

# Building Indicator Project (BIP) Meeting

University Neighborhood Housing Program

April 2025

## Agenda

Introduction

UNHP Analysis of the Current Multifamily Real Estate Picture

History of the Building Indicator Project

NYC Market Analysis and Bronx Multifamily Sales Analysis

Causes of Distress

Responsible Multifamily Lending

Questions

Presentation by Kim Darga, HPD's Deputy Commissioner for Development



# Building Indicator Project History

The Building Indicator Project is a database developed by UNHP to identify NYC multifamily properties in physical and/or financial distress. In its current form, BIP has aggregated more than a decade of data for all 70,000+ rental buildings in NYC, tracking more than 120 data points for each building.

## BIP Quarterly Reports

BBL	address	res_unit	num_floors	census_tract	zip_code	borough	COMMDIST	schoolstat	landuse	year_built	Yr_1st_alt	Yr_2nd_alt	bldg_class
2033220037	3175 VILLA AVENUE	56	5	411	10468 BX		207	10	3	1914	0	0	D4
2027170070	1020 TIFFANY STREET	8	5	127.01	10459 BX		202	12	2	1931	0	0	C6
2031120003	803 EAST 182 STREET	44	5	393	10460 BX		206	10	2	1931	0	0	C6
2029610015	757 EAST 169 STREET	24	5	151	10456 BX		203	9	2	1926	0	0	C6
2022740006	506 BROOK AVENUE	9	5	43	10455 BX		201	7	4	1931	0	0	C7
2027610139	875 LONGFELLOW AVENUE	32	5	115.02	10474 BX		202	8	4	1928	1997	0	C7
2029620064	741 JENNINGS STREET	15	5	151	10459 BX		203	12	4	1905	1993	0	C7
2023890031	1211 WASHINGTON AVENUE	8	4	145	10456 BX		203	9	2	1931	0	0	C6
2027090010	838 BECK STREET	8	4	87	10459 BX		202	8	2	1907	1984	0	C6
2022670054	283 ST ANNS AVENUE	11	5	39	10454 BX		201	7	4	1931	1995	2003	C7
2023070045	483 WILLIS AVENUE	7	5	43	10455 BX		201	7	4	1931	0	0	C7
2030970053	2141 PROSPECT AVENUE	15	4	371	10457 BX		206	12	2	1910	0	0	C6
2028040011	212 EAST TREMONT AVENUE	10	5	233.02	10457 BX		205	9	2	1912	0	0	C6
2028690143	2015 GRAND AVENUE	31	5	243	10453 BX		205	10	2	1924	0	0	C6
2031170010	851 EAST TREMONT AVENUE	22	5	365.01	10460 BX		206	12	2	1931	0	0	C6
2023790032	421 EAST 157 STREET	21	5	69	10451 BX		201	7	2	1913	1991	1999	C1
2030300143	2250 WEBSTER AVENUE	20	5	383.02	10457 BX		206	10	2	1913	0	0	C6
2048350026	643 EAST 232 STREET	62	5	420	10466 BX		212	11	2	1926	0	0	C1
2033110145	251 EAST 204 STREET	8	4	413	10458 BX		207	10	2	1931	0	0	C6
2027200041	1025 LEGGETT AVENUE	53	6	85	10455 BX		202	8	2	1924	0	0	C6



# Building Indicator Project History

BIP employs a scoring system, developed in collaboration with financial institutions, advocates, property managers, and researchers to identify buildings likely or highly likely to be in distress.

BIP Users Include

- Non-profit organizations
- Financial institutions
- Regulatory bodies



**Absolute** = (All "A" Class Violations) + (2 X "B" Class Violations) + (3 X "C" Class Violations) + (5 X "I" Class Violations) + (2X All Prior Year "A" Class Violations) + (4 X Prior Year "B" Class Violations) + (5 X Prior Year "C" Class Violations) + (6 X DOB Violations) + (6 X ECB Violations) + ((City Lien + Water Lien + Outstanding Sold Liens)/225) + (ERP Lien/75)

