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# MITCHELL-LAMA RESIDENTS COALITION

Vol. 21, Issue 1  
March 2016

WEBSITE: [www.mitchell-lama.org](http://www.mitchell-lama.org)

## City Council endorses Mayor's zoning proposals, after changes

After months of often vituperative disagreements over Mayor Bill de Blasio's two zoning initiatives for affordable housing, the City Council on March 22nd agreed to accept the plans with significant modifications. Collectively, the modifications should generate more dwelling units affordable to people on several lower income levels.

Although some tenant and senior advocacy groups, such as the Association for Neighborhood and Housing Development and AARP, have come out in support of the modified plans, others continued to voice opposition, fearing that rezoning--upzoning--will inevitably result in further gentrification and ultimately displacement. (See article page 5).

The zoning initiatives are known as Mandatory Inclusionary Housing (MIH) and Zoning for Quality and Affordability (ZQA).

As its name implies, MIH *mandates* or requires affordable housing as a condition of residential development in the rezoned areas, regardless of whether the

rezoning is part of a city plan or a private application. This was the case even before the recent modifications.

Now, among the changes applied to MIH, developers must include at least ten percent of affordable units for people earning 40 percent of the Area Median Income (AMI) level, or around \$31,075 for a family of three. About fifteen percent of New York City's residents earn that amount, which demographers consider "very low income." Earlier objections among Council members to the MIH included fears that too many of the truly low income would not qualify for units.

Also under MIH, developers will now have an option of providing twenty percent of the units affordable to very low-income earners, in tandem with options for units affordable to higher earners, generally people of middle-income. And the cutoff level for those earning more has been lowered, from 120 percent to 115 percent of the AMI.

*(Continued on page 3)*

## MLRC board elections to be held in June

The terms of several current MLRC board members will expire in June 2016, when elections for a new board will be held. Current members whose terms will expire in June include Icemae Downes, Sonja Maxwell, Alice Mitchell, Ed Rosner, Rachel Taylor and Margot Tunstall Brown.

Overall, the board elects officers, including co-chairs, implements policies of the MLRC, creates special committees, monitors MLRC's fiscal affairs, and calls various meetings when necessary. Officers serve for a period of two years.

## James, Williams honored at next MLRC 'Meet & Greet'

NYC Public Advocate Letitia James and NYC Council Member Jumaane D. Williams of Brooklyn, chair of the City Council's Housing & Buildings Committee, will be the honorees at the next MLRC Meet & Greet on Saturday, April 30, 2016. The event will be held at the Musicians Union, 322 W 48 St., from 10 a.m. to 1 p.m.

**Strengthen MLRC**  
**Join today (use form on page 2)**

**'Meet & Greet'**  
**Saturday, April 30, 2016**

**10:00 a.m - 1:00 p.m.**

*Members are urged to voice concerns regarding their developments*

*Refreshments at 10:00 a.m.*

**CONTACT:** [Information@mitchell-lama.org](mailto:Information@mitchell-lama.org)

**PLACE:** Musicians Union Local 802

**322 West 48<sup>th</sup> Street (near 8<sup>th</sup> Avenue) Ground Floor, "Club Room"**

**TRAINS:** No. 1, train to 50<sup>th</sup> St. and 7<sup>th</sup> Ave.; Q, W trains to 49<sup>th</sup> St. and Broadway; E train to 50<sup>th</sup> St. and 8<sup>th</sup> Ave.

Mitchell-Lama Residents Coalition  
P.O. Box 20414  
Park West Station  
New York, New York 10025

# Who will replace Charles Rangel?

Charles V. Rangel, a founder of the MLRC, this year will end his four-and-a-half decades as the Congressional representative of the city's 13th district, which includes most of upper Manhattan and parts of the Bronx. Rangel, who will turn 86 just before the primary election, defeated the legendary Adam Clayton Powell, Jr. in 1970. He has pledged not to run again.

The primary for the 13th district will be held June 28, 2016.

Although several people have declared an intention to run for the seat, some current people purported to take an interest have been mentioned in various media. Following are among the reported contenders, in alphabetical order by last name:

**Rev. Suzan Johnson Cooke**, former advisor to President Bill Clinton, and former ambassador-at-large for international religious freedom.

