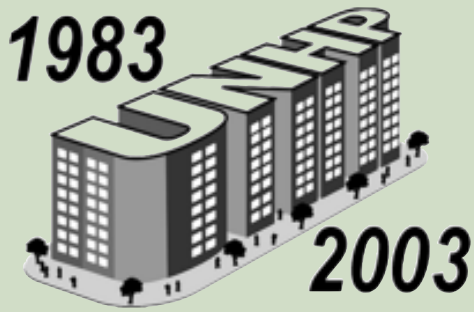


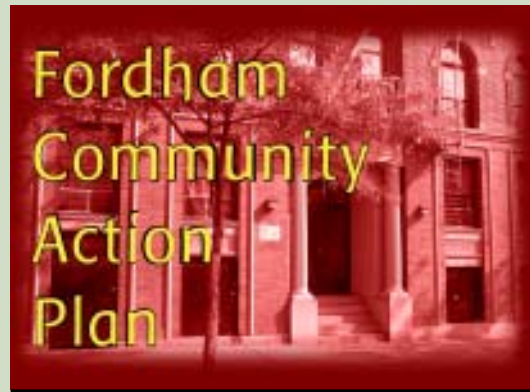


University Neighborhood Housing Program

Biennial Report
2001 - 2003



Create • Preserve • Finance



Working to create, preserve and finance affordable housing for the residents of the Northwest Bronx

Joseph P. Muriana, *President*
James Buckley, *Executive Director*
Gregory Jost, *Deputy Director*

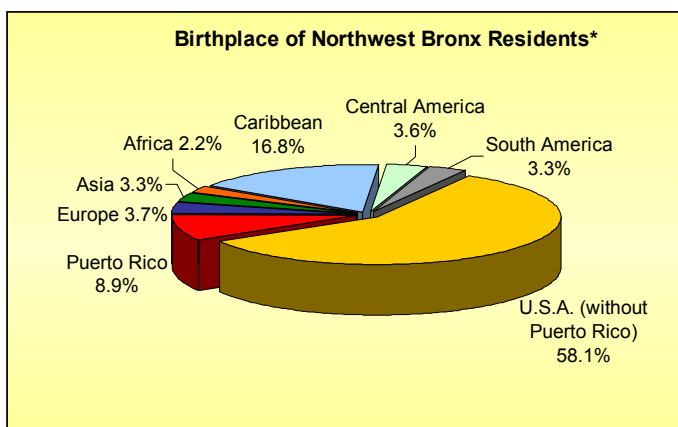


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University Neighborhood Core Activities: Lending, Organizing & Technical Assistance

Lending

Investments in our community development loan funds have grown over the past two years, thanks in part to our designation by the Department of Treasury as a Community Development Financial Institution (CDFI) in January of 2002. GreenPoint Bank became a 2003 investor in our Green Loan Fund with an investment of \$100,000 at 2%. Astoria Federal Savings renewed their \$100,000 investment at 0%, Sisters of Charity of St. Vincent De Paul renewed \$75,000 at a reduced rate, Society of the Divine Word renewed \$30,000 also at a reduced rate and Apple Bank for Savings and North Fork Bank issued new low interest investments to our loan funds. These institutions joined JPMorgan Chase, Citigroup Fund for Innovation, Fannie Mae Foundation, Joyce Mertz Gilmore Foundation and Citywide Renewal as current investors in our loan funds.



The UNHP Green Loan Fund provides low interest funds for conservation or cost saving improvements in order to improve the building physically and financially. In 2002/03, UNHP issued 4 Green Loans worth over \$350,000 that assisted 212 units of affordable housing. The UNHP STIRR Fund (Short Term Interest Rate Reduction) provides low interest replacement financing for high interest back debt incurred by currently stabilized community controlled buildings. The Fannie Mae Foundation and JPMorgan Chase participate in the STIRR Fund. Citigroup selected UNHP's low interest loan funds for its Fund for Innovation in 2002 and invested \$200,000 in low interest revolving funds. UNHP has provided a combination of lending and technical assistance that made possible the purchase of over 50 multifamily buildings by not-for-profits in the Northwest Bronx as well as the physical and financial stabilization of over 1700 units of affordable housing.