**Per Unit** = (Absolute) / (Number of Residential Units)

**Product** = (Absolute) X (Per Unit) / 25 = "The BIP Score"



# Demographic Information

## Median Household Income by Census Tract 2023

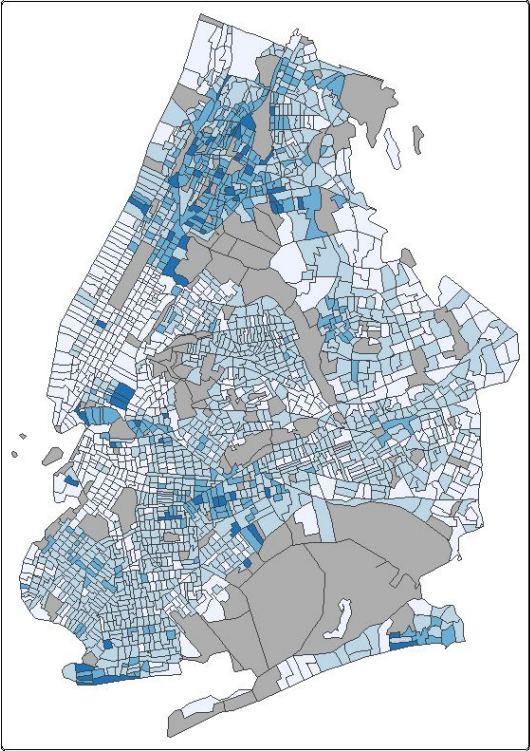
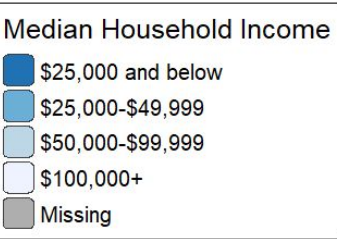
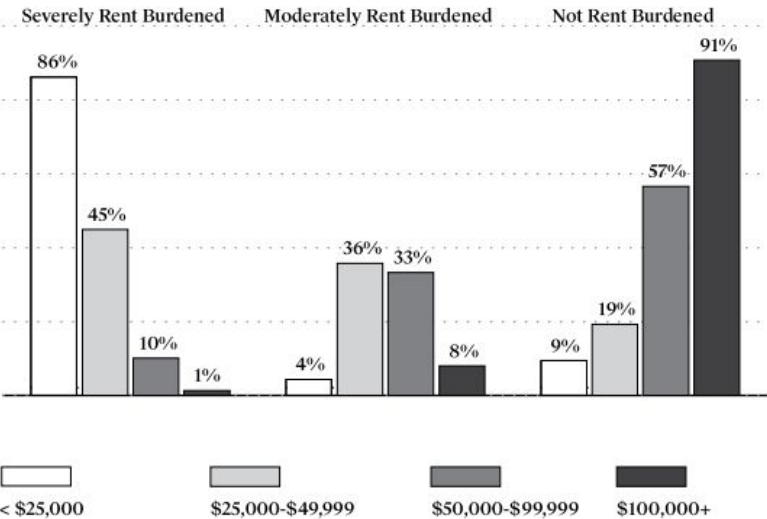


Figure 20. Rent Burden, by Household Income



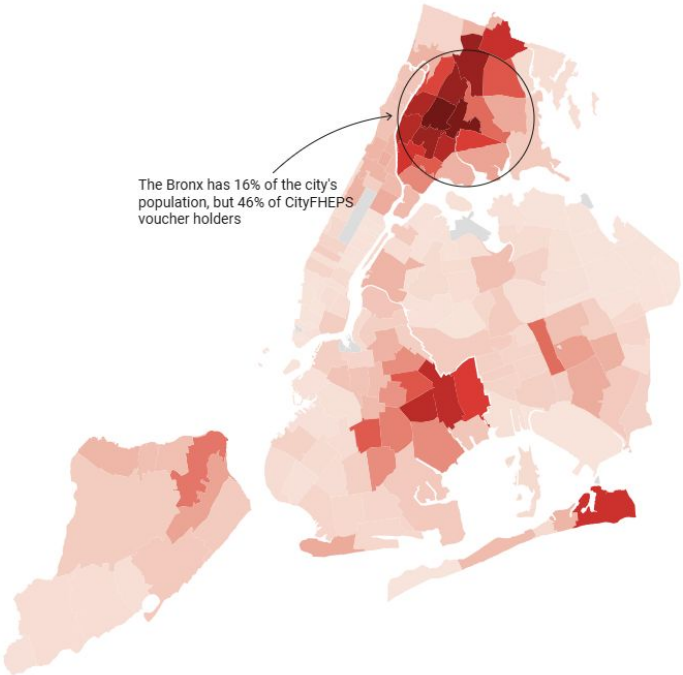
Source: New York City Housing and Vacancy Survey (NYCHVS), 2023.  
Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.



# Demographic Information

## CityFHEPS Vouchers Were Used Most in a Few Zip Codes

Total CityFHEPS payments by zip code in September 2024



The Bronx has 16% of the city's population, but 46% of CityFHEPS voucher holders



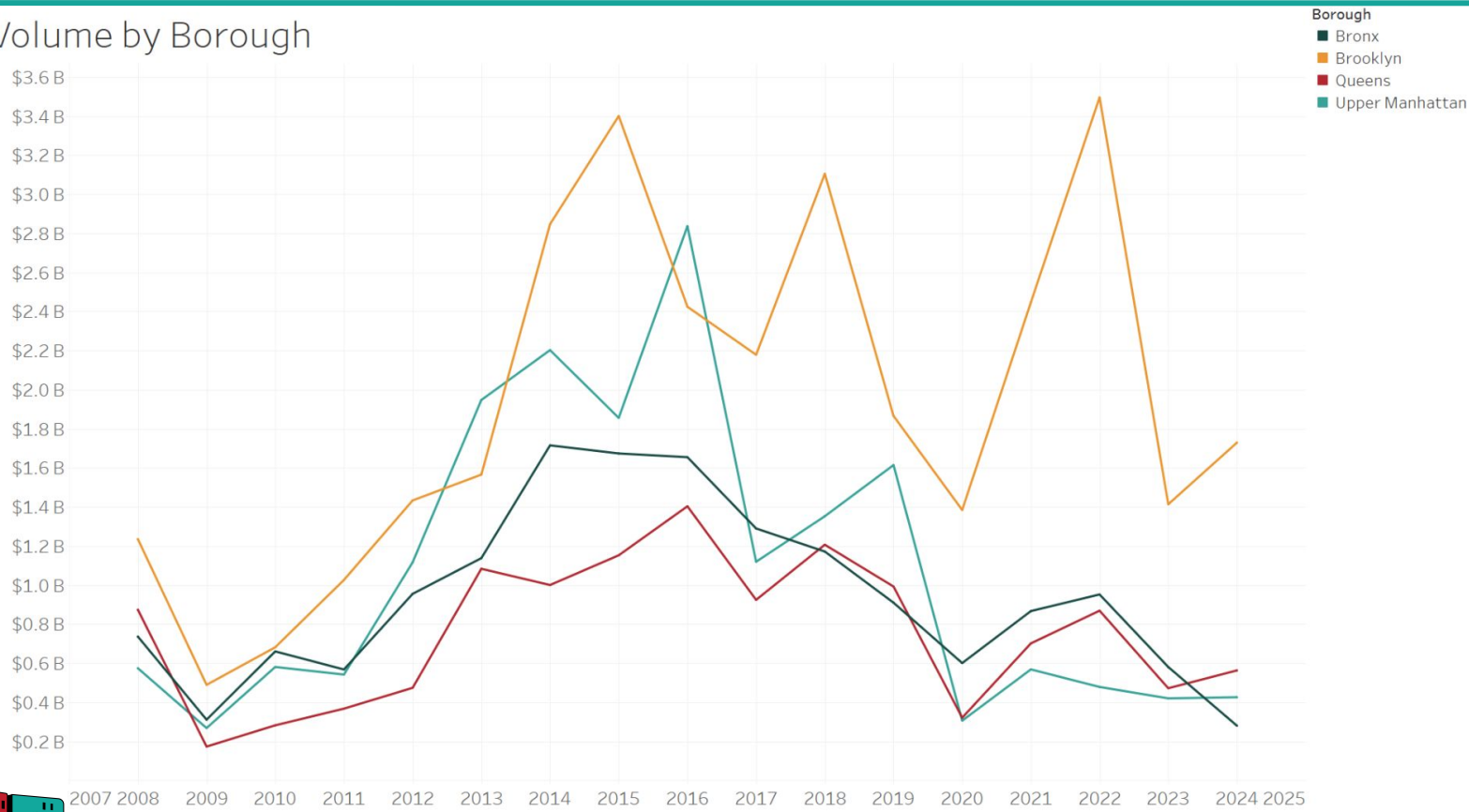
DSS has not reported voucher timeliness data to the City Council since September 2024. According to DSS officials, there are an additional 7,000 vouchers in service today which are not represented on this map.

