for neighborhoods
- transparency from city agencies
- aggressive enforcement of housing violations by city agencies and rent laws by state agencies
- strong underwriting by lenders
- coordination and transparency around new affordable, supportive and shelter housing development

UNHP Board member Roger Hayes moderated our four-person panel. Carmen Vega-Rivera, a community activist involved with CASA and the Right to Counsel Campaign, kicked off the morning discussion. The night before our meeting, Carmen and the tenant association in her building had discovered that their building had been sold. Carmen described the battle that her association had been fighting for years to improve conditions in their building. She described herself as a potential target of displacement based on predatory real estate practices. Subsequent to the meeting, the Real Deal published an article about her building's sale. As per the article the price exceeded \$300,000 per apartment, almost double the average purchase price of Bronx apartment buildings in the second half of 2016. Carmen talked about the importance of strong tenant protection laws including the Right to Counsel and a more robust tenant anti-harassment policy by the City. She further noted that all of these concerns were the reason that people were concerned about displacement that could be caused by the Jerome Avenue Re-zoning.



This map created by the Regional Plan Association paints a picture of the concerns presented by Carmen Vega-Rivera from CASA. Everything in yellow, both dark and light are census tracks where the households are at risk of displacement. In contrast to the other boroughs that saw a loss of low income residents and a growth in residents earning more than \$100,000, the Bronx saw growth almost exclusively from people making less than \$50,000. The Bronx has, by far, the highest proportion of vulnerable tracts (low-income renters) of any county in the region, with 71% of the borough being composed of tracts at risk for displacement. The darker yellow on the map are in census tracks where the addition of high-end housing is at the expense of more affordable housing. High end is defined as rents greater than \$2000 a month or homes valued at over \$500K.

Joseph Zitolo, a principal in Lemle & Wolff, a real estate owner, manager and developer in New York City, followed Carmen to the microphone. Joe talked about the difficulties of responsible long term owners and managers in a volatile real estate market. He pointed out that Lemle & Wolff owns and manages thousands of affordable, rent stabilized units. He has used available city loan programs, but in the rapidly rising Bronx market, finding the right tools to preserve and develop affordable housing is difficult. At these prices, "responsible owners find it very difficult to buy buildings." The asking prices on Bronx multifamily buildings had risen well over \$200,000 in the first few months of 2017. He was positive that the community and responsible private owners could work more effectively together to preserve affordable housing.

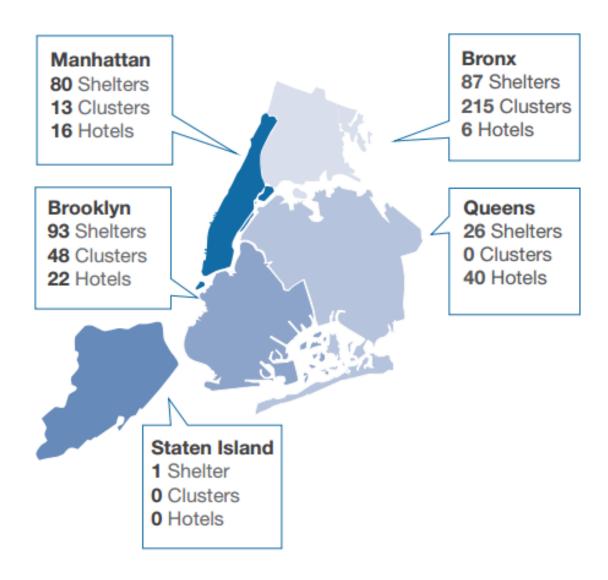
Average Price Per Unit of Bronx Multifamily Residential Properties, Bi-Annually 2002-2016

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



Panelist Joseph Zitolo of Lemle & Wolfe felt that current asking sales prices for Bronx multifamily buildings make it very difficult to develop long-term affordable housing. The UNHP power point showed that multifamily real estate prices in the Bronx had doubled between the 2nd half of 2012 and the 2nd half of 2016. The asking prices on Bronx multifamily buildings had risen well over \$200,000 in the first few months of 2017.

