



MITCHELL-LAMA RESIDENTS COALITION

Vol. 17, Issue 3
September 2012

WEBSITE: www.mitchell-lama.org

Cadman Towers residents vote to remain in Mitchell-Lama

The latest effort to remove Cadman Towers in Brooklyn from the Mitchell-Lama program failed, as a majority of the cooperators in August voted against the proposal.

Had they succeeded, Cadman Towers would have lost 420 units of affordable housing.

Residents opposed to the move had received assistance from UHAB and Cooperators United for Mitchell-Lama (CU4ML).

In a report on the victory,

UHAB's website quoted one of the residents who was actively involved in the effort. "We've defeated privatization," said CU4ML board member and Cadman resident Christine Fowley. "We've had a number of victories along the way. And we've even had victory parties.... But they keep coming back." She added that the "idea [for opting out] is that we'll all get rich, we'll get wealthy people to pay off our taxes and no one will get hurt. Of course, it's all a lie."

Cooperators at Esplanade Gardens organize against recent fee raises

Fee increases voted by the board of Harlem's Esplanade Gardens were wrongly passed, according to some of the residents, who are accusing not only the board but the City's Housing Preservation and Development agency and the complex's managers, Prestige Management.

The increases range from three percent to 4.5 percent through July 2013.

In a letter to City Councilwoman Inez Dickens, a group of inhabitants said that the majority of residents "are outraged regarding the onerous increase in rent imposed by the Board of Directors in collusion with HPD." The letter continued with a condemnation of "the stealth manner in which we were given one day short of two weeks' notice for the increase to take effect on July 1, 2012."

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

Tracey Towers tenants win reprieve from impending 65 percent rent hike

Tenants at Tracey Towers, an architecturally distinctive, 869-unit M-L rental in the Bronx facing a sixty-five percent rent increase, won a temporary victory early in September as Bronx Supreme Court Justice Howard Sherman issued a restraining order on implementing the increase, ruling that more time was needed for litigation. Sherman's ruling was the second in two weeks in favor of the tenants.

The planned increase was justified by the owner, Tracey Towers Associates, as necessary to make repairs on the forty-year-old building. Tenants counter that the owner misused some four million dollars it secured from the city in loans.

Upon receiving notice of the increase, the tenants association, led by Jean Hill, filed suit to block it. They were supported in their efforts by Mark Gjonaj, a candidate for the State Assembly seat in the 80th district, who secured the services of a pro bono lawyer.

"A rent increase of that magnitude would absolutely crush seniors living on fixed incomes as well as working class families who struggle to get by each and every day," Gjonaj was reported as saying. "How can anyone justify a sixty-five percent rent increase during a time when wage increases are flat and the economy is stagnant?"

The increase had been approved by the City's Housing Preservation and Development department. HPD has offered to try to secure Section 8 housing vouchers for low-income tenants who might be displaced by the whopping increase.

Stringer, Squadron, others support IPN tenants in J-51 battle. See page 8.

GENERAL MEMBERSHIP MEETING SATURDAY, October 27, 2012

**Time: 10:00 a.m. – 12:00 p.m.
(Refreshments at 10:00 a.m.)**

CONTACT: information@mitchell-lama.org

PLACE: Musicians Union Local 802
322 West 48th Street (near 8th Avenue) Ground Floor, "Club Room"
TRAINS: No. 1, train to 50th St. and 7th Ave.; Q,W trains to 49th St. and Broadway; E train to 50th St. and 8th Ave.

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

Lottery opens for 682 affordable housing units in mid-Manhattan

Tenants seeking affordable housing may now apply for 682 units currently under construction in the Clinton (Hell's Kitchen) section of Manhattan. The units, offered in a lottery by the 44th Street Development Corporation, are in buildings being constructed through HPD's Inclusionary Program.