**Michael Gallagher**, computer expert and resident of the 13th district. No previous electoral position. Presents himself

as anti-establishment force for more federal housing subsidies.

**State Senator Adriano Espaillat**, ranking member of the Senate Housing, Construction and Community Development Committee. A strong advocate for public housing in Albany, he has been endorsed by City Council Speaker Melissa Mark-Viverito and Ritchie Torres, chairman of the City Council's Committee on Public Housing.

**Assemblyman Guilermo Linares**, first Dominican-born person elected to US office. Represents Washington Heights and Inwood.

**Adam Clayton Powell, IV**, son of the man Rangel defeated.

**Assemblyman Robert Rodriguez** of East Harlem. Member of Black, Puerto Rican, Hispanic & Asian Legislative Caucus.

**Clyde Williams**, former advisor to President Bill Clinton, and former director of Democratic National Committee.

**Assemblyman Keith L. T. Wright**, chair of the Assembly Committee on Housing. Last year, Rangel backed him for the 13th district seat.

## UPCOMING EVENTS

### MLRC 'Meet & Greet'

Saturday, April 30, 2016

10:00 a.m - 1:00 p.m.

Members are urged to voice concerns regarding their developments, especially long- and short-term standing issues

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Musicians Union, 322 West 48th Street, between 8th and 9th Avenues

For more information, e-mail: info@mitchell-lama.org

## Emergency cancellations of MLRC meetings

In the event of weather or other emergencies, some MLRC meetings may be cancelled. To keep informed of cancellations or related issues, members are advised to call

212-465-2619.

Cancellation announcements may also appear on the MLRC website: <http://www.mitchell-lama.org/>

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MLRC fights for you and your right to affordable housing!

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Editor: Ed Rosner  
Assistant editors: Katy Bordonaro  
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Jackie Peters  
Margo Tunstall  
Editorial Coordinator: Nathan Weber

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Voice Mail: (212) 465-2619  
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# City Council endorses Mayor's zoning proposals, after changes

(Continued from page 1)

All units built under MIH would be permanently affordable, never to be transformed into market rate housing. This has not been affected by the revisions.

Further, developers who seek to build their affordable units "off-site" are now required to create an additional five percent of affordable units; these developers will not be eligible for the height increase allowed under Zoning for Quality and Affordability.

Regarding the ZQA initiative, developers originally would have been allowed to construct buildings containing senior affordable housing considerably taller than currently permitted. The earlier ZQA proposal would also have freed the developers from constructing parking lots--which are far less profitable than buildings--for affordable senior housing that is located near subway lines.

Finally, it would have altered rules affecting the shape of new and enlarged buildings. But under the changes approved by the City Council, areas where developers could refuse to include parking lots--especially in boroughs where access to public transit is difficult--have been limited. Also, proposed height increases for senior and inclusionary housing have been reduced, and minimum required square footage has been increased from 275 sq. ft. to 325 sq. ft.

The changes also grant the City Council oversight jurisdiction of nursing

home developments in community districts that are already saturated with such facilities.

According to the New York Landmarks Conservancy, other changes to ZQA include:

The so-called "Sliver Law" will remain in effect, ensuring that tall, skinny mid-block buildings will continue to be banned.

There will not be an automatic five-foot height increase for market-rate developments below 96th Street in Manhattan.

Back yard open space will be protected. The only exception will be for affordable senior housing developments and even that encroachment will be limited.

The height bonus for affordable housing will be reduced by ten feet in many areas.

Notwithstanding these changes, various community planning boards, neighborhood groups, preservationists and others had continued their opposition. Among their concerns is that, unlike housing built under MIH, units built under ZQA revert to market rates after thirty years.

A group called New Yorkers for a Human Scale City, an alliance of 88 community and civic groups, recently argued that "ZQA will lead to over-building of luxury units, thus stimulating a kind of 'hyper-gentrification' that is more likely to produce a net loss of affordable housing."

## Hints on applying for housing lotteries

**H**ousing lotteries in New York City, one way to secure an affordable apartment, tend to attract around fifty thousand applicants each. So competition is intense, to no one's surprise. Here are some hints to place yourself in the running.