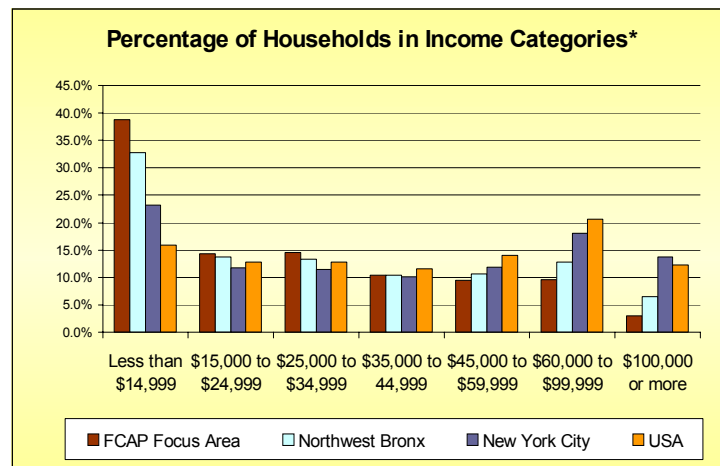
Funders 2001-2003

Apple Bank for Savings	HSBC
Astoria Federal Savings	M&T Bank
Bank of New York	Mizuho Foundation
Citigroup Foundation	Neighborhood 2000
JPMorgan Chase	New York Community Trust
Dime Savings Bank of Williamsburgh	North Fork Bank
Emigrant Savings Bank	Ridgewood Savings Bank
Fannie Mae Corporation	Scherman Foundation
Fannie Mae Foundation	Taconic Foundation
GreenPoint Foundation	

Organizing

Organizing around issues that jeopardize affordable housing has remained an important piece of University Neighborhood's work to preserve affordable housing. Increasing water and sewer rates, rising insurance costs and decreases in housing programs and Section 8 funding all impact the ability to maintain housing as affordable, especially in the not-for-profit and community controlled buildings in our neighborhoods. In April 2002, over 60 people attended a citywide workshop on water and sewer issues co-sponsored by the Local Initiatives Support Corporation (LISC) and the Enterprise Foundation. Department of Environmental Protection (DEP) staff attended and a host of billing issues and problems were discussed. Out of this meeting, DEP developed a new program for non-tax credit HDFCs. The program wipes out back charges and interest for this type of not-for-profit building if it enters into a payment agreement and remains current on future payments.

Our efforts to obtain back Section 8 payments in local not-for-profit managed buildings has also been successful. UNHP organized a series of meetings with Section 8 staff and thousands of dollars in back Section 8 payments have been made.



Technical Assistance

Created by UNHP in 2000, the Community Resource Guide (CRG) is an online informational resource that provides quick access to demographic and other types of information as well as step by step guidance for the user. UNHP has added a section on building information including links to the Department of Housing Preservation's (HPD) online building code violations information, and to the Department of Finance where users can look up property tax, water/sewer charges, and mortgage and deed records. UNHP has also added numerous maps including zip codes, community boards and congressional districts to CRG. The Community Resource Guide enables UNHP to provide citywide technical assistance at a low cost to the organization. In 2002, UNHP provided two citywide workshops on the use of the site to assist other groups find CRA data as well as multifamily ownership and title information.

UNHP continues to provide technical assistance to affordable housing providers on a range of issues including insurance and Year 15 exit strategies for low income housing tax credit projects.

The Demographics and Geography of the Northwest Bronx

Northwest Bronx Facts:	
Densely Populated*	416,640 people in 144,238 households; 47,730 people per square mile
Younger Population*	The percent of population under age 18 is 31% while the citywide percentage is 24%
Ethnically Diverse and Fairly Stable Population*	In 2000: 54% Latino, 22% Black, 16% White, 4% Asian, 3% Other/Mixed In 1990: 47% Latino, 23% Black, 26% White, 4% Asian, 1% Other
Dominated by Multifamily Housing***	150,000 units of housing; 90% of units are in multifamily buildings (those with 5 or more units)
Immigration has fueled the population growth during the 1990s*	The total population grew 9% during the 1990s; 16% of the total population immigrated in the 1990s; overall, 30% of the total population is foreign born
Housing stock older and poorly maintained compared to rest of City**	Over 60% of the housing was built before 1930. Northwest Bronx neighborhoods rank third highest in percentage of severely crowded households (17%) and housing units with 5 or more maintenance deficiencies in both 1991 and 1999, and among the highest for serious violations per 1,000 units.
Northwest Bronx renters pay largest share of income in rent**	The Bronx has the lowest per capita income of the five boroughs and the largest percentage of renters with severe rent to income burdens (27%). Northwest Bronx neighborhoods rank second highest city-wide in percentage of households with rents greater than 50% of income (33.4%).

UNHP has analyzed the demographics of the Northwest Bronx based on the 2000 Census, as well as a number of other data resources (*see charts*). Many of these resources are available on the internet and are contained in the Community Resource Guide (CRG) on our website. Using a tool like CRG has made the obtaining of this type of data relatively easy.

