



Notes

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Millennial Housing Commission to Visit New York City

Last year Congress authorized a new bipartisan commission to examine the state of affordable housing around the country. Charged with identifying what works and what does not, as well as new strategies and solutions, the Millennial Housing Commission (MHC) is soliciting input and testimony from the full range of participants in the affordable housing field. The Commission is co-chaired by Richard Ravitch and Susan Molinari and will issue a report of its findings by March 2002.

The MHC's mission is to "identify, analyze, and develop recommendations that highlight the importance of housing, improve the housing delivery system, and provide affordable housing for the American people, including recommending possible legislative and regulatory initiatives." The MHC has identified several priority issues, including: housing finance, preservation, production, consumer-based assistance and community linkages.

To date, the MHC has held hearings in Atlanta, Chicago, Los Angeles and Oakland. The MHC has scheduled hearings in New York City on July 23rd and 24th. Testimony has been given by a wide range of representatives from the public

and private sectors, including both non-profit and for-profit perspectives.

Repeatedly calls have been made for increased funding of federal programs such as HOME and CDBG, as well as continued authorization for the Low-Income Housing Tax Credit. Concern was also expressed about the preservation of subsidized housing and the need for rental subsidies to meet the housing needs of very low-income families.

Recently Richard Ravitch described MHC's efforts at the annual Citizens Housing and Planning Council luncheon. He emphasized the Commission's interest in practical and concrete strategies for preserving and producing affordable housing. The bipartisan nature of the Commission encourages optimism that its final report might stimulate renewed focus on the critical shortage of affordable housing.

For more information on the Millennial Housing Commission, visit their website at www.mhc.gov. To submit written comments, click on the *Solicitation Letter* link on the MHC homepage. The deadline for responses to the solicitation letter is June 29.

Housing First! Coalition Calls for \$10 Billion Commitment from City

A broad range of New York City groups has joined together, forming the **Housing First!** coalition which calls upon the City of New York to commit to a 10 year capital investment of \$1 billion per year to create 100,000 new housing units and preserve hundreds of thousands more. According to the group, the City currently spends less than half of what it did a decade ago to build and preserve affordable housing.

The coalition, whose motto is "Affordable Housing for All New Yorkers," is a collaborative effort of non-profit and for-profit housing developers, business and financial institutions (such as JPMorganChase and Fannie Mae), advocates and community-based organizations (including the Northwest Bronx Community and Clergy Coalition and Fordham Bedford Housing Corporation -- see article, page 4).

Housing First's coordinating group is chaired by Naomi Bayer, Director of Fannie Mae's New York Partnership Office. Regarding the coalition, Ms. Bayer stated, "With eight million New Yorkers, the city needs hundreds of thousands of new units of decent, affordable housing to keep up with demand."

John Kelley, co-chair of the New York Housing Conference added, "Our next mayor faces a list of challenges -- improving city schools, providing for the health and safety of New Yorkers, and continuing and expanding the City's economic good times. Decent affordable housing is inextricably linked with fulfilling these goals."

The group's platform statement addresses many aspects of

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CHPC Report Shows Link Between Housing and Education

A recent report by the Citizens Housing and Planning Council (CHPC) documents the link between housing -- a traditionally underserved issue -- and education -- currently an extremely popular issue for voters.

The March/April 2001 issue of *The Urban Prospect* (CHPC's newsletter) analyzes the effects housing conditions have on high school graduation rates.

CHPC points out that housing is one of the "most obvious environmental factors . . . affecting children's learning," and that substandard conditions can have a negative impact on a child's education by adversely affecting the child's health. This health impact can affect a child's school attendance as well as cause neurological harm (through lead poisoning).

Moving beyond more outwardly observable effects, CHPC began to empirically research the relationship between housing and education. Although little empirical research had been done on the topic previously, a 2000 report found that, when controlling for differences in family backgrounds, children living in public housing were 12% less likely to be held back in school than children living in regular rental housing. Another report found that children who moved frequently during childhood, controlling for family background, were less likely to graduate high school.

CHPC's own research, using data from New York City's 1991, 1993 and 1996 Housing and Vacancy Surveys, enables us to gain a better understanding of the effects a number of housing, demographic and family variables have on both male and female graduation rates. Some of the

major findings of CHPC's research include:

- There is a positive and statistically significant effect of homeownership on graduation rates, at least for boys.
- A change of residence has a negative impact on adolescent girls, but is insignificant for boys.
- Crowding reduces young males' probability of graduation by almost 11%, while reducing young females' by about 6%.
- Poor physical conditions of a home negatively affect graduation rates at the rate of 1% per maintenance condition.
- Controlling for the housing variables results in statistical differences in graduation rates among different ethnic groups to evaporate.