John Reilly, the Executive Director of Fordham Bedford Housing Corporation, spoke next and described the contradiction between government concern about the geographic concentration of poverty and policies that actually encourage that very same concentration in certain communities. John commented on the UNHP presentation which showed the large percentage of cluster site apartments in the Bronx, the significant number of supportive housing buildings under construction in the Bronx and the amount of city funded new construction and renovation which will include some percentage of homeless units.



Panelist John Reilly of Fordham Bedford Housing Corporation expressed concern about the concentration of poverty in the Bronx caused by public policy and governmental development decisions. This chart taken from the Mayor's Turning the Tide report shows homeless shelter distribution by borough. While Queens has the most hotels and Brooklyn the most shelters - The Bronx has a both a high number of standalone shelters and by far the highest number of cluster sites. Cluster sites use privately-owned apartment buildings to temporarily house homeless families. There are over 2,500 units in the 215 cluster sites shown in the graphic and each unit shelters a family. 47% of shelter facilities are located in the Bronx, 25% in Brooklyn, 17% in Manhattan, 10% in Queens and 1% in Staten

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

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 created about 2,500 supportive housing units in the Bronx from 2005 to 2014. The above graphic is a sample of additional Bronx supportive housing projects that have been built after 2014. While supportive housing, with its onsite services, is considered the best placement for homeless people and those with other needs, the continued development of this type of housing in the Bronx, to the exclusion of other boroughs, also contributes to the concentration of poverty.

The final speaker was Leila Bozorg, who was recently named HPD's Deputy Commissioner for Neighborhood Strategies. Leila noted that her office had only been created a couple of years ago and has worked on neighborhood plans in a couple of NYC neighborhoods. She talked about HPD's efforts to be responsive to neighborhood concerns, specifically citing the recent revision of HPD's loan term sheets, which specifically broadened the income targeting of the program to include lower income bands.



Housing New York is signage that indicates this development is part of Mayor de Blasio's 5-borough, ten-year housing plan. This development on Jerome Avenue offers a mix of affordable, supportive and market rate housing to formerly homeless, low and middle income families.

The discussion that ensued made clear that the issues that have been raised in our #ViewsNWBX series and at the forum were of major concern to Bronx residents. Carmen made clear that the organizations working on the Jerome Avenue Rezoning did not feel that the revised term sheets met the needs of the community and did not address the group's other concerns including jobs and assurances of non-harassment of current tenants in the rezoning area. Community leaders in the Bedford Park section, in the midst of a fight to downzone, expressed concern about the impact of the amount of building taking place in their neighborhood. A Community Board 7 member asked Leila Bozorg to meet to discuss ways in which the Office of Neighborhood Strategies could work with their neighborhood. Another private owner at the forum affirmed Joe Zitolo's point that long-term, responsible private owners are also interested in improving their buildings and neighborhood without displacing people.



Bedford Park community residents at the meeting raised concerns about the unprecedented amount of demolition and building in Community Board 7 and the need for community input, planning and coordination. Bedford Park – a stable mixed density neighborhood with a mix of homes, small buildings and 7 story apartment buildings – is also the hub of widespread demolition of small homes and buildings, construction fences, upzoned new developments and many unknowns behind the green privacy fences. The possible development of a recently burnt out six-unit home—where tenants were suing the landlord—and other adjacent vacant properties has alarmed neighborhood residents. The neighborhood is fighting to down-zone the community, but the density and character of the community may have already changed significantly.