Notes:

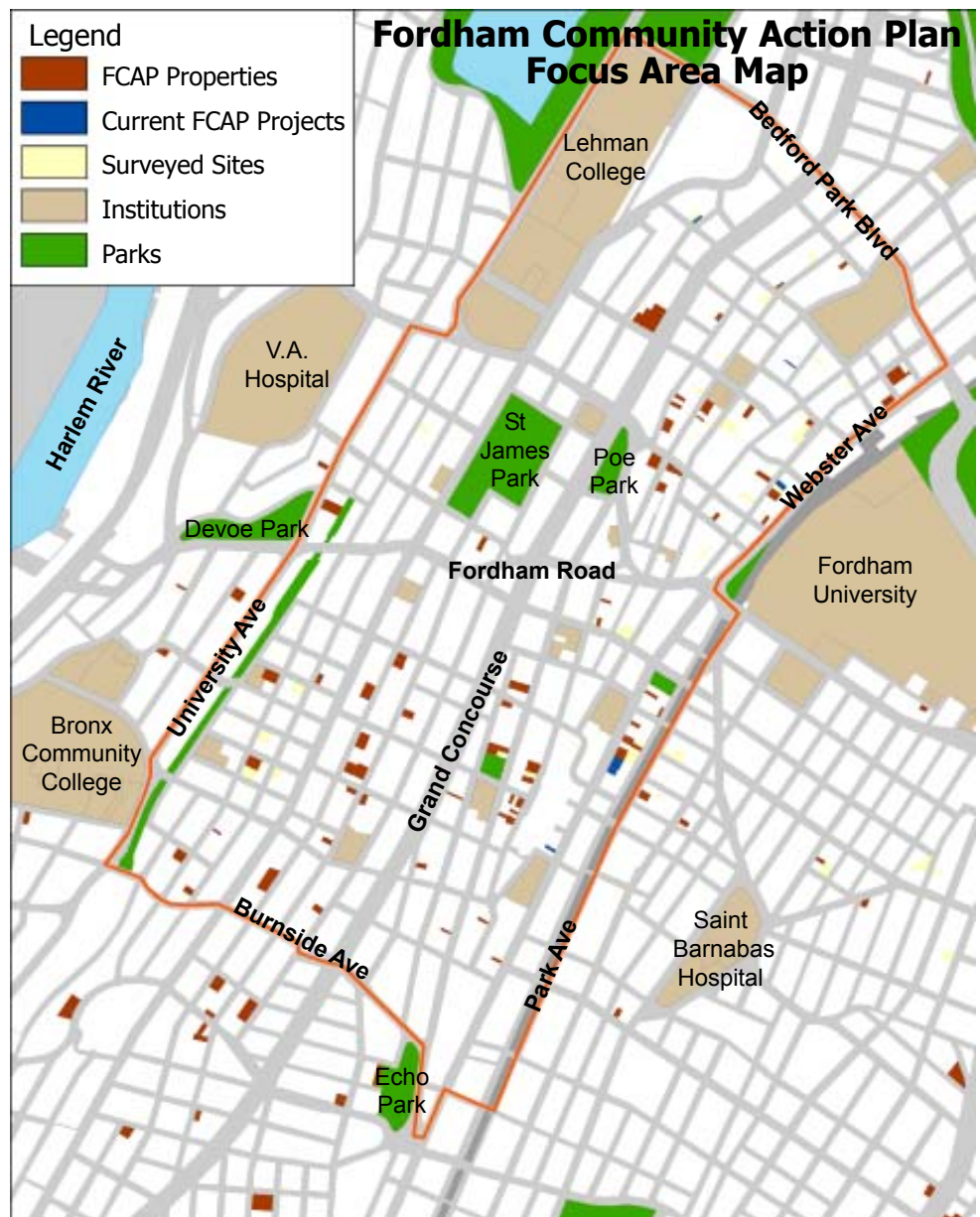
*Census 2000

**The State of New York City's Housing and Neighborhoods 2002, written by Wallin, Schill and Daniels of the Furman Center for Real Estate and Urban Policy

*** First American Real Estate Solutions Win2Data, July 2003

Maps created on ESRI's ArcView 8.2 using data from NYC Department of City Planning Bytes of the Big Apple, ESRI and our own research.

Pictured below is a map of the Northwest Bronx (outlined in orange). The yellow-shaded area in the center of the map is the Fordham Community Action Plan (FCAP) Focus Area, shown in detail in the larger map at right.



UNHP's 2002/2003 New Initiatives and Highlights

Founded in 1983, University Neighborhood Housing Program (UNHP) is celebrating 20 years in dedicated pursuit of its mission to create, preserve and finance affordable housing in the Northwest Bronx. UNHP works to achieve its mission by lending from our community development and low interest specialty loan funds, organizing around issues that jeopardize housing affordability and providing technical assistance to not-for-profit community groups, affordable housing managers and community leaders. Combining UNHP core activities – lending, organizing, technical assistance – we have focused our affordable housing efforts on two broad initiatives in 2002/03. The first major initiative was our research and recommendations on rising Bronx multifamily housing prices. The second major initiative has been the Fordham Community Action Plan (FCAP) – a collaborative and broad reaching community development initiative targeting the neighborhoods in the heart of the Northwest Bronx.