One conclusion of the report is that further study of the link between housing and educational attainment is warranted.

The Urban Prospect article is available online at www.chpcny.org. CHPC has also previously released a report on housing conditions and health, and is currently working on a project with UNHP on rising Bronx multi-family real estate prices.

The Community Resource Guide has been updated to include available Census 2000 data as well as the new *Infoshare* and *NYC Oasis* websites. Check us out at www.unhp.org/crg.html!

Housing First! Coalition Launched

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New York's affordable housing crisis, including the fact that more than a quarter of all renters pay more than half their income on rent. It also addresses the connection between the housing crisis, chronic health problems and quality education.

The \$10 billion comprehensive solution to the crisis would build on a number of principles, including: programs that create not only housing but safe, sustainable mixed-income neighborhoods; a combination of rental, homeownership, co-op, and employer assisted housing develop-

ments through renovation and new construction with use of public and private investments; a balanced and targeted program to address the needs of very-low income through middle income New Yorkers including supportive housing for the homeless; and a substantial commitment of City Capital funds.

The group kicked off their official campaign on May 31st at City Hall. For more information, or to join the coalition, visit the Housing First! website at www.housingfirst.net or email info@housingfirst.net.

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and is available online at
www.unhp.org

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Community Groups Persuade Vellella to Co-Sponsor Legislation

Representatives from community groups met with Republican State Senator Guy Vellella in April concerning the matter of anti-predatory lending legislation. The groups presented Vellella with background information on predatory lending practices in the Bronx and New York City and asked him to co-sponsor a bill in the State Senate that would protect consumers from many of those practices.

The community groups represented included ACORN, Neighborhood Economic Development and Advocacy Project (NEDAP), Neighborhood

Housing Services, and UNHP. An anti-predatory lending bill had already been introduced in the State Assembly (A07828) and Senator Vellella agreed in the meeting to co-sponsor a bill in the Senate that would mirror the Assembly bill (S5005).

Anti-predatory lending measures in the bills include requiring lenders and mortgage brokers to ensure that a homebuyer has received counseling prior to issuing a high cost home loan.

The bills also limits excessive points and fees, balloon payments, increased

interest rates after default, prepayment penalties, loan flipping, and lending without due regard to repayment ability.

If enacted, the legislation will still allow sub-prime lenders to exist and make loans to borrowers with less than "A" credit, but it will protect consumers from excessive measures and unnecessary foreclosures. It will also limit the incentives to lenders who seek to profit from foreclosures by providing stiff penalties.

Bill information is available at <http://leginfo.state.ny.us:82/>.

Multi-Loan Program Sparks Interest

A recent workshop on the Bronx Multi-Loan Program sparked a good deal of interest by both present and potential owners of smaller Bronx rental properties. Thanks mostly to announcements in the RSA Reporter and Norwood News, the event attracted over 40 inquiries, while close to 20 individuals attended the April 4th workshop.

UNHP helped create the program with Fannie Mae in response to the difficulty in finding financing for smaller buildings. The product is now offered through the Community Preservation Corporation (CPC).

The Multi-Loan Program offers competitive interest rate financing for loans up to \$750,000 for Bronx apartment buildings with at least 5 residential units.

Information on the Multi-Loan Program is available on the UNHP website at www.unhp.org/mlp.html or by calling Greg Jost or Jim Buckley at 718-933-3101.

Water/Sewer Update

The New York City Water Board approved a 3% increase on water and sewer rates. The new Multiple Dwelling Conservation Program was also approved effective July 1st. Under the program, apartment buildings will be eligible for a fixed rate charge of approximately \$438 per unit if they meet certain conservation requirements. Details on the program can be found at the *Help Center* of the City's website at www.nyc.gov/dep. The Water Board also decided to plan for a new toilet rebate program.

Over 70 Families Attend April Homes Fair

A large crowd turned out for UNHP's spring homeownership fair on April 25th at Concourse House. The fair, co-sponsored by Fannie Mae, provided homeowners and homebuyers in the Northwest Bronx with the chance to meet with community groups, lenders and homeownership/credit counselors.

