



Biennial Report  
1999-2001

# University Neighborhood Housing Program

Formed in 1983, University Neighborhood Housing Program works to create, finance and preserve affordable housing in the Northwest Bronx. While our mission remains as relevant as ever, UNHP has focused over the past two years on developing new strategies for affordable housing development that are responsive to the changes that have occurred in the neighborhoods where we work. The Northwest Bronx has faced rising real estate prices, declining availability of city owned properties and the lowest per capita income of any of the five NYC boroughs.

During the time period covered in this report, July 1999 through June 2001, University Neighborhood Housing Program (UNHP) has expanded our community development lending work, created a new broad reaching technical assistance tool, remained on the cutting edge of issues that impact affordability and successfully launched the family daycare program we organized in 1998.

As part of our work to develop new strategies for affordable housing development, UNHP has worked to systemically research the rise in Bronx multifamily real estate prices, investigated the use of bond financing to develop community controlled housing and worked to insure that public programs and housing dollars were available to Northwest Bronx residents.

UNHP's work over the past two years has built upon our successful 18 year track record of forging broad partnerships and creating innovative and pragmatic solutions to the pressing issues that impact the creation and preservation of affordable housing.

Striving to achieve our mission, UNHP lends low interest funds from our community ownership, Green Loan and STIRR funds, provides technical assistance to not for profit housing companies, community groups and affordable housing developers, and organizes around the issues that jeopardize housing affordability. Our successful work in these areas is highlighted in this report.



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

Joseph P. Muriana, *President*  
James Buckley, *Executive Director*

University Neighborhood Housing Program would like to especially thank the foundations, financial institutions and charities that have supported us by investing in our loan funds or by providing grant support. We would also like to thank our partners in community development, Fordham University, the Northwest Bronx Community and Clergy Coalition and Fordham Bedford Housing Corporation.

### LOAN FUND INVESTORS

- Apple Bank for Savings
- Astoria Federal Savings
- Chase Manhattan Bank
- Citywide Renewal
- Fannie Mae Foundation
- Joyce Mertz Gilmore Foundation
- JPMorganChase
- North Fork Bank
- Sisters of Charity of Vincent de Paul
- Society of Divine Word

## COMMUNITY DEVELOPMENT LENDING

University Neighborhood Housing Program began its lending work in 1988 to address the need for readily available local financing for the creation and development of affordable housing in the Northwest Bronx. A collaborative organization created by the Northwest Bronx Community and Clergy Coalition and Fordham University, UNHP was able to draw upon the successful track records of both organizations to obtain lines of credit from banks. These funds were quickly re-lent to local not for profits to purchase multifamily apartment buildings. A combination of UNHP loan funds and loan packaging assistance was instrumental in the purchase of 50 multifamily buildings preserved as affordable for low-income families in the Northwest Bronx.

Our lending work and loan funds remain an integral part of our work today. While financing the purchase of privately owned buildings has become much more difficult in the current real estate market, UNHP still provides acquisition funds for the not for profit purchase of multifamily buildings.

- In 1994, looking to provide affordable financing for small rehabilitation projects with a focus on conservation and efficiency, UNHP created the Green Loan Fund. Initially capitalized with a recoverable grant from Bankers Trust and a grant from the Joyce Mertz Gilmore Foundation, the fund has grown to \$500,000 and has provided loans for 47 buildings. In 1999, UNHP created its newest loan fund, the Short Term Interest Rate Reduction (STIRR) Fund. Capitalized by the Fannie Mae Foundation and funded in 2001 by JPMorganChase, the STIRR Fund provides low interest financing to distressed community controlled buildings that have stabilized their operating budgets and need to pay off high interest back debt. In conjunction with our lending work, UNHP often provides loan packaging assistance for the gap financing a project may need as well as loan packaging assistance for other public and private financing.