Map: Patrick Spauster | City Limits • Source: [DSS LL145 Report](#) • [Get the data](#) • Created with [Datawrapper](#)



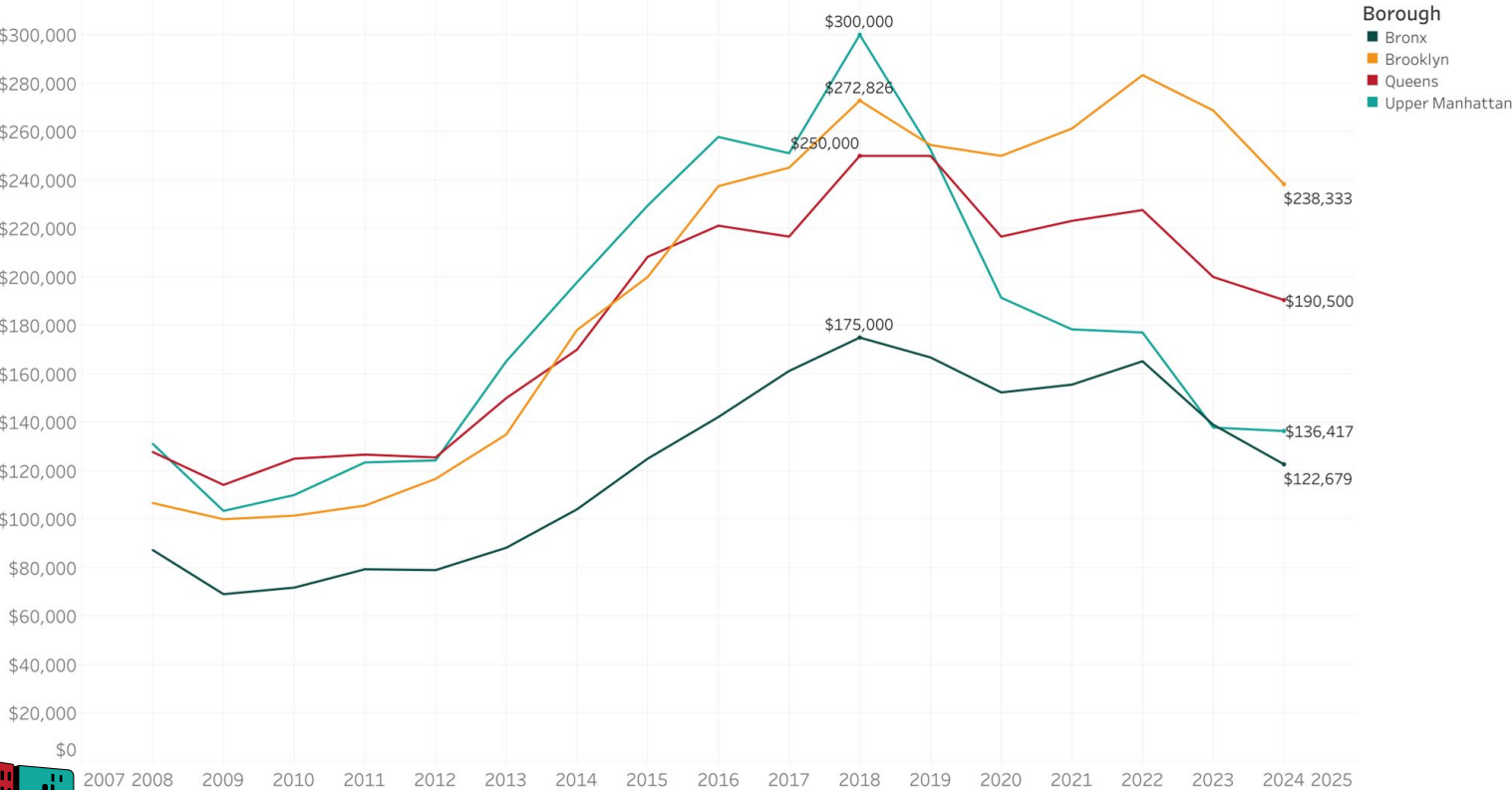