Financing is provided by New York State Housing Finance Agency (HFA). The City's housing lottery system enables New

Yorkers to fill out a single application and apply to multiple new housing lotteries using an automated online system accessible on the new website at www.nyc.gov/housingconnect. More information on housing lotteries is available at <http://www.nyc.gov/html/hpd/html/apartment/lotteries.shtml> for more information:

<http://www.nyc.gov/html/hpd/html/apartment/lotteries.shtml>

Groups announce plan to make M-L buildings entirely smoke-free

A goal to make all Mitchell-Lama housing smoke-free was announced recently by the Coalition for a Smoke Free City and the Community Service Society. Initial steps include educating "New Yorkers about the adverse health effects of secondhand smoke exposure and to provide them with the tools they need to make their homes smoke-free," according to Janine Petito, who is working with both groups and who recently sent a letter to the MLRC.

"We would also like to emphasize tenants' rights in the materials we create and disseminate, as much of the available information about this topic is geared toward landlords," she said.

The Coalition, a health advocacy group active in all boroughs, is funded by the NYS Department of Health and the federal Department of Health and Human Services.

Among its general goals is to reduce access to tobacco products and limit tobacco industry marketing to youth; increase the number of smoke-free outdoor spaces, including parks, beaches and entryways; and increase the number of apartment buildings, co-ops and condos--including Mitchell-Lama developments--that are 100 percent smoke-free.

Literature distributed by the group cites data indicating that smoking kills more people than AIDS, alcohol, car accidents, murders, suicides and drugs combined; that fourteen percent of NYC residents (853,000 people) still smoke; and that twenty-thousand public high school students living in NYC currently smoke cigarettes. Around one-third of them will die prematurely as a direct result of smoking. More than 307,000 New Yorkers

(Continued on page 4)

UPCOMING EVENTS

GENERAL

MEMBERSHIP

Saturday, October 27, 2012

10:00 a.m. - 12:00 p.m.

**Speaker: Councilmember
Melissa Mark-Viverito**

District 8, Manhattan

Musicians Union, 322 W. 48 St., between 8th & 9th Aves

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

Mitchell-Lama Residents Coalition, Inc.

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Articles, letters, and photographs are welcome. Send to MLRC, P.O. Box 20414, Park West, New York, NY 10025

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2012

INDIVIDUAL \$15.00 per year and DEVELOPMENT 25 cents per apartment
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President's Name: _____

Donations in addition to dues are welcome.

NOTE: Checks are deposited once a month.
Mail to: MLRC, PO Box 20414, Park West Finance Station, New York, N.Y. 10025

MLRC fights for you and your right to affordable housing!

Marie Howse: age is nothing but a number

Marie Howse is an emerita member of the MLRC Executive Board. This article appeared in "25 Bronx Influential Women," June 14, 2012 issue of The Bronx Times. It is reprinted with permission.

By Jon Minners

If age is only a state of mind, then Marie Howse is as young as they come.

Whether it is helping oyut at her church, serving as a member of the Mitchell-Lama Residents Coalition or Fordham Towers ReTenants Association, orholding the proud distinction of being the oldest member of Community Board 6, at 87 years of age. the longtime Bronx activist has more energy than most people half her age.

"I am into everything," she proclaims when asked about the work she does inthe Bronx. "Whatever they need done, all they havce to do is ask and I'll do it. I love to stay busy."

Howse does indeed like to keep busy, working with seniors to make sure the older generation is respected as they move through their golden years, and contributing gratly to the development of local youth with hopes of leaving her community in good hands for years to come. There does not seem to be a limit to the thing she will do to help others.

"I feel good, so why not?" she says, brushing questions about her age away.

But not too soon, she ads, noting that the desire to keep working is something that has been passed down to her by her father.

"He was always hustling, always busy all the time," she recalled. "I definitely take after him."

Howse was borh in Southland, Arkansas and has maintained her souther charm, despite moving to Harlem and finally the Bronx close to 65 years ago. Despite a three-year sintin on Union Avenue, the majority of her time has been spent on 187th Street, where she lived for close to two decades, and then only one block away on188th Street, where she proudly still resides.

"I love it here," she said. "It's a beauiful community. Why would I ever want to leave?"

Instead, Howse gives back whenever she can. An example of this can be found during her earlier Bronx days when she became the first black woman to become a parisiner at St. John the Baptist Church. Howse calls Union Baptist Church in Harlem her main church, even to this day, where the young-at-hear charitable spriti still travels, not just to pray, but to giveback and help the needy whenever she can.