- Managed, monitored and packaged loans for our Green and STIRR loan funds. Astoria Federal Savings made a year 2000 investment of \$100,000 in our Green Loan Fund. JPMorganChase made a 2001 investment of \$400,000 in our specialty loan funds, \$125,000 of which will be used in our STIRR Fund. We are always seeking additional investors in our low interest loan funds.

## AND LOAN PACKAGING ASSISTANCE

- Financed in 1999 the purchase of a 22 unit building on Anthony Avenue (*pictured at right*) by a local not for profit that was the 7A administrator for the distressed property.

- Seeking to increase our loan fund investments, University Neighborhood applied to the Department of the Treasury for a Community Development Financial Institution (CDFI) designation. This designation would make the UNHP loan funds more attractive to banks for investment and would enable UNHP to apply for CDFI funds in the future.

- Working with Fannie Mae and the Community Preservation Corporation (CPC) as well as not for profit housing companies and landlords of small size properties, UNHP developed the \$25 million Fannie Mae Bronx MultiLoan Program targeted at smaller buildings (with at least 5 residential units) in need of \$100,000 to \$750,000 in financing. To date, seven properties have accessed this financing and UNHP provided the loan packaging for six of these loans.

- The Tremont Anthony HDFC, (*pictured on report cover*) which includes buildings 48 and 49 of UNHP's 50 community ownership projects, received its 8609 tax credit allocation from the State of New York and converted its construction loan to permanent financing with the Housing Development Corporation (HDC). UNHP's work with these two buildings has been recognized nationally by the Maxwell Awards of Excellence for the Production of Low Income Housing and the 1999 Social Compact Awards.



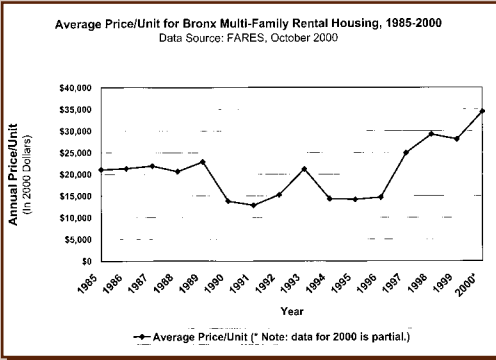
**UNHP and CPC meet with local landlords to talk about the Bronx MultiLoan Program**



**2172 Anthony Avenue**

### FUNDERS 1999 - 2001

- Apple Bank for Savings
- Arab American Bank
- Bank of New York
- Edith C. Blum Foundation
- Chase Manhattan Foundation
- Citigroup Foundation Community Summer Intern Program
- Citigroup Foundation Partners in Progress Award
- Community Preservation Corporation
- The Dime Savings Bank of Williamsburgh
- Emigrant Savings Bank
- The Enterprise Foundation
- Fannie Mae Foundation
- Fannie Mae National Housing Impact Division
- GreenPoint Foundation
- Hanvit America Bank
- IJB Whitehall Bank & Trust Company
- J.P. Morgan & Co., Inc
- Mitsubishi Trust & Banking Company
- Neighborhood 2000
- New York Community Trust
- New York Women's Foundation
- Scherman Foundation
- Taconic Foundation



A chart showing rising sales prices for Bronx multifamily properties from 1985 to 2000.

### SIX TIMES RENT ROLL

In response to anecdotal accounts of Bronx buildings selling for as much as six times the rent roll, UNHP organized a forum on rising Bronx multifamily real estate prices in November 2000. This news was alarming because, traditionally, feasible prices have been between three to four times the rent roll. The forum brought together representatives of financial institutions, foundations, regulators, and both for profit and not for profit housing developers. Representatives from J.P. Morgan CDC, Dime Savings Bank, The Community Preservation Corporation and PWB Management comprised the panel.

Accounts of escalating prices triggered memories of the late 1980s when Freddie Mac was financing building acquisitions for similar amounts prior to a sharp downturn in the Bronx multifamily housing market. To further investigate this recent trend, UNHP analyzed Bronx sales price data over the past 15 years, along with other data on the Bronx market. Our findings indicated a sharp increase in the average sales price per unit since 1996, which was not matched (in the available data) by comparable increases in profitability.