# NYC Multifamily Real Estate Market

Sales Volume by Borough



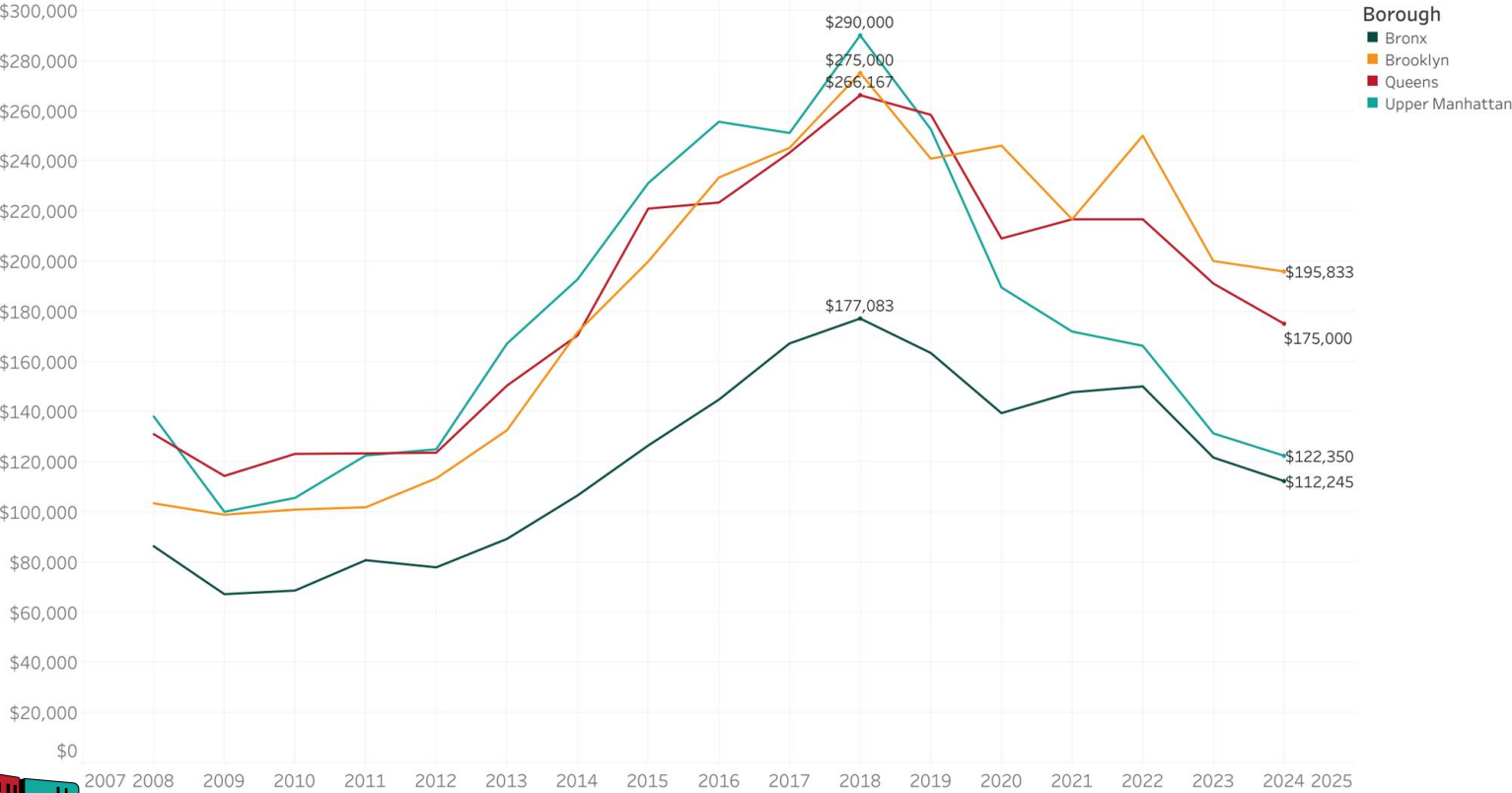
# NYC Multifamily Real Estate Market

Multifamily Property Sales: Median Price Per Unit



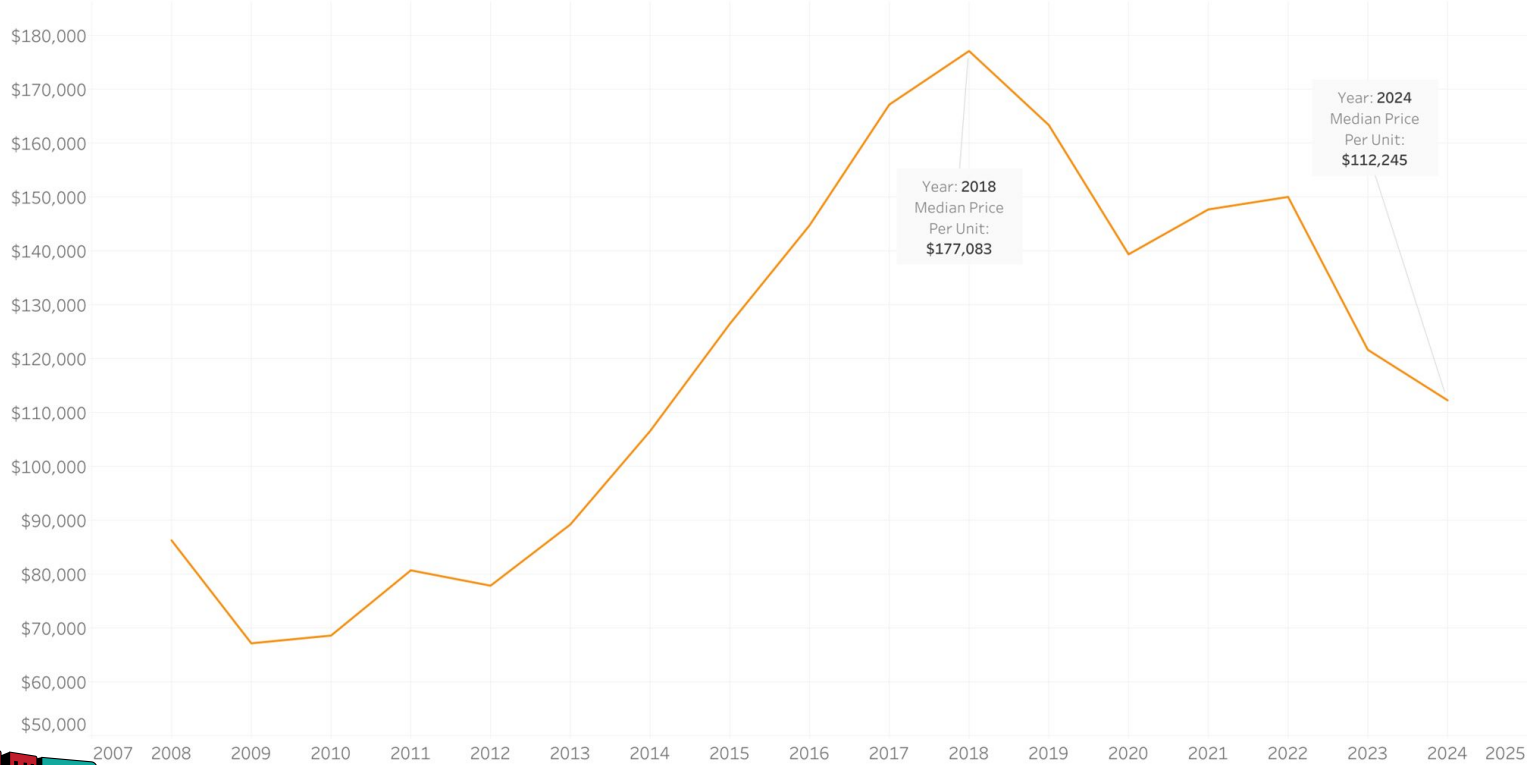