In 1975, she started the Fordham Towers Youth Association. The goal of the organization is to empower area youth through a number of initiatives. The lobby of her building often features lessons in Black history referencing insprational figures from Dr. Martin Luther King, Jr. to President Barack Obama.

"I want to show these kids that they can be somebody," she said.

One of her most ambitious initiaties involves taking the youth on trips to such places as Georgia, Virginia and Massachusetts, among other places throughout the country. While enjoyable, the trips are meant to be educational experiences.

Howse believes that knowledge is power and can lead children away from the temptations of the street and towards a more promising future.

"It's tough out there and it's only going to get tougher," she said. "We have to reach our kids young so they are prepared. I want them to do something productive with their lives."

According to Howse, her efforts have been successful, as every member from her organization has gone on to college, with many enjoying successful careers.

"I bake pies; I bake cakes," she said. "I have always loved to cook."

Those cooking skills have come in handy, not just for the kids, but for the seniors, too. Howse would often host monthly dinners at Fordham Towers for the seniors and is often seen at Mt. Carmel Senior Center helping her fellow elderly keep their spirits high. And when it comes time to raise money for the center, Howse's kitchen gets a workout.

In addition to cooking, Howse has many other exceptional talents harkening back to her younger days where she earned

a certificate from the former Sachs Quality Department Store for interior design and a certificate from UAW District 65 for fashion design and sewing.

Her biggest design has been helping to build the Bronx through tireless work, whether it is volunteering during the elections or serving for close to forty years on Community Board 6, where she worked with seniors and on various ad hoc committess with associates of State Senators Ephraim Gonzales and Joseph L. Galiber, among other contributions. Howse has also been voted, along with such luminaries as former Assemblyman Michael Benjamin, as a Democratic Judicial Delegate for District 79 to elect New York State Supreme Court judges.

In 2009, Howse received the Sojourner Truth award form the Bronx chapter of the National Association of Negro Business and Professional Women's Clubs. The award is granted "as a reminder of the endless efforts which freedom demands of those who would be free," according to the sponsor's website.

Among her most prized awards are the citations of merit she received from former borough presidents Fernando Ferrer and Adolfo Carrion and current Borough President Ruben Diaz, Jr., all honoring her lifetime dedication to the Bronx.

Questions and answers on Mitchell-Lama

With this issue we begin a new service, answering questions you may have regarding Mitchell-Lama developments, and your rights and responsibilities as a resident. We encourage all readers to submit questions by e-mail: information@mitchell-lama.org

Q: Which local government agencies have oversight over Mitchell-Lama developments, and what exactly do they do?

A: The supervisory agency for Mitchell-Lama developments is either the state's HCR (Homes and Community Renewal, formerly DHCR), or the city's HPD (Housing Preservation and Development), depending on whether the development is subsidized with New York State or New York City mortgage money. In federally-assisted developments, HUD may share oversight.

Each agency holds hearings, as necessary, and determines the landlord's periodic applications for rent increases,

submetering, exiting the ML program, and similar issues.

Q: As a Mitchell-Lama resident, how often do I have to report my income, and to whom?

A: You are required to report your income, and the income of all household members, every year. You may also have to report income if requested by the housing company. Also, if you live in a federally-assisted development, you are subject to HUD's annual re-certification requirements. If you live in a non-federally assisted development, you are subject to HCR's yearly income review procedure.

Pro bono work soon to be required for law licenses in New York State

Obtaining a lawyer's license in New York State will soon include a requirement of at least fifty hours of pro bono work. This is good news for lower income tenants, who often depend on such services in conflicts with landlords and government agencies.

Acceptable service would be pro bono work for people of limited means; organizations,

individuals or government agencies promoting access to justice; the judiciary; and state and local governments.

At present, only around twenty law schools in the nation require pro bono service, although most others have clinics where students get experience under faculty supervision.