The panel discussion pointed to avenues for further research in order to determine whether this rising trend in pricing represents a speculative or financially sound change in real estate values. Panelists discussed bank financing practices as well as the need for caution in paying inflated purchase prices given limited low-interest rehab dollars and increasing maintenance costs.

# TECHNICAL ASSISTANCE

Although creating a source of local funding for affordable housing was the primary reason for the creation of UNHP, we quickly realized that in order to sustain affordable housing, more than monetary assistance would be needed. Providing a wide range of technical assistance to tenant and community groups became a fundamental part of the work that UNHP has undertaken. UNHP has assisted groups by providing management and fiscal services, staff trainings, and direct intervention with specific building issues that affect affordability. When necessary, UNHP provides more intensive technical assistance to housing organizations; in such cases UNHP has provided oversight, financial analysis, tenant services and back office support.

University Neighborhood also works to create and preserve affordable housing through organizing. UNHP identifies and addresses emerging issues that impact the affordability of housing through regular publication of our newsletter, **Notes**, and by sponsoring local neighborhood meetings. In these ways, UNHP addresses the broad issues that impact affordability, such as national housing policy as well as local program, policy and legislative issues.

Straddling our technical assistance and organizing work, University Neighborhood has utilized its unique involvement with a wide range of parties within the affordable housing field — financial institutions, foundations, for profit affordable housing developers, not for profit housing companies, community groups and tenant leaders — to serve as a catalyst for researching and highlighting the policies and trends that serve as the context for affordable housing. To that end, UNHP has been active in organizing forums, workshops and specific committees to address the particular issues affecting affordable housing development.

- Sponsored a November 2000 housing forum entitled “Six Times Rent Roll” to discuss rising Bronx real estate trends, specifically the escalating purchase prices of multifamily rental housing (see left side-bar).



A recent issue of Notes, UNHP's newsletter that addresses pressing affordable housing issues

## AND ORGANIZING WORK

- Building on the suggestions raised at the forum by both panelists and other attendees, UNHP staff worked to further research the data presented at the forum. Working closely with the Citizens Housing and Planning Council (CHPC), our staff has undertaken additional research on the age and location of the buildings in our database in order to further discern the statistical significance of changes in prices in the Bronx. CHPC performed a regression analysis of the initial and subsequent data that UNHP gathered using over 10 controls for a variety of factors. While there is still more work to be done, initial analysis does confirm that there was indeed a sharp rise in housing prices and that speculation cannot be ruled out as the cause. Special thanks go to CHPC for their generous assistance with the statistical aspect of our research — their contribution has been invaluable.

- Our advocacy and organizing work for fair water and sewer rates over the past ten years was rewarded by the creation of a new DEP program launched in July 2001. The program creates a fixed rate charge for multifamily buildings and culminates nearly ten years of efforts to maintain predictable water rates in buildings. UNHP has provided one citywide workshop on the program and will work to encourage the use of this program and to keep rates affordable.

- Began researching bond financing as a tool for affordable housing development in the Northwest Bronx. UNHP staff met with the bond financing staff of the New York State Housing Financing Agency (HFA) and private lenders. UNHP is working to use the knowledge and expertise gained to develop a pool of deals that require acquisition and renovation funds for use with bond financing.

- UNHP's Director participates as a board member on *Restore HDFC*, the entity created to temporarily hold title of buildings taken through the Third Party Transfer Program. UNHP would like to see a stronger role for not for profits in the program and an expansion of the program to create more opportunities for affordable housing development.

- Provided fundraising and technical assistance to the Providers United Family Daycare Network (*see right sidebar*). UNHP has set aside \$5,000 of its loan funds to develop a micro loan program for the family day care providers.