# NYC Multifamily Real Estate Market

Rent Stabilized Sales: Median Price Per Unit



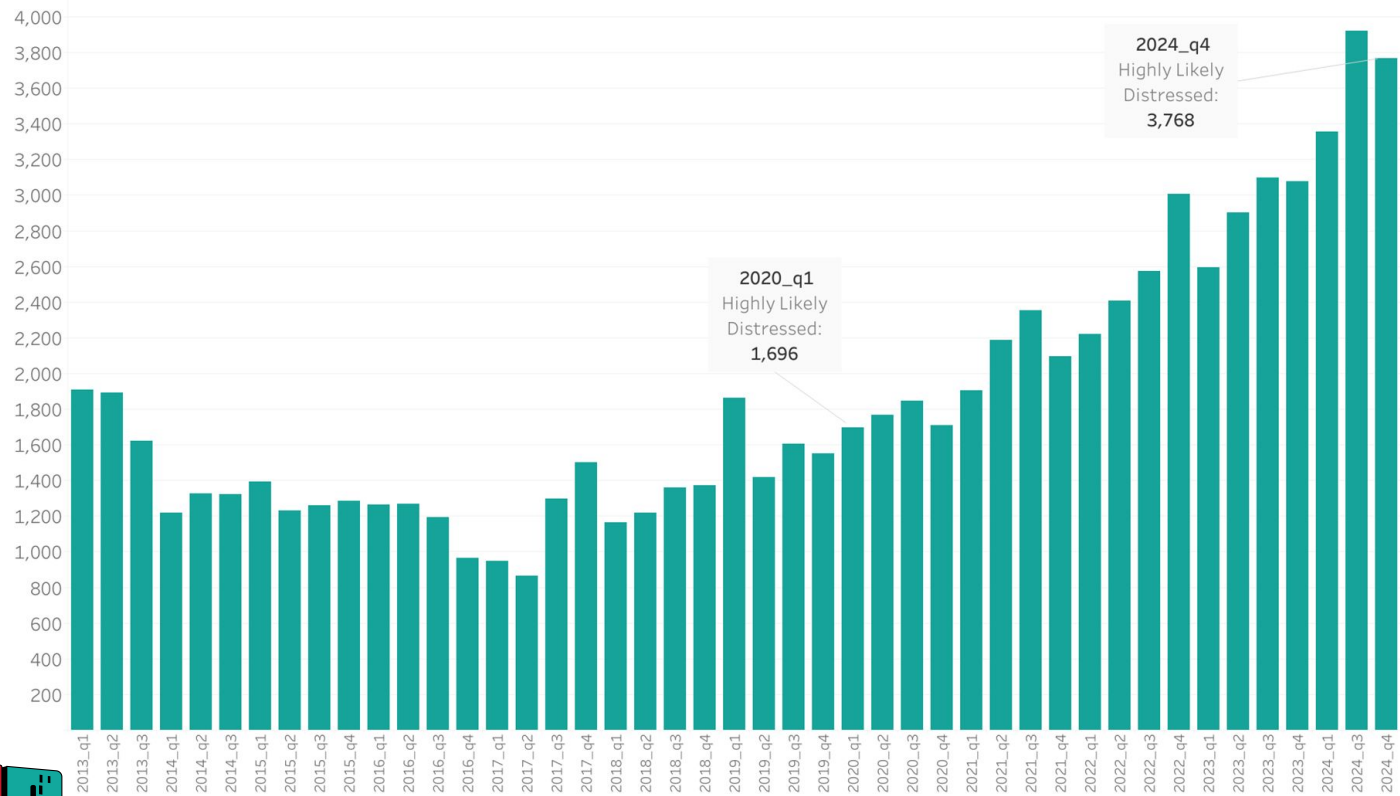
# Bronx Multifamily Pricing Analysis - 2024