The groups in attendance included Neighborhood Housing Services of the South Bronx (NHS), the Mount Hope Housing Company, Habitat for Humanity, the Parodneck Foundation, Astoria Federal Savings Bank, HSBC, and Citibank. NHS presented information about their homeownership and credit counseling programs, as well as closing cost assistance, homeowner emergency repair loans and a number of other programs.

Mt. Hope spoke with individuals about their Individual Development Accounts, a matched savings program that can be used towards a down-payment on a home, education, or as seed money to start a business.

HSBC distributed information on a similar program, called the First Home Club, where first time homebuyers can start a matched savings account with the bank.

The Parodneck Foundation discussed their pilot refinancing program (a joint effort with Fannie Mae) to assist homeowners who have already been the victims of predatory lending.

Another fair is in the planning stages for the fall of this year.

Aiming to Make Housing First!

by John M. Reilly

New York City's housing crisis is receiving some much needed attention in this very political year. Much of this attention is coming as the result of several unique and unified efforts to get affordable housing back on the agenda when government priorities are established. Two of the most prominent efforts have been launched by ANHD (Association for Neighborhood and Housing Development - www.anhd.org) and a new coalition called Housing First! (www.housingfirst.net). Both groups have called for a new 10 year, \$10 billion capital investment by local government to meet a variety of housing needs. Months of discussions led to the creation of these affordable housing plans which address a variety of issues being faced in neighborhoods all around New York City.

Both efforts are designed to provide elected officials and interested candidates with a very specific approach to dealing with the City's housing needs. Housing First! will seek to bring media attention to the problem and involve the City's business community. ANHD has sponsored a series of neighborhood tours with government officials, businesses, community organizations and area residents designed to point out housing programs that have worked in the past and the work that remains to be done.

The City's current housing crisis is a very real one which affects the city's economic future as well as the quality of life of hundreds of thousands of households. This crisis of afford-

ability and housing maintenance has been well documented but does not have the same visibility as the crisis of the 1970s and 80s when thousands of apartment buildings became vacant and many neighborhoods literally emptied out. A number of successful programs and efforts rebuilt those communities through a multi-billion dollar public/private/community partnership that lasted 10 years.

Today's issues are in some ways connected to these successes. Government support for housing began to drop as the visible problem disappeared and city government unburdened itself of more and more residential property previously taken over for unpaid taxes. The demand for housing increased as the City's population rose dramatically and its economy boomed.

In the Northwest Bronx we have witnessed renovation of empty buildings and construction on vacant land. We've also seen rising rents in existing buildings as the number of people looking for housing increases faster than the number of units coming on line. Higher rents do not always lead to better housing conditions. The City's enforcement efforts have been reduced allowing speculative landlords to neglect housing conditions while benefiting from the strong demand.

High rents and poor housing leave community residents with less to spend on day to day necessities and little recourse when landlords don't provide even the most basic services. The City's economy will also suffer from the lack of sound, convenient and affordable housing as we compete with other parts of the country to attract and keep qualified workers.

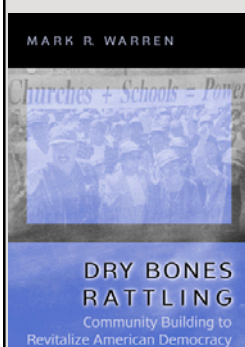
Those fighting to improve the City's housing are aware that public safety and education are other issues that merit ongoing attention. Housing, however, has been allowed to drop off the radar screen in recent years and it needs to get back in the picture. You should not have to be a millionaire to live in the city where you work. A new, long term commitment to housing is vital to our city's future.

John M. Reilly is the Executive Director of Fordham Bedford Housing Corporation, a 20 year old non-profit housing and community development organization in the Northwest Bronx.

Board Member's Book Published

Mark Warren, Assistant Professor of Sociology at Fordham University and UNHP board member, recently published his book, Dry Bones Rattling: Community Building to Revitalize American Democracy.

The book, available through the Princeton University Press (www.pupress.princeton.edu) and Amazon.com,



offers the first in-depth treatment of how to rebuild the social capital of America's communities while promoting racially inclusive, democratic participation. The book is based on the Industrial Areas Foundation (IAF) network in Texas and the Southwest, a successful faith-based movement for social justice.

Mark Warren has been a member of UNHP's Board of Directors for two years.

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