**Providers United held their second annual graduation ceremony this past June. Pictured here are two graduates posing with their daycare provider.**

## PROVIDERS UNITED GROWS

Providers United, or Proveedoras Unidas, organized by UNHP in 1998, has progressed from an informal collection of family daycare providers to a formal network with a full-time coordinator, marketing materials, and a schedule of trainings. An active steering committee of providers has emerged from the group of about 85 core members, and it directs the network's activities. UNHP assisted the group in finding a permanent home and sponsor with Fordham Bedford Children's Services. The network currently serves 330 children.

In April of 2000, Providers United Family Daycare Network, with our assistance, responded to an RFP by the Administration of Children's Services (ACS) for family daycare slots. Providers United was awarded 50 slots. The ACS award will enable very low-income families to utilize the daycare services of the trained providers in our network, thus increasing the availability and quality of care to these families. The providers in the network will be able to earn fees higher than they currently earn and be able to serve families on and transitioning from welfare that previously could not utilize their services. The network itself will also benefit, as part of the fee paid by the City will be used to support the network staff in charge of trainings and record keeping.

## HOMEOWNERSHIP WORK

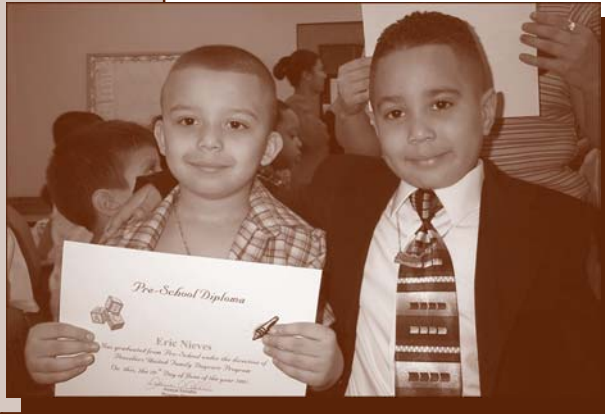
UNHP began providing workshops and direct assistance to local homeowners in 1995, focusing on their concerns about rising water and sewer rates. Building on this work, UNHP sought to play a stronger role in our community educating and making referrals for prospective and current homeowners and by assisting in the stabilization of one to four family properties in our neighborhoods.

Our homeownership work since that time has focused on linking interested first time homebuyers with the institutions and groups that provide direct assistance, helping current homeowners with a range of issues from lead abatement to refinancing, and identifying local deteriorated homes for possible purchase or renovation. In 2000, UNHP delivered a series of resource fairs with different themes and panelists on topics that would be of interest to current and prospective homeowners.

In 2001, UNHP sponsored another Homeownership Resource Fair bringing together homeownership not for profits and financial institutions. Over 70 families attended this fair and were able to obtain information from a variety of resources including Neighborhood Housing Services of the South Bronx, Mount Hope Housing Company, Parodneck Foundation, HSBC, Citibank, NY State Banking Department, and Habitat for Humanity. The Fair was structured to provide information and resources to both current and prospective homeowners, with a special anti-predatory lending emphasis.

## WORKSHOPS, TOURS

- Using our housing development expertise, UNHP has begun to assist family daycare providers who own their homes with refinancing and renovation assistance. The renovation of their homes would enable providers to expand their child-care businesses.



**Two proud 2001 graduates of the Providers United daycare program. Both boys will be attending kindergarten in the fall.**

- Expanded our networking role in the area of assistance to homeowners and first time homebuyers (see left side-bar).
- Participated in the National Training and Information Center (NTIC) Six City Experiment with Fannie Mae. Working with the Northwest Bronx Coalition, UNHP has met with Fannie Mae at their headquarters quarterly along with representatives from other housing not for profits from Syracuse, Pittsburgh, Cincinnati, Chicago and Des Moines to discuss, create and report on pilot single and multifamily mortgage products offered in the select cities. The groups have been able to speak with upper level Fannie Mae staff about concerns with homeownership and smaller multifamily buildings in their respective areas.

- Presented workshops on new City and Federal lead regulations reaching 36 owners and managers as well as 71 supers and contractors. UNHP moderated an Enterprise Foundation workshop outlining the arrival of Federal lead regulations that will need to be implemented at the City level.