Bronx Rent Stabilized Sales: Median Price Per Unit



# Distress in Multifamily Housing

NYC Properties Highly Likely To Be in Distress



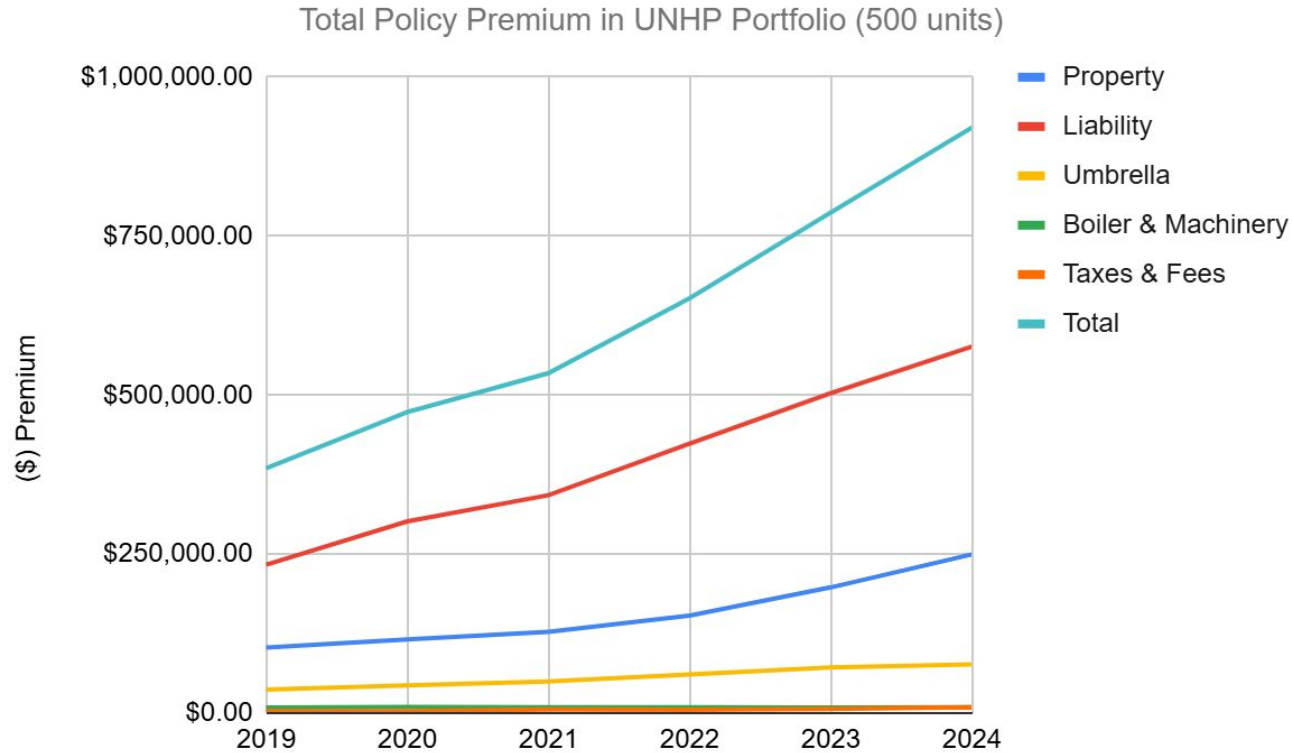
# Operating Conditions Affecting Multifamily Housing

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- Rising Property and Liability Insurance Costs
- Rising Water, Sewer and other Utility Costs
- Higher Interest Rates and Reduced Market Values causing difficulty or inability to refinance
- Reduced Rent collections since Covid 19, slow housing courts, lack of rental assistance options
- Compliance with costly and unfunded NYC Local Law requirements like Local Law 11 (Facade), Local Law 152 (Gas), and Local Law 97 (Energy)
- Energy Efficiency Upgrade and Retrofit funding cuts at the Federal Level
  - Weatherization Assistance Program which is our most common method of funding retrofits in older rent stabilized buildings
  - Inflation Reduction Act which we have used to finance the installation solar panels in 7 of our buildings and has reduced our electricity usage in those buildings by up to 90%

