

Join UNHP's Growing List of Sponsors!

www.unhp.org/donate

Contact: Cathy Clarke, Clarke@unhp.org



**THIS IS WHAT WE DO:
RESEARCH AND ACTION**

**MULTIFAMILY
LENDERS & BIP
MEETING ON FINANCE
TRENDS**

JULY 28, 2021

WWW.UNHP.ORG/BLOG

Affordable Housing Supporters

- Apple Bank for Savings
- Dougert Management
- Dime Bank
- Enterprise Community Partners
- Lemle & Wolff Companies
- Morgan Stanley
- NorthEast Community Bank
- Sycamore Birch Management Company
- WMW Realty Management
- John Van Bomel
- Community Preservation Corporation

Research and Action Supporters

- Brian J. Byrne & Jean McBride-Byrne
- VaNessa LaNier
- Skyline I LLC
- In Memory of Theresa Liu-Avitabile
- New York Community Bank

Bronx Services Supporters

- Fordham University Government Relations & Urban Affairs
- Benchmark Title Agency
- Brown & Brown of NY

- Jim, Joanie and Jack
- Emigrant Bank
- Mike Lappin LLC
- M&T Bank
- Henry Schwalbenberg
- TRYAX Realty Management
- Lisc NYC and LISC Institute

#ViewsNWBX Supporters

- The Conley Family
- Fordham Campus Ministry
- Sandra Erickson RE
- Johanna Kletter
- USA East Province of the Society of Jesus
- Workforce Housing Group



UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | www.unhp.org

THIS IS WHAT WE DO: UNHP & MISSION EVENT SERIES & ANNUAL FUNDRAISER

**Research and Action Community Development
Direct Service - This is What We Do**

Please sponsor UNHP in our work to create
and preserve affordable housing and
bring resources to our Bronx community.

SPONSOR LEVELS

- • Affordable Housing \$2,600
- • Research & Action \$1,600
- • Bronx Services \$1,000
- • #ViewsNWBX \$600



Sponsors will be acknowledged on our 2021 custom pint glass, on our website, and at the event webinar and program www.unhp.org/donate or Contact Cathy at clarke@unhp.org



UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | www.unhp.org

Building Indicator Project (BIP) Meeting

University Neighborhood Housing Program

July 28, 2020

Agenda

Introduction -

Jim Buckley, Executive Director, UNHP

Catherine Clarke, Deputy Director for Development, UNHP

Trends in Multifamily Finance -

Jacob Udell, Research & Data, UNHP

Discussion: the Role of Banks in Multifamily Housing -

Rajiv Jaswa, Staff Lawyer, TakeRoot Justice

Christopher Beck, Director of CRE Lending Administration, New York Community Bank

Questions



UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | www.unhp.org

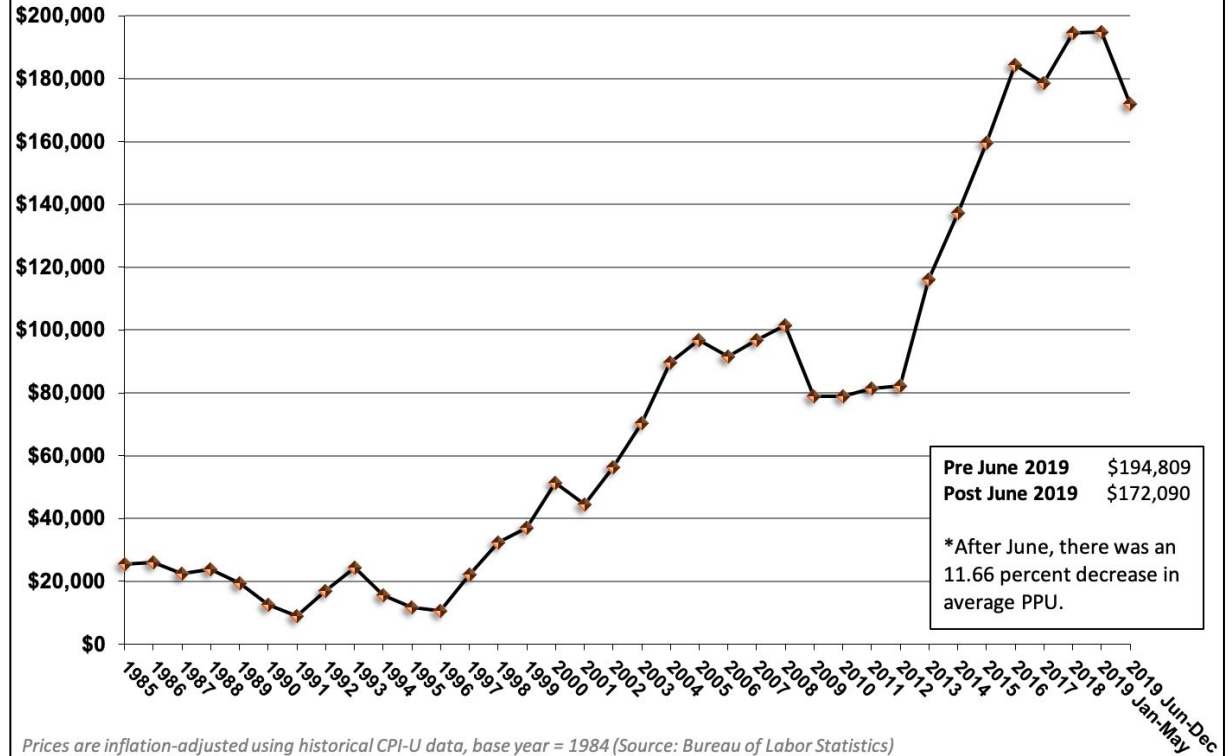
NYC Multifamily Real Estate Market - the long view