The new Federal regulations, requiring dust testing and clearances after most repairs in buildings that receive Federal assistance, went into effect on September 15, 2000.



**Community residents meet representatives from local housing organizations and lender partners at UNHP's Spring 2001 Homeownership Fair.**

# AND ONLINE ASSISTANCE

## COMMUNITY RESOURCE GUIDE

- UNHP linked workers previously trained in lead abatement and hazard control with New York City's Department of Housing Preservation and Development (HPD). HPD has been putting together an approved list of professionals trained to handle lead-based paint. The recently implemented City and Federal lead regulations should help create more employment opportunities for these workers and contractors.



*Mark Willis of JPMorgan Chase, UNHP Director Jim Buckley and New York State Superintendent of Banks, Elizabeth McCaul meet after touring Bronx sites.*

- Arranged a tour of housing and day care sites in the Northwest Bronx with Superintendent of Banks, Elizabeth McCaul. UNHP used the tour to highlight investment needs and opportunities in our neighborhoods. The Providers United Family Daycare Network and other daycare centers were included as part of the tour in light of the new "Adopt a Childcare Center" initiative by the State Banking Department. This initiative would give double CRA credits to banks that support childcare centers. Ms. McCaul outlined the Department's efforts to promote daycare funding and long-term support for childcare by banks. UNHP will work with the State Banking Department to increase funding and lending levels for housing and daycare in the Northwest Bronx.

- Our most ambitious work over the past two years in terms of citywide technical assistance was the creation of the Community Resource Guide (**crg**) on UNHP's website: [www.unhp.org](http://www.unhp.org) (see right side-bar).

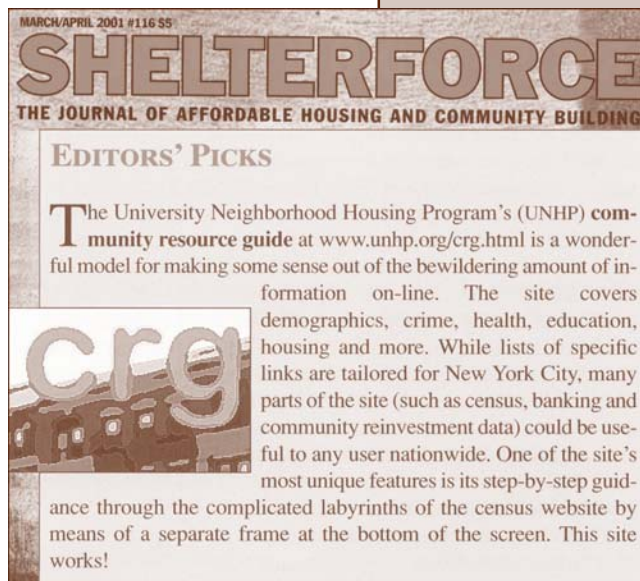
Designed to guide New York City not for profits and community groups to the wealth of statistical research information available — but not necessarily easily accessible — online, the Community Resource Guide (**crg**) uses a simple interface to make access to data especially user-friendly.

The site allows users to specify the size of their target area as well as the type of data they are interested in (including census demographic, education, banking and housing data), giving them a number of

recommended options and then linking them to the site where that data is available. In cases where a data-rich site can be difficult to navigate, **crg** takes the user through the other site with a split screen interface using frames to provide simultaneous instructions to the user.

While **crg** was the result of UNHP's own need to locate and access community-specific data online, it has turned into a tool that assists many community organizations in their research on needs and resources in their communities.

Perhaps the greatest complement was paid to the website in the March/April 2001 issue of *Shelterforce* magazine, where the Editor's Picks exclaims, "This site works!"