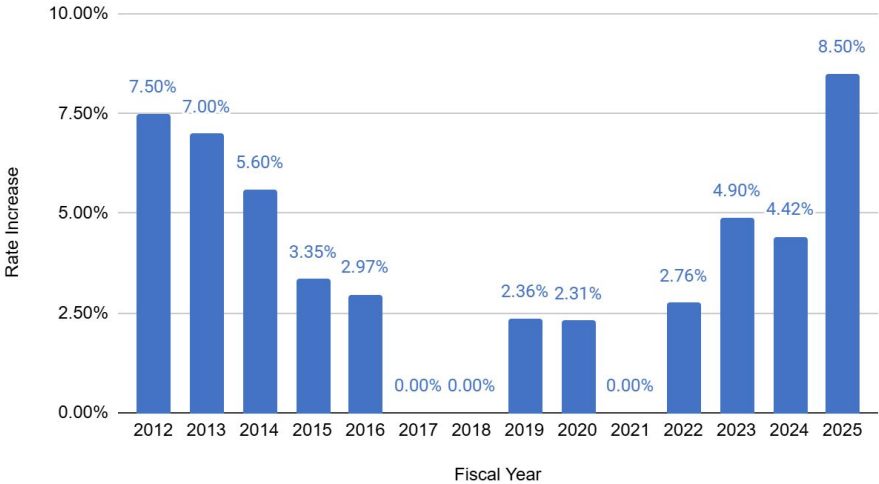


# Causes of Increased Distress

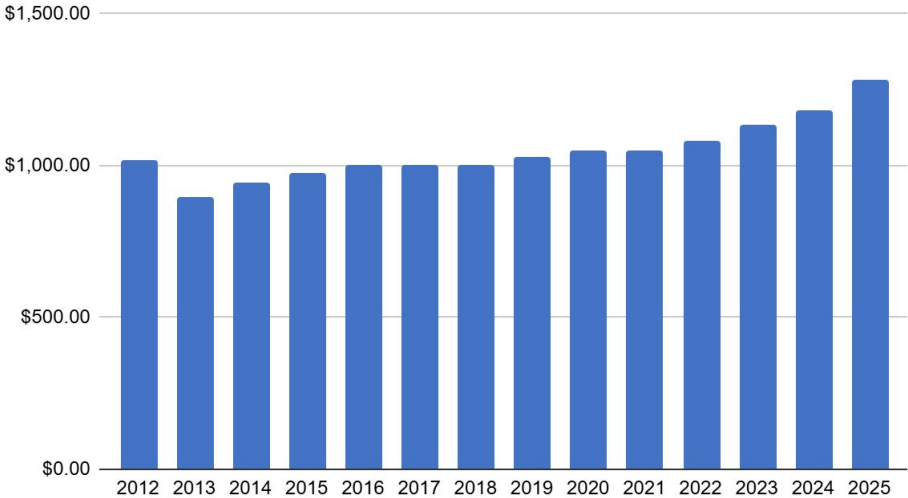


# Causes of Increased Distress

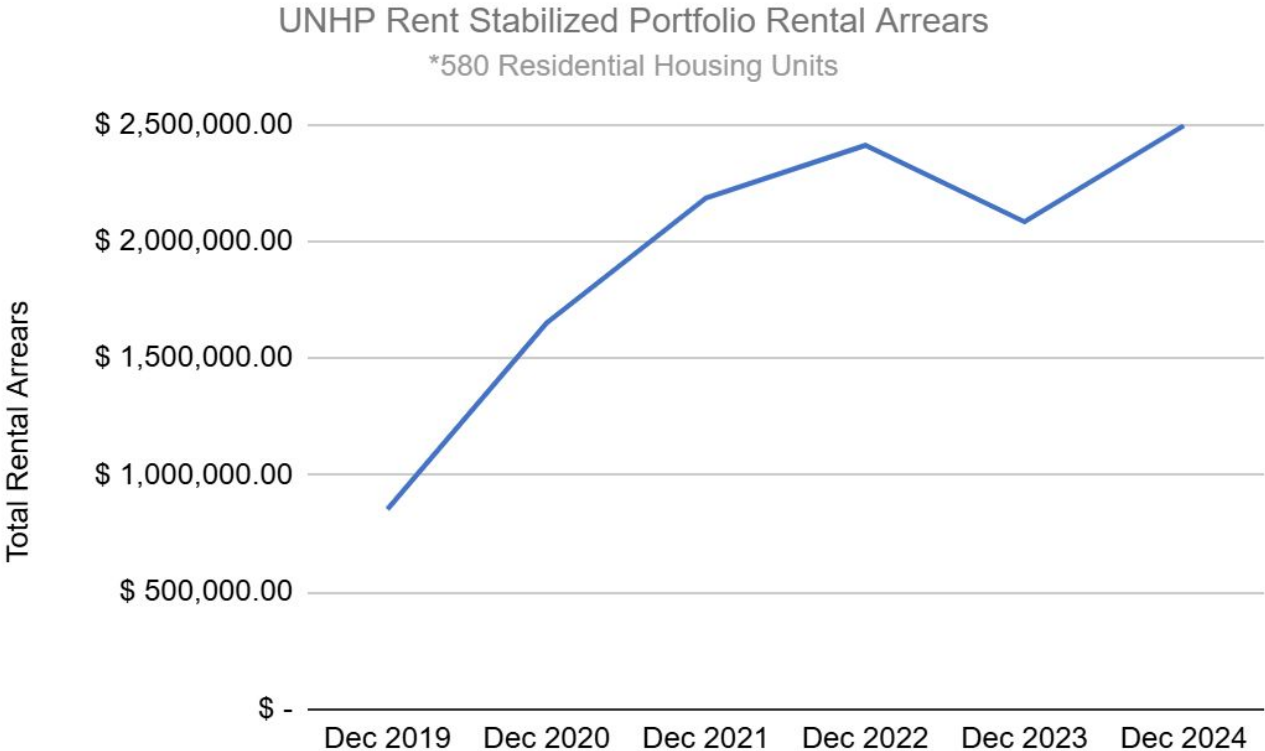
Annual Water Rate Increases



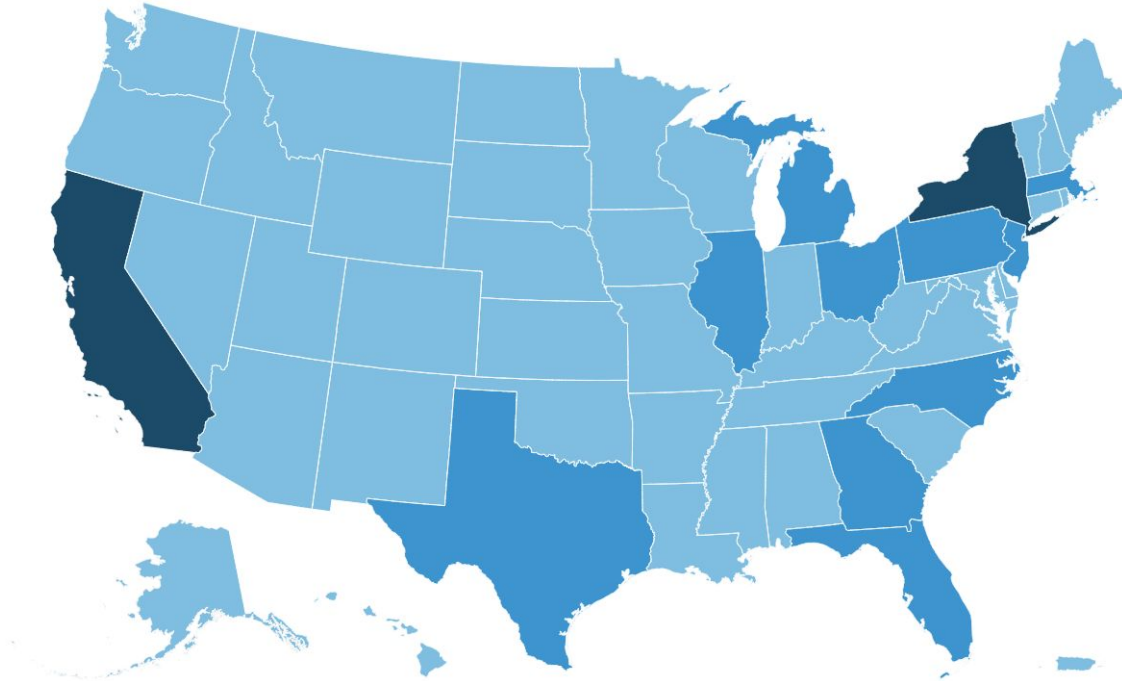
MCP Cost Per Unit over time



# Causes of Increased Distress



## People supported by federal housing programs



Note: HUD = US Department of Housing and Urban Development

Source: Urban Institute, Federal Housing Funding Tracker, <https://www.urban.org/data-tools/federal-housing-funding-tracker>

# Responsible Multifamily Lending

All multifamily lenders can do their part to uphold tenant stability, building safety, and responsible operations

ANHD's Equitable Reinvestment Committee guidelines on best practices

- Minimum debt service of 1.2 or more on rent-stabilized buildings
  - Considered on only current in-place rents and realistic maintenance costs
- Ensure realistic appraisal values
- Consult multiple sources to evaluate the records of landlords and property managers
- Tenant engagement sessions



## Best Practices in Multifamily Lending

- Require **minimum Debt Service Coverage Ratios of 1.2 or more on rent-stabilized buildings**. Consider only **current in-place rents (including preferential rents) and realistic maintenance costs** when determining the net operating income for the property. Speculative underwriting that is based on high rates of turnover of rent-regulated tenants and rent increases made by removing preferential rents, charging Major Capital Improvements and Individual Capital Improvements provide major incentives for tenant harassment and displacement. The set of best practices overall are meant to eliminate this practice. Additionally, **discourage additional debt without getting approval from the bank** prior to doing so in order to keep the building at a debt service coverage of >1.2.
- Ensure **realistic appraisal** values, based on **current rents, building conditions, and maintenance costs**.