- BIP's beginning → divergence between sales price and net income.
- What has the role of multifamily lenders been over this 30+ year history?
- What responsibilities do multifamily lenders currently have (both to housing stock & to the tenants who live there)?



Average Annual Price per Unit for Bronx Multifamily Residential Housing, 1985-2019 in Constant 2018 Dollars

Sources: Win2Data (2002-2007), RealQuest (2007-2012) and NYCDOF Rolling Property Sales (2013-2018)

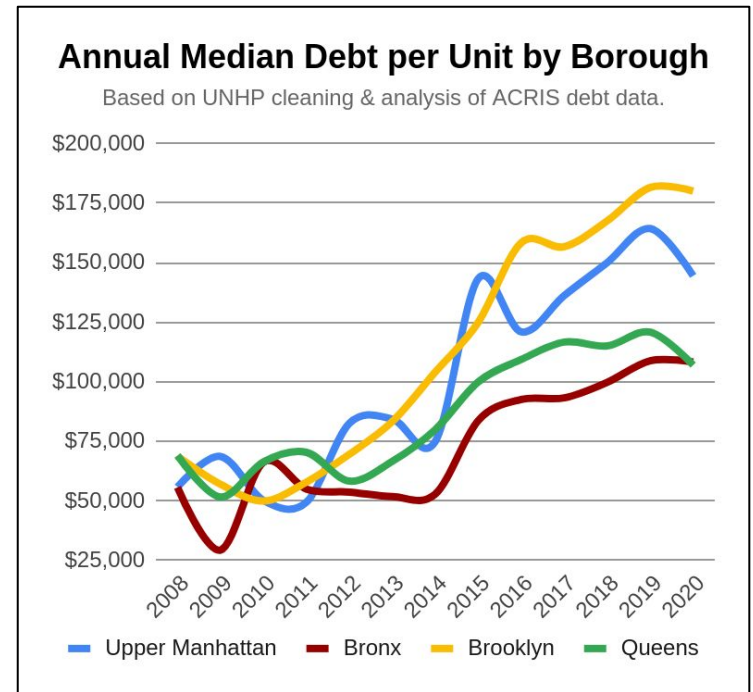
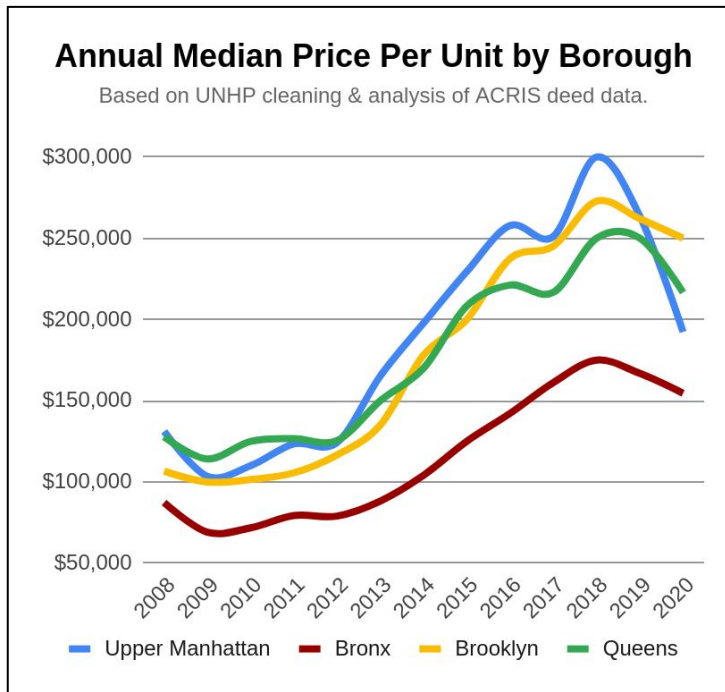


UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | www.unhp.org

NYC Multifamily Real Estate Market - the last decade

- Rise in values since 2008 paralleled by rise in debt levels.
- Significant shift in 2018: (i) End of the real estate cycle, (ii) HSTPA, (iii) COVID.
- However, while values have dropped significantly, debt levels seem to have just levelled off.

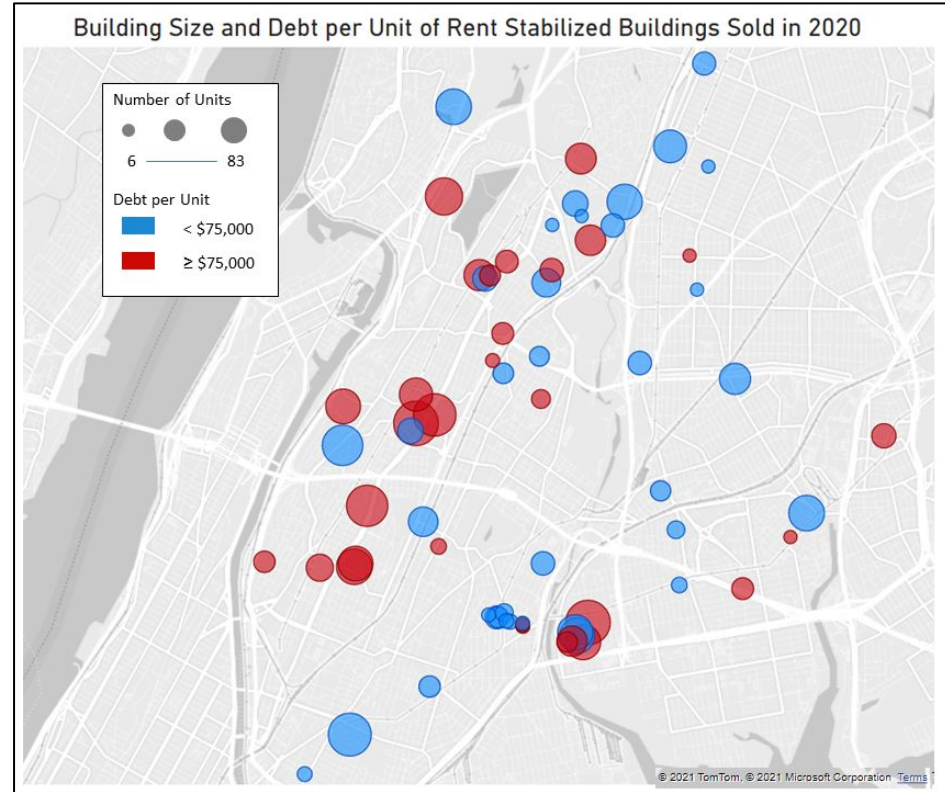
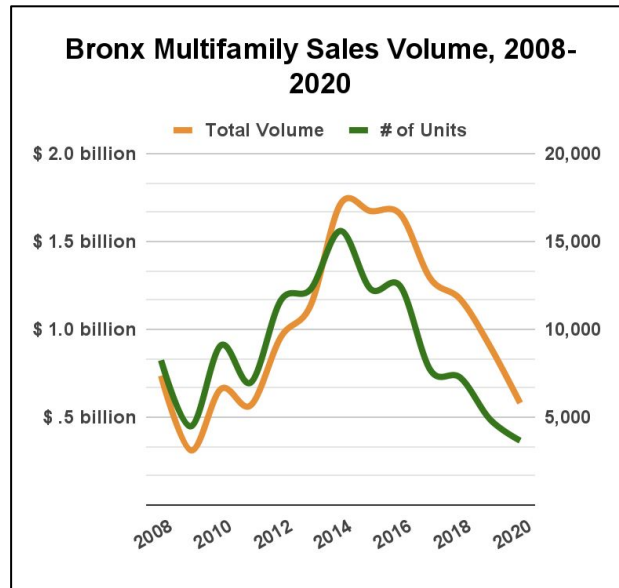


UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | www.unhp.org

Bronx Multifamily Pricing Analysis - 2020

- Sales occurred mostly among properties with low debt levels.
- Of 4,000 likely rent-stabilized Bronx properties with an active loan, 38% have a debt per unit level of over \$114k.