- 1) Apply through NYC Housing Connect, an HPD project, which now includes a section on Mitchell Lama.
- 2) Do not send in more than one application. Apply either online or through regular mail, not both.
- 3) Reside currently in one of the city's five boroughs.
- 4) Priority is given to city

employees, and may be afforded to those with mobility, hearing or vision handicaps.

5) Check the development's income requirements, and make sure you meet them. Housing Connect has a useful income guide.

6) On the "blacklist?" Unfortunately, tenants who have been in housing court for any reason at all may find themselves on a "black list" used by landlords and developers to try to disqualify them. However, HPD rules include a prohibition on an automatic disqualification based on housing records. A criminal record,

however, may impede your chances.

7) If called for an interview, be prepared. Make sure you have copies of birth certificates, IDs, pay stubs, tax returns, proof of address and other detailed documentation for each household member.

8) Even if you are deemed ineligible, you can appeal. But you must do so within two weeks or ten business days.

*This article is based on an essay by Amy Zimmer in DNA Info, an online real estate service.*

## Housing Briefs

### New city gov't agency to oversee legal services

The city government will soon have a new agency to oversee various municipal programs offering legal services to low income residents. The Office of Civil Justice, a unit of the Human Resources Administration, will issue reports on how the City is meeting its obligations to at-risk tenants and others. Beyond offering legal services, the new agency will help seniors and others in need of federal disability benefits, and will expand services for immigrants.

### Some cities require affordable housing impact statements

Several cities in the U.S. are now requiring developers to assess the impact of their projects on housing affordability, before securing government approval. Atlanta, Austin, and San Diego require affordable housing impact statements, and New Orleans and Pittsburgh may follow suit, according to media reports. New Orleans is a noteworthy case, because its poverty rate is nearly 28 percent, and rents have risen 50 percent since 2000.

### Violations abound in city shelters

More than 21,000 safety violations were on record in both private and government sponsored homeless shelters by the end of 2015, according to a report issued by Mayor de Blasio. Twice as many violations were on record in so-called "cluster sites," or privately owned buildings. The cluster site shelters, under which landlords receive significant government funding, also had the largest number of "high priority" violations: 3,383 compared with 461 in traditional shelters run by nonprofits under contract with the City.

De Blasio has called for ending the cluster system by the end of 2018.

In March, US Attorney Preet Bharara announced a federal investigation into health and safety violations in NYCHA's shelters.

### Crown Heights Tenants Union seeks collective bargaining

The group, founded in 2013, is attempting to develop a collective bargaining process with all landlords in its area, rather than dealing with individual owners. Their goal includes negotiating "a neighborhood-wide contract between landlords and tenants that would regulate future rent increases (and impose a five-year rent freeze on all units), codify standards on repairs and renovations, guarantee automatic lease renewals, and protect tenants from displacement and harassment" among other issues, according to Shelterforce.

## Evictions in NYC fell to lowest level in decade

A variety of City and legal initiatives regarding tenants have combined to lower the rate of tenant evictions in 2015 to its lowest level in ten years.

During 2015, just under 22,000 evictions were recorded, a drop of eighteen percent over the year before. And in the year before that, tenants--especially lower income--suffered from close to 29,000 evictions, according to Housing Court Answers, a tenant advocacy group that compiles the data.

Among the factors contributing to the decline are:

¶ City Grants of close to

\$46 million for additional tenant attorneys over the past two years; ¶ Emergency rental assistance from the Human Resources Administration to tenants threatened with homelessness;

¶ Last year's freeze on rent stabilization increases;

¶ A program by which more city employees identify tenants who are deprived of such services as heat and hot water, and then order those services reinstated and bill the owners for the cost;

¶ The same program identifying tenants faced with illegal eviction notices, and intervening free of charge to the tenants.

## New fair housing actions slated for New York State

Increased efforts to fight discrimination in housing were announced in February by Gov. Andrew Cuomo. The efforts will entail a practice known as "testing," in which individuals with diverse ethnic, gender, and economic backgrounds, will pretend to search for rentals or homes. They "will present similar incomes and career profiles to real estate agents and owners," according to the governor's statement. They will then com-

pare experiences, and landlords found to discriminate will face penalties under federal and state equal opportunity housing laws.