- **Consult multiple sources to evaluate the record of landlords and property managers**, including their record of managing properties that are not within the bank's portfolio:
  - **Violations and liens**
  - **Lists currently used by regulators**, HPD distressed asset List and the Building Indicator Project (BIP) Database.
  - **Additional lists and indicators**: "Worst Landlord List," landlords under investigation by government agencies (e.g., the Attorney General), Department of Buildings (DOB) violations, and Department of Homeless Services (DHS) violations.
  - **Media reports** based on **Internet searches and input from tenant organizers** to determine whether borrowers have **raised concerns with tenants** or have **reputational issues** that should be taken into account in the underwriting process.
  - **Additional indicators** as they become available in the future, especially ones that **demonstrate harassment, displacement, and a loss of rent-regulated units**.
- Hold **regular information and engagement sessions** with tenant organizers and tenant leaders to identify problem landlords and practices.
- **Hire point person for the bank who will visit buildings and is available to respond to and meet with tenants**.
- **In cases where the loan has already been made, work with all parties – borrower, community organizations and the City – to address the issues in the building**.
- **In cases where the loan is being considered, take similar steps to assess the situation and, when problems are confirmed, will address the situation proactively, such as through requiring building improvements, or decline to make the loan**.
- Apply the same standards for collateral loans (i.e., loans using multifamily buildings as collateral) and loans made through a mortgage broker.



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## Questions

If you have any questions you can contact Ana Peña, Community Research and Data Analyst at [apena@unhp.org](mailto:apena@unhp.org)



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Contact: Cathy Clarke, [Clarke@unhp.org](mailto:Clarke@unhp.org)



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**5pm to 8pm**