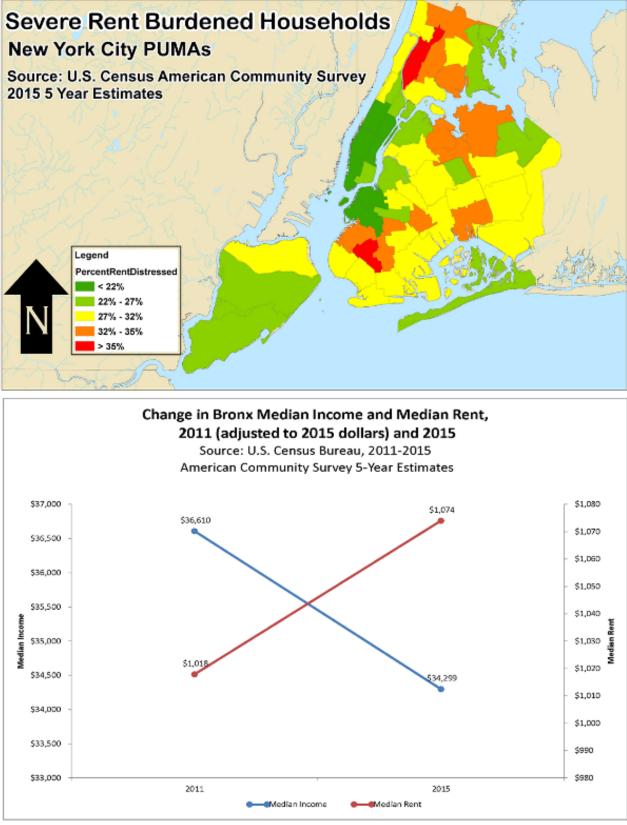
The forum concluded with UNHP stating its commitment to keep gathering the research, analyzing and sharing the information and seeking to ensure that the concerns of the neighborhoods are heard.

The Follow-up:

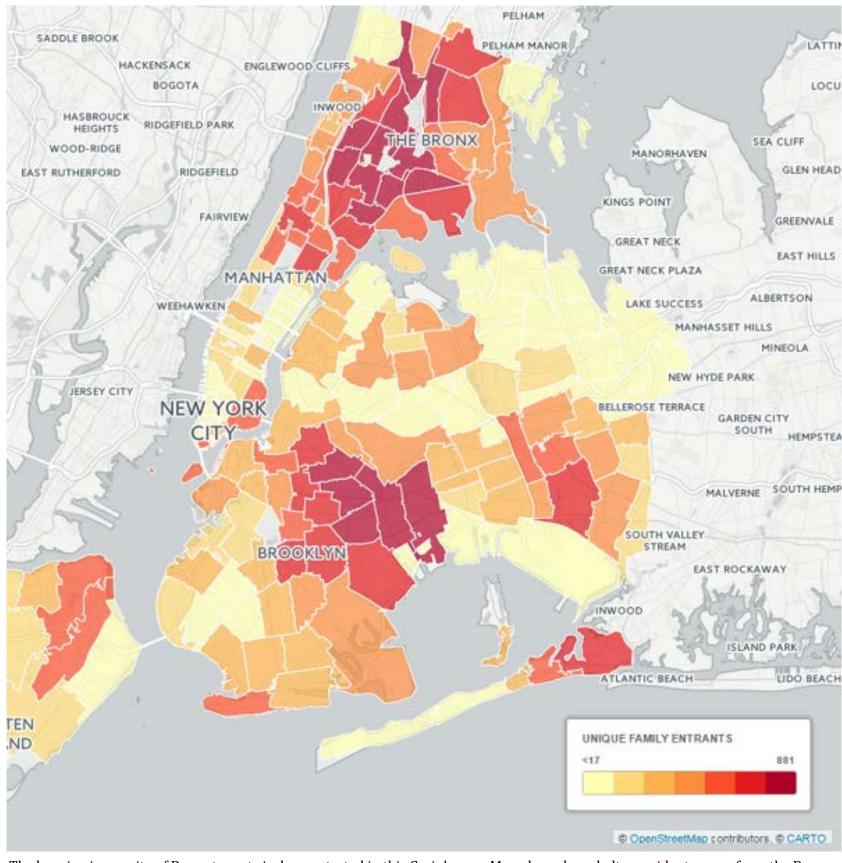
UNHP came away from the series and forum with several takeaways.