Testers will also represent parents and people with disabilities.

The initiative is similar to activities undertaken by several nonprofit agencies, some of which work with the state. The New York City Human Rights Commission operated a similar program in the 1970s.

## Flint, Mich. leads nation in housing vacancy rates

Perhaps to no one's surprise, Flint, Mich. is the metropolitan statistical area that has the nation's highest vacancy rate.

According to RealtyTrac, a housing research firm, 7.5 percent of that troubled city's housing stock is vacant. That compares with a vacancy rate of 0.2 percent in both the San Jose and Fort Collins, Co. MSAs.

Following Flint in vacancies are Detroit, Youngstown, Beaumont (Tx) and Atlantic City.

Areas with the fewest available units, after San Jose and Fort Collins, include Manchester, NH; Provo, Utah; and Lancaster, Pa.

Nationwide, out of nearly

85 million residential properties (1 to 4 units), more than 1.3 million were vacant at the beginning of February 2016, down 9.3 percent from the last analysis in the third quarter of 2015.

In a study released two years ago, NYU's Furman Center found that, in New York City, for a middle-income household earning between \$59,800 and \$89,650 in 2012, the number of available affordable two-plus bedroom units declined by twenty percent. That same year, 81 to 88 percent of low-income households were "rent-burdened," paying more than thirty percent of what they earn for rent.

## ANHD's annual community confab to feature NY Fed Bank president

The Association for Neighborhood & Housing Development's annual community development policy conference, "Building the Equitable City," will be held April 11, 2016, at the Grand Hyatt hotel, Empire Ballroom. Ticket prices vary. For prices visit [bit.ly/24V46Lk](http://bit.ly/24V46Lk) or call 212-747-1147.

Keynote speaker will be William C. Dudley, president of the Federal Bank of New York.

The conference will consist of a full day of speakers, panelists and workshops on affordable housing and equitable economic development issues impacting New

York City's low- and moderate-income communities and residents.

ANHD is an umbrella organization of 100 non-profit affordable housing and economic development groups, serving low- and moderate income residents in all five boroughs of New York City.

Since its founding in 1974, ANHD has played a central role in making NYC's community development sector among the most effective in the US, providing comprehensive training, robust capacity-building and apprenticeship programs, and high-impact policy research.

## MLRC Developments

### These developments are members of the Mitchell-Lama Residents Coalition

**Individual Membership: \$15 per year**  
**Development: 25 cents per apt. (\$30 minimum; \$125 maximum)**

*Donations above the membership dues are welcome.*

Bethune Towers	158th St. & Riverside Dr. Housing
Castleton Park	Parkside Development
Central Park Gardens	Pratt Towers
Clayton Apartments.	Promenade Apartments
Coalition to Save Affordable Housing of Co-op City	RNA House
Concerned Tenants of Sea Park East, Inc.	Riverbend Housing
Concourse Village	River Terrace
Dennis Lane Apartments	River View Towers
1199 Housing	Ryerson Towers
Esplanade Gardens	Starrett City Tenants Association
Independence House Tenants Assn	St. James Towers
Independence Plaza North	Strykers Bay Co-op
Jefferson Towers	Tivoli Towers
Lindville Housing	Tower West
Lincoln Amsterdam House	Village East Towers
Manhattan Plaza	Washington Park SE Apartments
Marcus Garvey Village	Washington Square SE Apartments
Masaryk Towers Tenant Assn	Westgate Tenants Association
Meadow Manor	West View Neighbors Association
Michangelo Apartments	West Village Houses
109th St. Senior Citizen Plaza	Woodstock Terrance Mutual Housing

If your development has not received an invoice, please call the MLRC Voice Mail: (212) 465-2619. Leave the name and address of the president of your Tenants Association, board of directors, or treasurer and an invoice will be mailed.

## Tenant and neighborhood groups fail to stop zoning proposals

A rally and press conference by twenty-nine tenant and community groups opposed to the Mayor's two zoning proposals, held at City Hall on Tuesday, March 22, failed to deter the City Council from approving Mayor Bill de Blasio's zoning change proposals (See article, page 1).