Some Housing Authority tenants face rent increases beginning in 2013

A budget deficit of around \$50 million is propelling the New York City Housing Authority to impose significant rent increases for its tenants. The first phase of increases, slated for 2013, will range from \$23 to \$210 a month, depending on family size and income level.

The Authority said it was not eliminating rent caps--which

were instituted to protect tenants whose income increased over the years--but were raising the cap level. According to media reports, the maximum rent on a one-bedroom apartment will go from \$802 to \$1,024. Even after the cap raises, however, some 19,000 households out of the 47,000 affected will continue to pay under 30 percent of their income on rent.

Study: Lower-wage jobs grew fastest in 'recovery,' as income inequality worsened

Lower-wage occupations grew most during the recent economic expansion, according to a report from the National Employment Law Project. These job categories constituted twenty-one percent of job losses during the recession, but fifty-eight percent of gains in the so-called recovery. By contrast, mid-wage occupations were sixty percent of recession losses, but only twenty-two percent of the gains. The low-wage categories that grew the most were retail salesperson, food prep workers, laborers and freight workers,

waiters, home care aides, and office clerks and customer representatives.

According to the report, the "U.S. labor market was already in trouble before the Great Recession, the result of 30 years of growing wage inequality and shrinking numbers of good jobs... But the twin trends [of] mid-wage occupations experiencing the biggest losses during the recession, and lower-wage occupations growing the most during the recovery have only exacerbated the growth in inequality."

Groups announce plans to make M-L building entirely smoke free

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are exposed to second hand smoke at home.

The group also says that New York State spends \$8.17 million annually on smoking-related health costs.

The Coalition seeks to

"partner" with other community groups, legislators and health advocates. "We support neighborhood-based efforts for effective and long-term change throughout NYC," the literature states.

Cuomo announces \$72 million to spur affordable housing projects

A multi-million dollar effort by New York State to encourage private developers to build affordable housing across the state was announced in September by Gov. Andrew M. Cuomo. The effort consists of allocating \$72 million dollars for "shovel ready projects."

The program hopes to encourage the participation of private developers both through the availability of state funds, and through a streamlined application process, aimed at "removing the barriers that for too long held back economic development and made our government inefficient," the governor's office said in a release.

"These funds will leverage millions of dollars in private resources, creating valuable partnerships as we work to rebuild communities and create jobs in all corners of the state," the release said.

In the current round of funding, private developers are invited to compete for low-interest loans through a variety of state programs.

Applications and reference materials are available on the HCR website. Posted deadlines for Early Round projects will be Thursday, October 25, 2012, with other project applications due November 29th 2012. Three unified funding application workshops will be held by HCR staff in New York City, Albany and Rochester.

Remember to vote on November 6!

This election year, more than ever, you must vote. The reasons are clear. Not exercising your right to vote may seriously impact Section 8 housing, affordable housing, Medicare, Medicaid and who sits on the U.S. Supreme Court if there is a vacancy. For many this election is personal. Our hard-fought right to vote, in many states, may be suppressed. Don't believe anyone who tells you that you do not need to vote. If you are thinking that one candidate has it in the bag, think again and *get to the polls on Tuesday, November 6*. This is your one and only chance to have a say in the outcome. If you don't vote, you are allowing someone else to speak and make decisions for you regarding housing, health care and other crucial issues.

Developments dues paid from 2010-2011

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

Donations above the membership dues are welcome.

These developments are dues-paid members of the Mitchell-Lama Residents Coalition through Dec. 31, 2011

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

Converting M-L co-ops: We need guarantees

By Jean Poindexter, President, CU4ML

Letter to Attorney General Eric T. Schneiderman, August 9, 2012

I am writing on behalf of Cooperators United for Mitchell-Lama (CU4ML) with regard to the procedures to be used in connection with the NYC Department of Housing Preservation and Development's and the New York Housing Development Corporation's plan to offer to convert Article II Mitchell-Lama co-ops to Article XI co-ops.