Researching Bronx Housing Values

In November of 2000, UNHP began its research project on rising Bronx housing prices based on anecdotal tales of multifamily housing selling for as much as six times rent roll. This research work resulted in a 2003 original report, entitled, "A Real Estate Bubble in the Bronx? A Study of Trends in Bronx Multifamily Housing Pricing, 1985 to 2001."* The study was initiated to quantify the rise in housing prices and determine if the Bronx is in a speculative bubble. The report findings suggest an affirmative answer and detail the more than doubling of per unit multifamily housing prices.

Rising housing values of a speculative nature coupled with Northwest Bronx demographic information raise serious concerns about the future of affordable housing in the Bronx. In the Freddie Mac foreclosure period in the Bronx during the late 1980s, we saw a decline in services and delays in repairs in properties prior to foreclosure. The decline in services was symptomatic of a cash flow problem caused by the increased debt service on the property. We are currently experiencing similar cuts in service and repairs in many properties while prices continue to rise.

In direct response to the threat that foreclosures pose to affordable housing, University Neighborhood Housing Program has suggested that lenders take a thorough look at the physical conditions of the buildings and apartments as well as the sources and expectations of the equity money those owners are putting into properties.

UNHP has also proposed a major new initiative to mitigate the consequences of foreclosure on tenants as well as financial institutions – a citywide multifamily foreclosure prevention clearinghouse. Fannie Mae, the Enterprise Foundation and a number of financial institutions have been working to further develop this idea with University Neighborhood Housing Program. On June 25th, 2003, UNHP held a 20th Anniversary Affordable Housing Forum where the results of the real estate bubble report were discussed and the idea of the clearinghouse was proposed. The forum was attended by over 50 individuals from a broad spectrum of housing interests, including financial institutions, foundations, for profit and not-for-profit housing owners and real estate research groups.

The clearinghouse would allow buildings to circumvent some of the serious negative effects of foreclosure, namely a costly and lengthy foreclosure process that exacerbates deteriorating building conditions and is not beneficial for any of the parties involved. University Neighborhood supports the creation of a clearinghouse in order to preserve the type of housing (privately owned multifamily) in which lies our greatest resource for affordable housing.

Fordham Community Action Plan

Working with institutional affordable housing partners, NYC Housing Preservation and Development (HPD), the Enterprise Foundation and Fannie Mae, UNHP and our neighborhood partner, Fordham Bedford Housing Corporation, have developed the Fordham Community Action Plan (FCAP). We have targeted the areas where UNHP and our partners have focused a considerable amount of resources and energy over the past 20 years. We are seeking to build upon our successes and add the additional resources necessary to permanently stabilize these neighborhoods.

In the past year, UNHP has worked with its partners to move the plan forward. We have completed a demographic and planning study and developed a persuasive presentation which has been used to enlist the support and participation of a wide range of affordable housing participants. In addition to completing titles searches for vacant and deteriorated properties, Fordham Bedford Housing Corporation has obtained site control of a vacant 9 unit building on Webster Avenue (*pictured at left*) and the cooperation of the City to stabilize the building while the acquisition and renovation financing is being finalized. We are also working to obtain funding and investors for the development of 63 units of affordable housing with first floor early education classrooms and open space nearby on Webster Ave.



Responding to the high number of Federal Housing Administration (FHA) insured private home foreclosures in the focus area, UNHP and our partners have begun conversations with the Department of Housing and Urban Development to create a pilot project that will allow not-for-profits to purchase foreclosed homes at a discount. The not-for-profit would be responsible for the rehabilitation and resale of the home to low and moderate income homebuyers. UNHP is continuing to gather information on the rising number of foreclosure auctions scheduled in the borough and has commenced conversations with financial institutions on loss mitigation procedures to avoid foreclosure. We provided the first in a series of resource fairs targeting local homeowners, especially those living in deteriorated homes or threatened by foreclosure, and helped set up a hotline.

University Neighborhood brings its financial skills, its low interest community development loan funds, its affordable housing research ability and our organizing expertise to the Fordham Community Action Plan agenda. UNHP has made \$300,000 in FCAP community development loan commitments for 2003/04 for the acquisition of a 13 unit SRO with 4 stores on Creston Avenue and the 9 unit gut rehabilitation on Webster Avenue.

* by Catherine O'Leary Goldwyn and James Buckley