A statement by the groups, which includes Metropolitan Council on Housing, one of the oldest pro-tenant organizations in the city, said in part that they "refuse to bankroll our own displacement; we refuse to subsidize non-union sweatshop construction; we demand a better world."

Although they acknowledged that revisions to the original zoning proposals have incorporated "some improvement to the plan(s)" and were "a positive development," they argued that "the fact remains that 30 percent of New Yorkers earning less than \$25,000. . . are still shut out of this MIH deal -- these are fast food workers, single mothers and seniors on fixed incomes. What's more, developers will be able to side step the changes negotiated by

the City Council."

"Despite recent revisions, [MIH and ZQA] still rely on the same pro-developer and pro-landlord economic logic that has pushed workers and people of color out of the city for decades," the groups said.

Among their concerns is that MIH will create at least 70 percent of market rate housing under any scenario, that is, under the options afforded the developers.

Also, over 40 percent of the city's households, will fall below the income required to apply for the housing (\$51,800 a year for a family of four), they said. Most of them are Black and Latino households.

The groups also noted that several alternative plans have been developed on a neighborhood level, in Chinatown, the Bronx, East New York (Brooklyn), and Cypress Hills. They want the Mayor to consider these plans, and "Instead of lobbying to renew the 421-a tax giveaway to developers, the mayor should be fighting to repeal vacancy deregulation—the 20 percent eviction bonus—and to close other loopholes in the rent laws."

## Yentel named new head of NLIHC

Diane Yentel, currently of Enterprise Community Partners, has been named the new President and CEO of the National Low Income Housing Coalition (NLIHC). She will replace Sheila Crowley, the coalition's long time President and CEO, who is retiring. Her new duties will begin in April.

"Speaking on behalf of our entire board, I could not be more pleased that Diane will be the new head of NLIHC," said Brenda Clement, NLIHC's Chair. "She has the right combination of leadership skills, policy expertise, political savvy, and commitment to housing justice to be a perfect fit for our coalition. The people in our country who lack decent and affordable homes will be well served by NLIHC under Diane's direction."

In her current position, Ms. Yentel is in charge of Enterprise's federal, state and local policy, research and advocacy programs. She previously worked at HUD in the Office of Public and Indian Housing,

and as a Senior Domestic Policy Advisor for Oxfam America.

In a sense, Ms. Yentel is returning home. Her first job in Washington was for NLIHC, where she worked as a Policy Analyst from 2005 to 2008. During her first year there, Hurricane Katrina hit the Gulf Coast, displacing hundreds of thousands of low income people and damaging much of the region's low cost housing stock. Ms. Yentel led the coalition's efforts to advocate for an appropriate federal response by both Congress and the Administration.

Prior to her career in DC, Diane was the Housing Policy Coordinator for the Massachusetts Coalition for the Homeless. She was a volunteer with the United States Peace Corps working as a community development specialist in Zambia from 1995-1998. Diane is a graduate of the State University of New York at Stony Brook and has a Masters of Social Work from the University of Texas.

## Almost 1 in 5 affordable housing developers headed by women

Among the firms on Affordable Housing Finance's Top 50 Developers list, 18 percent are led by a woman. This puts

affordable housing development slightly ahead of the real estate industry as a whole.

## Brooklyn, Manhattan least affordable US counties to buy homes

Manhattan and Brooklyn are among the five counties across the country where residents can least afford to buy a home.

According to RealtyTrac, a real estate research firm, the five least affordable counties, based on percentage of average wages to buy a median priced home (\$199,000), were Kings County (Brooklyn), NY; Marin County, CA in the San Francisco metro area; Santa Cruz County, CA; New York County (Manhattan), NY; and San Francisco County, CA.

The five most affordable counties based on percentage of average wages to buy a median priced home were Wayne County, MI (Detroit), Baltimore County, Md; Clayton County, GA in the Atlanta metro area; Bay County, MI in the Bay City metro area; and Rock Island County, IL in the Davenport-Moline-Rock Island metro area.

RealtyTrac also reported that the annual change in nationwide median home prices in the first quarter of this year outpaced annual change in average weekly wages in third quarter of 2015 (the most recent county-level wage data available from BLS) in 276 of the 456 counties analyzed for the report.