We believe it is essential that the process relating to any such proposed conversion from Article II co-op status to Article XI should reflect the dramatic differences that such a change will effectuate. Hence, we ask that your office permit no such conversion without:

1. A two-thirds vote of all shareholders, with one vote per dwelling unit, authorizing the dissolution of the Article II corporation and reconstitution as an Article XI co-op; and

2. A full Offering Plan.

CU4ML has taken a strong position against this type of conversion because of the loss of affordability to potential buyers for the unnecessary purpose of providing a profit to current Mitchell-Lama co-op shareholders when they sell their apartments.

Two-thirds vote requirement

Article II, §35 (2) & (3) of the Private Housing Finance Law refer to dissolution and reconstitution being permitted after twenty years, but, as HPD has acknowledged with regard to privatization, dissolution and reconstitution require a two-thirds vote of all shareholders as provided by Section 1001 of the NY Business Corporation Law.

In spite of the clear language of BCL Section 1001 requiring a two-thirds vote for dissolution, HPD, in December, 2011, published an amendment to the Mitchell-Lama Rules, Section 3-14(i)(15). This new rule treats the dissolution and reconstitution of the Article II corporation as an Article XI corporation as a "transfer," not a dissolution, despite the clear language of Article II providing that such a reconstitution involves a dissolution and thus requires a two-thirds vote under Section 1001 of the BCL.

HPD has thus ignored both the dictates of the PHFL and the directive of Section 1001 of the BCL and adopted a position on such Article II conversions that is inconsistent with its position on reconstitution for privatization.

Section 3-14(i)(15) calling for a mere majority vote for dissolution of the Article

II Mitchell-Lama corporation surely could not withstand legal challenge and should be rescinded as soon as possible.

For policy as well as legal reasons, a two-thirds vote all shareholders, with one vote per apartment, should be required in order to reconstitute a Mitchell-Lama co-op as an Article XI co-op. As provisionally outlined, the process for conversion to Article XI will confront Mitchell-Lama shareholders like a juggernaut:

There would be no vote to authorize the expenditure of funds by the board to

'Shareholders in the 64,000 successful M-L units should not suddenly be given the bum's rush'

prepare the application for exemption comparable to the vote to spend money on a feasibility study for privatization.

There would be only a thirty-day period from the day shareholders receive the application for exemption to provide comments to the Attorney General's Office or ask for clarifications in the plan.

After this unnecessarily truncated period--a mere thirty days--between the shareholders' first having an opportunity to review the terms of the proposed conversion negotiated by the board, HPD and the lender, HDC, the exemption application can be accepted by the Attorney General's Office.

A vote on conversion can be held with only a majority of shareholders needed to accept this radically different arrangement that would extinguish the rights of those on the waiting lists and greatly diminish the nature of HPD enforcement and oversight. This arrangement may be as risky as privatization, given the narrow income range of potential buyers, the resale prices' lack of any relation to the vagaries of the actual real estate market, and the impossibility of predicting future interest rates buyers would have to pay.

Since one of the dramatic effects of such a reconstitution would be the extinguishment of the right of those on the waiting lists to an apartment when one becomes available, no conversion should be allowed through a vote of a mere majority of current shareholders, some of whom have hopes of financially profiting through such a reconstitution. The rights of the many thousands of families, some of whom have waited for years for the opportunity

to be offered an affordable Mitchell-Lama apartment, should not be eliminated by a simple majority vote of current shareholders.

For more than forty years, Mitchell-Lama co-ops have been protected under well-defined Mitchell-Lama Rules -- now fifty-five pages in length -- that have clearly spelled out the rights and responsibilities of shareholders and of applicants on the waiting lists, including placement on the waiting list, eligibility for units, succession to apartments, board obligations to insure the most economical operation of the development, hearings before any court action on eviction for anything other than non-payment of maintenance, procedures before maintenance increases, assessments or surcharges can be imposed, the duties of management companies, etc. Shareholders have come to expect HPD to supervise vigilantly the enforcement of these regulations and protect their rights and obligations as spelled out in the HPD Mitchell-Lama rules. Such is not the case with Article XI co-ops.

Article XI co-ops are governed by a Regulatory Agreement negotiated by the co-op's board and HPD, which can be "terminated upon repayment in full of any and all advances made pursuant to this article", and the nature of subsequent agency supervision is not set forth. There are no significant published HPD rules constraining the board in Article XI co-ops and agency decisions and rules, if any, seem to be on an ad hoc basis.