*UNHP's Community Resource Guide has been featured in a number of publications, including the national housing magazine, Shelterforce.*

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## FROM THE DIRECTOR

On a clear day, you could look down the Grand Concourse and see the Empire State Building and the World Trade Center. On September 11, a number of us stood on the street and watched the smoke rise over lower Manhattan and then returned to our offices to witness the buildings collapse on television. Very few words were spoken that day and even now there are no words adequate to describe the feelings experienced that day and since.

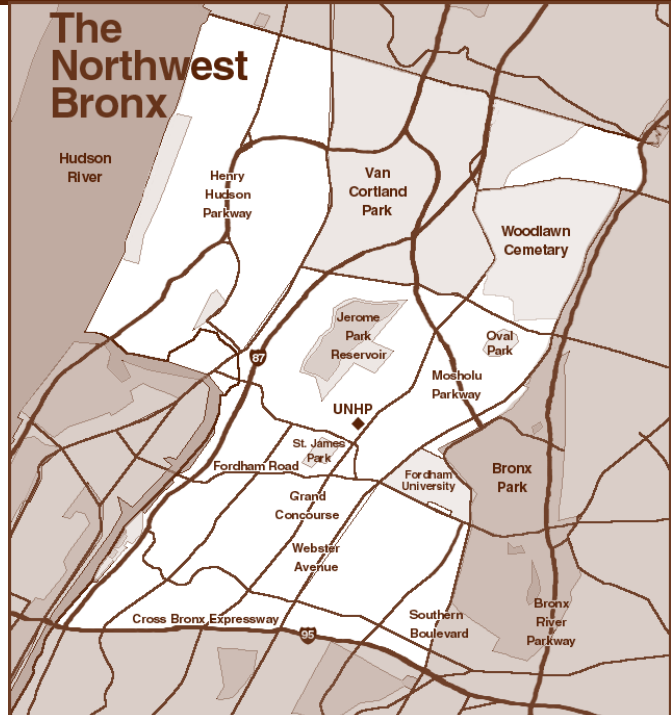
It has been hard getting back to routines at home and at work. Maybe that's a good thing. We have been harshly reminded how quickly things can change. Exactly how much has changed is impossible to determine right now.

On September 11, I was supposed to be writing a letter for this report discussing the problems we anticipated in the coming year. The text of that letter became inconsequential that day. This attack and its aftermath has changed the manner in which we will be working in ways that we cannot yet identify. It has not changed the importance of our work.

We are sad about the great loss of life and anxious about the future. However, our outlook is certainly not bleak. The overflow of volunteers, the lengthy lists of people eager to donate blood and the many interfaith services are clear indications of the determination of people to restore and rebuild our city. UNHP will do whatever it can to support those efforts and, as we have done since our beginning, we will work step by step to accomplish our goal of creating, preserving and improving affordable housing.

Keeping faith with the future of the Northwest Bronx and New York City,

- James Buckley



*The focus of UNHP's activities is in the Northwest Bronx, an area bounded by the Hudson and Harlem Rivers to the west, the City Line to the north, Bronx Park to the east and the Cross Bronx Expressway to the south.*

## UNIVERSITY NEIGHBORHOOD LOAN FUNDS

In 1988 UNHP began its lending program with \$540,000 in lines of credit from four financial institutions. Over the course of 13 years, University Neighborhood has made 37 loans totalling approximately \$1.7 million for the acquisition of apartment buildings. UNHP loan funds were integral in the creation of decent, affordable housing in the Northwest Bronx. By providing technical assistance and financing, local not for profits were able to purchase 50 multifamily buildings with over 1700 units.



Our Green Loan Fund, capitalized in 1994 with \$135,000, has grown to \$500,000. The Green Loan Fund has made 40 loans totalling approximately \$800,000. We have assisted 47 buildings, including 2085 Walton Avenue (*pictured at left*), by providing very low interest funds that were used to undertake conservation or cost saving improvements in order to improve the building and preserve the affordability of the units.

The UNHP STIRR Fund was created in 1999 and has made 7 loans totalling approximately \$480,000. This low interest fund provides replacement financing for high interest back debt incurred by previously distressed community controlled buildings.