Also during the first quarter, the average wage earner needed to spend 30.2 percent of monthly wages to make monthly mortgage payments (including property taxes and insurance) on a median-priced home, up from 26.4 percent in the first quarter of 2015.

## HUD to offer \$100 Million in lead elimination projects

The U.S. Department of Housing and Urban Development in March announced more than \$100 million in grants available to help eliminate lead-based paint hazards from the homes of lower income families.

According to a HUD statement, the grants "are intended to protect young children from lead poisoning and provide an opportunity for states and local communities to establish programs to control health and safety hazards by assessing and remediating lead-based paint and other housing related health hazards."

The grants are being offered through HUD's Lead-Based Paint Hazard Control Program (\$43 million) and its Lead Hazard Reduction Demonstration Program (\$45 million). Another \$13 million will go towards identifying and fixing and additional housing related health hazards.

## Garden City officials found guilty of discrimination in housing case

The Second US Circuit Court of Appeals ruled in March that Garden City on Long Island acquiesced in discriminatory zoning actions to prevent an affordable housing project.

In *Acorn et. al. versus Nassau County et. al.*, the Court confirmed a 2014 judgement by the Eastern District court that defendants were “liable for violations of the Fair Housing Act,” specifically the equal protections clause.

In its lengthy decision, the Court noted that Garden City’s African American and Hispanic population (in 2010) amounted to only 4.2 percent; but even that figure included students living in dormitories.

“Although the lack of affordable housing has long been a problem for Nassau County, Garden City contains no affordable housing,” the Court said. “Indeed, in the past, Garden City and its residents have resisted the introduction of affordable housing into the community. According to a Garden City official, in 1989, a developer proposed constructing 51 units of affordable housing at a site in Garden City. This project was never completed, apparently due to a village building moratorium, and a luxury development was ultimately approved for the site.”

In addition, the Court said, “Garden City has repeatedly declined to join the Nassau County Urban Con-

sortium, a group of municipalities. . . that are eligible to receive federal funding to support affordable housing development.”

Reinforcing the Eastern District court’s decision, the Court of appeals said “The tenor of the discussion at public hearings [over time] and in the flyer circulated throughout the community shows that citizen opposition, though not overtly race-based, was directed at a potential influx of poor, minority residents.”

As evidence, the Court said, the white residents used code words that showed racial “animus” at various public hearings, which the Garden City officials accepted in their official decisions.

“The district court’s analysis and factual findings support the conclusion that Garden City officials acted with knowledge of their constituents’ discriminatory animus.”

Garden City’s “decision to abandon RM zoning [multiple-story dwellings] in favor of RT zoning [residential and townhouse homes] was made with discriminatory intent.”

In its conclusion, the Court said it affirms “the judgment of the district court insofar as it found Plaintiffs had established liability under . . . the FHA based on a theory of disparate treatment.”

## Brooklyn neighborhoods slated for affordable units in new developments

Eleven new developments with varying percentages of affordable housing are likely to open in Brooklyn this year, according to Brownstoner, an online real estate/renovation service.

The developments, with the number of affordable units, include:

- 1) Greenpoint Landing, 21 Commercial Street (92)
- 2) Henry Apartments, 1696-1712 and adjacent street (134)
- 3) Pacific Park/Atlantic Yards, 461 Dean Street (181)
- 4) Pacific Park/Atlantic Yards, 535 Carleton Avenue (298)
- 5) Livonia Commons Phase I, 91 Sheffield Avenue and adjacent streets (223)
- 6) BAM South, 286 Ashland Place (76)
- 7) 626 Flatbush Avenue (51)
- 8) 363-365 Bond Street (140)

9) Camba Gardens Phase II, 560 Winthrop Street (293)

10) BAM North Site II, 151 Lafayette Avenue (43)

11) BAM North Site I, 250 Ashland Place (282)

## Statewide hearing on affordable housing

The New York Housing Conference will hold a statewide hearing on affordable housing on Wednesday, April 20, at the CUNY graduate center, 365 Fifth Avenue, from 8:30 a.m. through 11 a.m. Tickets are available at <http://www.eventbrite.com/e/nyhc-policy-symposium-statewide-focus-on-affordable-housing-tickets-23926006329>

## Brooklynites turn out in force for M-L hearings

More than 300 Brooklyn residents attended a hearing on the Mitchell Lama program in March, held in the community room of Brooklyn Borough Hall. Many testified on their experiences and fears regarding the ML programs’ continuing affordability.