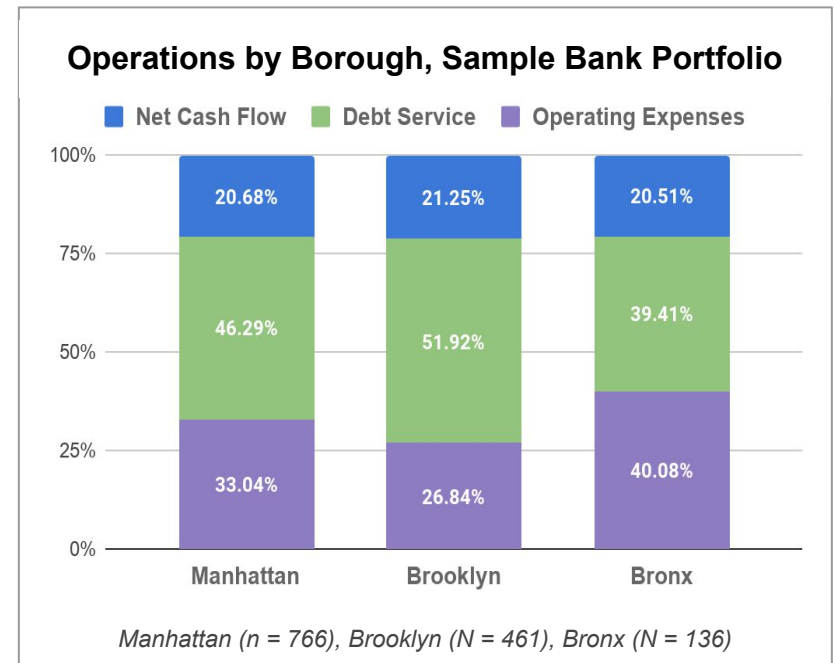
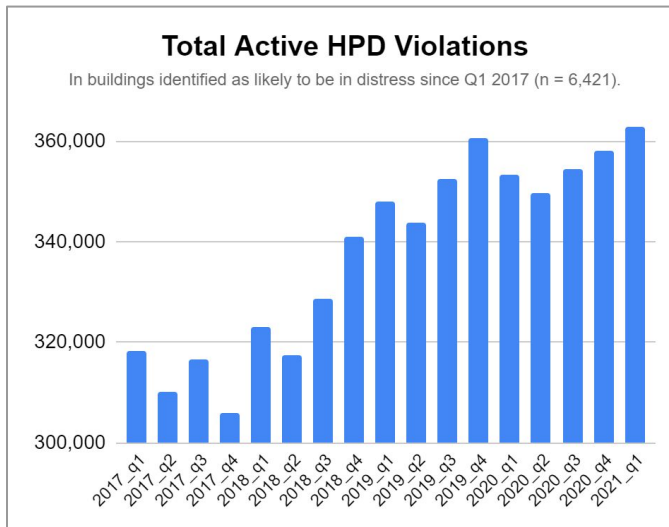


UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | www.unhp.org

Multifamily Housing Post-Covid: Deferred Maintenance & Expense Levels

- High debt levels → more rental income going to debt service, which translates into expense levels that almost guarantee some level of deferred maintenance.
- Expense to income ratio in UNHP's portfolio is between .7 to .8 — what happens when the industry standard is to underwrite to only half of that?
- Particularly concerning for chronically distressed properties — early warning signs are already showing up.