The temptation to try to follow up on every issue that was raised during the past few months is tempered by the constraints of time. Several items clearly will be priorities for UNHP in the coming months.

- Greater transparency on government plans for our neighborhoods and emphasis on making sure that community input is considered as plans develop. We want to see coordination of state and city funded affordable and supportive building. Clarification of the City's revised homeless plans including shelter locations, the future of cluster site buildings, the impact on rent stabilized apartments in those cluster buildings, and the monitoring procedures established by the City.
- Rising Rents and Code Enforcement: Our blog helped many of us to get a better understanding of the scope of the preferential rent issue. Our data suggests a connection between preferential rents, displacement and the rising prices. Legislative and regulatory action at a state level is necessary to resolve the issue of rising rents that may not be legally justifiable. Code enforcement above and beyond the tenant-initiated housing complaints in targeted areas could be helpful in slowing the real estate speculation occurring in the Bronx.
- Identifying the cause and impact of soaring real estate prices in the Bronx. A coordinated legislative and regulatory strategy at a state level could have a significant impact on the preferential rent issue. Private lending and investment practices need to be scrutinized to make sure that current practices are not encouraging illegally raising rents and basing prices and mortgages on inaccurate rent rolls.
- Anticipating the impact on our neighborhoods if threatened federal cuts are implemented. Two examples, 41% or almost 50,000 households benefited from Housing Vouchers in 2014. Proposed cuts to rental subsidies will negatively affect many Bronx people. Many of the City's HPD staff, including code enforcement inspectors, are paid with federal community development money; the proposed budget would eliminate the Community Development Block Grant program.



What happens with development, the transition of cluster sites, the creation of new shelters, the enforcement of rent regulations and the destabilizing forces of speculation will affect the Bronx first. The map above shows the vulnerability of Bronx residents who are burdened by rising rents and declining incomes.



The housing insecurity of Bronx tenants is demonstrated in this Crain's map. Many homeless shelter residents come from the Bronx.

Views from the Northwest Bronx Acknowledgments

Thank you to UNHP staff, Jumelia Abrahamson, Catherine Clarke, VaNessa LaNier and Niki Quiterio, whose work to create original material, undertake and analyze research, and timely post the #ViewsNWBX blog series was invaluable. Sincere thanks to our skilled consultant editor in chief, Tyler J. Falish, a recent graduate of the Fordham University Master Program for International Political Economy & Development. Tyler edited and organized the series and did his best to rein us in and keep us focused. Thank you to our guest bloggers, John M. Reilly, Executive Director Fordham Bedford Housing Corporation, Sheila Garcia, CASA Deputy Director and Judi Kende, Vice President and New York Market Leader for Enterprise Community Partners, Inc. - your posts helped define the central themes of our series. Thank you as well to Sally Dunford and Andrew Laiosa, from West Bronx Housing and Neighborhood Resource Center, for their assistance with the preferential rent blog as well as their long-time work with Bronx tenants. Thanks to Chris Planica, Elizabeth Strojan and Bill Frey, who worked with us in the beginning to flesh out the idea of updating our research in a rapidly changing Bronx, and public policy landscape. Thank you to the UNHP Board, partners and neighborhood residents who shared their views with us. Special thanks to Lily Lopez and Citi Community Development for supporting our work to give voice to the issues in the northwest Bronx and launch direct service eviction prevention, affordable housing and NYC Rent Freeze enrollment services at the Northwest Bronx Resource Center. Finally, thank you to our #ViewsNWBX moderator, Roger Hayes and panelists, Leila Bozorg, John M. Reilly, Carmen Vega-Rivera and Joseph Zitolo for participating and facilitating our June 15th 2017 Affordable Housing forum.