The hearing was chaired by City Council member Jumaane D. Williams and Brooklyn Borough President Eric L. Adams, and attended by other elected officials and tenant advocacy groups.

Between 2003 and 2009, the number of Mitchell-Lama complexes decreased from 135 to 97 because of privatization and buy-outs, according to a joint statement by Adams and Williams.

“Mitchell-Lama was one of the most effective affordable housing programs ever implemented in New York City,” said Williams. “Now, the Mitchell-Lama program is in a state of crisis and is rapidly disappearing. It’s unacceptable that our seniors and working families appear to receive little information while they try to find affordable homes and current tenants seem to get minimal help when they face harassment and displacement in Mitchell-Lama apartments.”

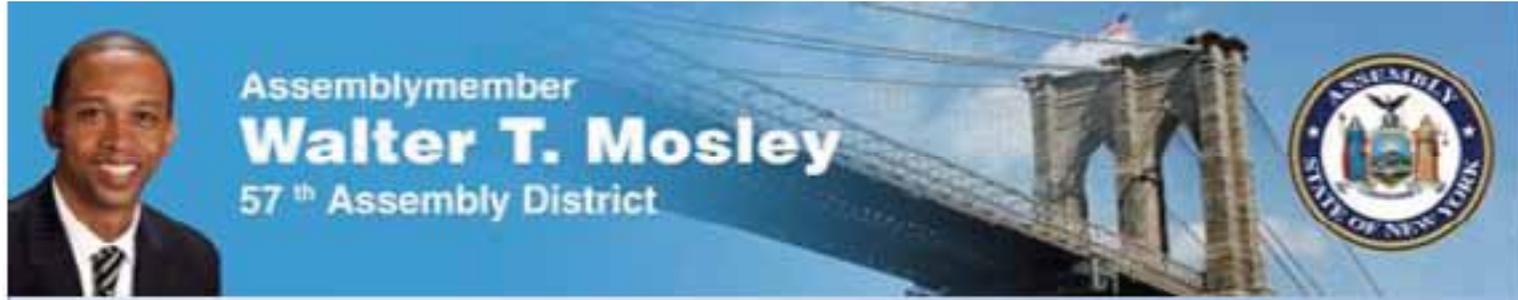
Adams called for increased low-cost financing from both York City Housing Development Corporation (HDC) for capital improvements to developments. He also urged the New York State Division of Housing and Community Renewal (DHCR) to establish its own low-cost financing program for Mitchell-Lama housing.

## Deceased woman’s partner allowed to retain rent-controlled apartment

An appellate court in February ruled that the partner of a deceased woman who had been a tenant in a rent-controlled apartment was entitled to remain there, given the “family-like” relationship of the two women.

The court ruled that the partner “lived with [the deceased] for 8 years prior to her death. The two relied upon each other for payment of household expenses. They shared holidays and birthday celebrations, traveled together for summer and weekend vacations and traditionally ate their meals together in the subject apartment. . . . Further, [the two women] took care of each other. Notably, during the last two-years of the deceased’s life, respondent spent substantial time caring for her as she struggled with depression and bouts of colitis.”

Therefore, the court ruled, the plaintiff was in effect “a family member entitled to succeed the deceased’s rent controlled tenancy pursuant to” New York City law.



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# Putting Teeth Back Into the Community Reinvestment Act

By Oscar Perry Abello

The following article appeared originally in *Next City*, March 18, 2016.

In a typical year, around 300 bank mergers take place. The vast majority of them are between smaller banks, the banks with names you never remember, and they almost never make front-page news. They merge for various reasons — to improve their bottom lines, or to access new deposits so they can provide more loans.

Other than the fact that mergers are a major activity of the financial system that probably handles your money, why should you care?

Because thanks to the Community Reinvestment Act (CRA) of 1977 (which also outlawed redlining\*), every bank merger is a crucial moment to hold banks accountable for meeting the needs of everyone in the communities where they do business.