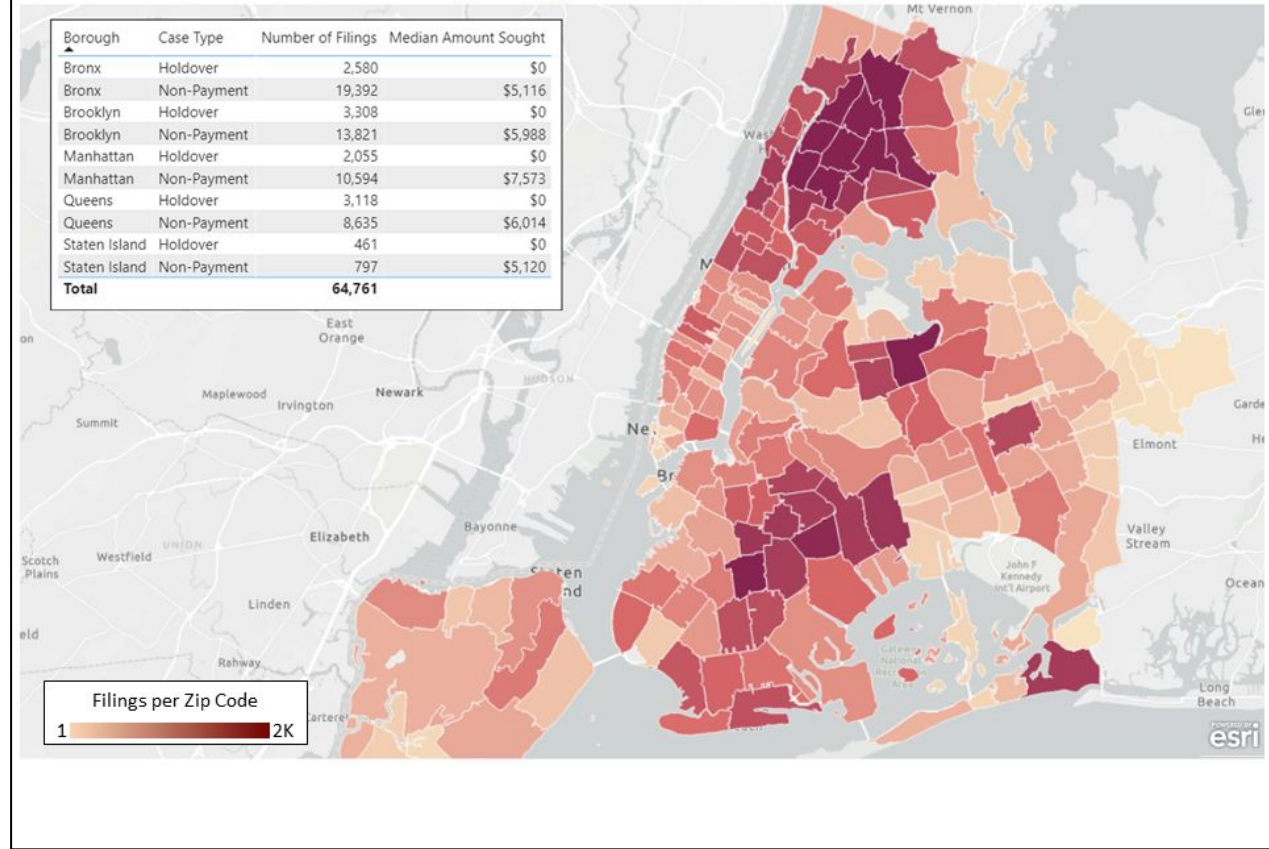
UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

Multifamily Housing Post-Covid: Evictions

- The Bronx is again an epicenter of eviction filings.
- Median back rent owed has basically doubled from before the pandemic.
- Housing court data is a new resource, and crucial to outcomes in NYC multifamily housing in the coming years.

Eviction Filings Since 3/16 (Court Closure)

Borough	Case Type	Number of Filings	Median Amount Sought
Bronx	Holdover	2,580	\$0
Bronx	Non-Payment	19,392	\$5,116
Brooklyn	Holdover	3,308	\$0
Brooklyn	Non-Payment	13,821	\$5,988
Manhattan	Holdover	2,055	\$0
Manhattan	Non-Payment	10,594	\$7,573
Queens	Holdover	3,118	\$0
Queens	Non-Payment	8,635	\$6,014
Staten Island	Holdover	461	\$0
Staten Island	Non-Payment	797	\$5,120
Total		64,761	



UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

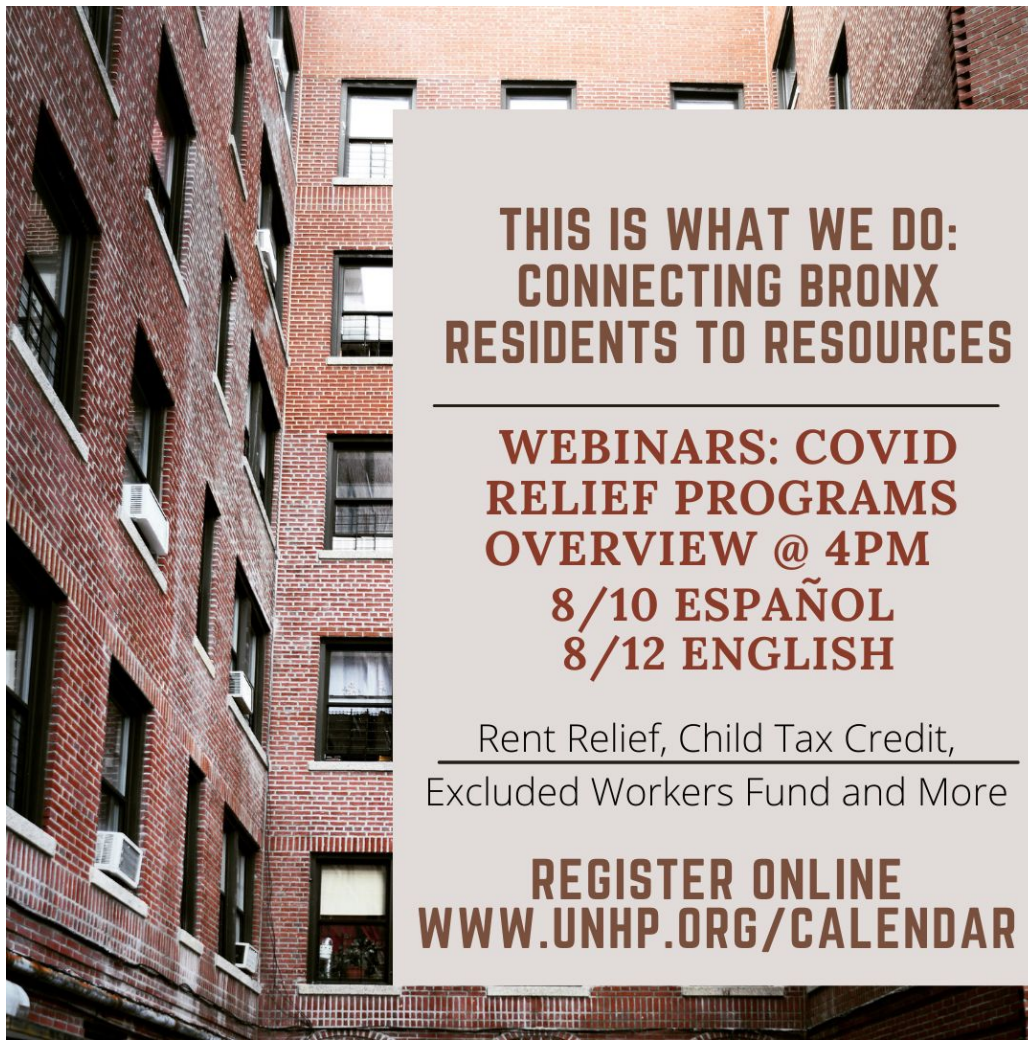
2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | www.unhp.org

The Role of Banks in Multifamily Housing

- **CRA** & Multifamily Lending — moving beyond the current paradigm.
 - Is an acquisition loan or refinance in an LMI district enough to be considered community development?
 - How can lenders promote good outcomes through lending on properties for which they receive CRA credit for?
- Across the portfolio: Equitable Reinvestment Coalition's **Multifamily Best Practices**
 - Minimum DSCRs
 - Realistic expense levels
 - Building inspections
 - Monitoring of landlord lists (BIP and otherwise)
 - Resolution of issues

How do we ensure more proactive implementation of the best practices?
- What else is needed?
 - CRA reform, work with regulators
 - More robust regulation, specifically around code enforcement
 - Continuing to build lines of communication between lenders and advocates, organizers, and tenants





**THIS IS WHAT WE DO:
CONNECTING BRONX
RESIDENTS TO RESOURCES**

**WEBINARS: COVID
RELIEF PROGRAMS
OVERVIEW @ 4PM
8/10 ESPAÑOL
8/12 ENGLISH**

Rent Relief, Child Tax Credit,
Excluded Workers Fund and More

**REGISTER ONLINE
WWW.UNHP.ORG/CALENDAR**



UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM

2751 Grand Concourse Bronx, NY 10468 | Tel: 718.933.3101 | Fax: 718.933.3624 | www.unhp.org