***‘The goal is to weed out landlords [who] routinely harass or neglect low- and moderate-income residents’***

“That’s when you have a real moment of leverage,” says Jaime Weisberg, senior campaign analyst at the Association of Neighborhood and Housing Development (ANHD), which represents around 100 community development and neighborhood-based not-for-profit affordable housing developers in New York City.

One of those moments came recently, when New York Community Bank (NYCB) reached an agreement to acquire Astoria Bank. During the comment period that regulators typically have before approving mergers, ANHD filed a letter stating its opposition to the deal absent a “community reinvestment plan” — essentially a community benefits agreement.

In the merger approval process, regulators are required to consider each bank’s CRA standing, which comes mostly from its most recent CRA examination (every three years for national banks, longer cycles for smaller banks depending on performance). There’s a four-tiered rating system: outstanding, satisfactory, needs to improve and substantial noncompliance.

One problem right now: Despite clear lack of access to credit in many com-

munities, 98 percent of banks currently have at least a satisfactory CRA rating. (NYCB currently has a satisfactory rating. Astoria Bank is rated outstanding.) The CRA has lost some of its teeth. But the law also gives local groups the opportunity to make more specific demands attached to each merger, which is what ANHD did in demanding a community reinvestment plan.

Usually, if an objection is filed, regulators require banks to respond somehow to the objection. In this case, New York Community Bank didn’t wait for such a request. They went straight to ANHD.

“We were impressed that the bank came to the table willingly,” Weisberg says. There were several meetings and a lot of phone conversations, she recalls.

The resulting community reinvestment plan focuses mostly on NYCB’s lending for multifamily housing. Both NYCB and Astoria Bank are already large players in that market, so the issue wasn’t doing more of that kind of lending, but being more responsible about it.

The plan sets up regular lines of communication among the bank, advocacy groups and tenant associations, and requires the bank to consider data such as the Building Indicators Project that identifies properties where residents may soon be displaced by foreclosure or structural danger. The goal is to weed out landlords [who] routinely harass or neglect low- and moderate-income residents, often driving them out of rent-stabilized apartments, so they can bring apartments up to market rate or sell them to a larger developer.

“There’s always a set of bad actors out there,” Weisberg says. “It’s like a game of whack-a-mole with these guys.”

“I think it’s one of the best CRA agreements that has come out in the past five to 10 years,” says Chris Kui, executive director of Asian Americans for Equality (AAFE), one of ANHD’s member organizations. Kui was part of the community reinvestment plan negotiations, representing AAFE.

Since 1986, AAFE has developed over 700 units of affordable housing around NYC, including the first affordable housing development in NYC to use low-income housing tax credits.

But AAFE is much more than a housing organization. In the 1990s, AAFE established an economic development arm, the Renaissance Economic Development Corporation (EDC). Renaissance EDC has provided \$28.5 million in affordable loans to 750 small businesses. They’re routinely a top 10 SBA microlender. So Kui couldn’t help but bring up small business lending as part of the NYCB negotiations.

“NYCB didn’t have a big focus on small business lending, and at the same time we’ve seen a pullback of small business lending from bigger banks and banks in general, so we raised that question with them,” Kui says.

***‘We were impressed that the bank came to the table willingly’***

When the bank said it didn’t quite have the infrastructure to do more small business lending, Kui suggested partnering with a local CDFI (community development financial institution) like Renaissance EDC.

“As a result of dialog and discussion, we potentially have a program for them to work with a CDFI on small business lending,” Kui says. Specifically, a commitment to invest \$4 million in a local CDFI (while also maintaining their existing small business lending and banking business). Regulators still have to give final approval on the plan.

“This organizing effort is bringing back the effectiveness of the CRA. It’s a model,” Kui adds.

There are a trillion dollars in deposits at bank branches in NYC. The CRA gives local advocates, wherever they are, a platform to help more deposit dollars benefit the communities where they are held, and see that they are handled with greater responsibility and equity in mind.

*\*Redlining is the term given to the banking and insurance practice of literally or figuratively drawing a red line on a map around certain communities--usually African-American and/or Hispanic--to deprive them of loans and other financial services.*