Shareholders in the approximately 64,000 highly successful Article II Mitchell-Lama affordable co-op units should not suddenly be given "the bum's rush" into Article XI. If this plan of conversion is to be offered, it should be circumscribed with the protection afforded by having to convince two-thirds of the shareholders that this is a viable plan and is a better option than remaining "as is" in the Mitchell-Lama program. There must also be time allowed for shareholders to fully evaluate the plan, which can occur only if a full Offering Plan, with a four- to six-month comment period, is required.

Full offering plan

We recognize that when a rental residential project is converted to an Article XI co-op in New York City the offering is exempted from the requirements for a full Offering Plan and the four-to-six-month period for the residents to comment before the Attorney General's Office is required

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Housing groups see federal cuts harming more than two million

The Campaign for Housing and Community Development Funding, a coalition of social justice groups and government agencies, has warned that that more than two million people would be negatively impacted by "sequestration," or severe cutbacks to federal programs aimed at reducing the federal budget by \$1.2 trillion over a ten year period. Sequestration, to begin in 2013, is required under a law passed last year.

The Campaign based its statement on data and estimates from the Center for Budget and Policy Priorities, a nonpartisan research group, that assumes sequestration cuts would amount to an 8.4 percent slashing of various programs. Likewise, the White House's own Office of Management and Budget estimates that most HUD and USDA rural housing service programs would be cut by 8.2 percent.

According to the National Low Income Housing Coalition, HUD "also estimates that more than 250,000 households would lose their vouchers, leaving nearly one million people who are currently stabley housed without assistance and at risk of homelessness. More than half of these households include people who are elderly or have disabilities. HUD also estimates that 100,000 households housed through Homeless Assistance Grants would no lon-

ger have homes. This would include 1,500 veterans and their families. Additionally, 80,000 homeowners would not receive housing counseling services."

Beyond the loss of housing services, HUD estimates that sequestration, when applied to the department, would cause the loss of 53,000 jobs.

Housing activists throughout the nation are urging Congress to develop a deficit reduction plan that would balance spending and revenue (revenue can be increased by ending the Bush-era tax cuts for the super-wealthy), thereby avoiding the automatic sequestration cuts, which would adversely affect low income households receiving some governemnt program assistance.

The Coalition on Human Needs (CHN) is circulating a sign-on letter urging the protection of low income and vulnerable people. The letter currently has over 1,200 organizational signers.

Similarly, the National Low Income Housing Coalition President and CEO Sheila Crowley stated, "The OMB report is conclusive proof that sequestration will rob low income people of already scarce housing resources at a time when our economy and communities can least afford to lose them.

Congressional study: top-level tax cuts do not contribute to economic growth

A new report from the Congressional Research Service, a nonpartisan agency that provides policy and legal analysis research solely for congresspeople, regardless of party, shows that tax cuts for the wealthy do not generate economic well-being or growth, as many conservative economists argue.

On the contrary, the Bush-era and previous tax cuts for the top levels of U.S. society have contributed to a widening of the economic disparity between the wealthy and the rest.

According to the report, released in September, "There is not conclusive

evidence, however, to substantiate a clear relationship between the 65-year steady reduction in the top tax rates and economic growth. Analysis of such data suggests the reduction in the top tax rates have had little association with saving, investment, or productivity growth. However, the top tax rate reductions appear to be associated with the increasing concentration of income at the top of the income distribution."

The full report is available at <http://graphics8.nytimes.com/news/business/0915taxesandeconomy.pdf>

Seniors warned of impending steep increases in Medicare Part D premiums

Unless seniors carefully shop for plans under Medicare and Medicaid, they could face huge increases in premiums next year. An analysis by Avalere Health, released in late September, shows that "seniors in some of the top plans will need to shop around if they want to avoid double digit premium increases in 2013. Humana Walmart's Preferred Rx Plan raised its premium on its popular low-cost plan by 23 percent to \$18.50 per month. First Health Part D Premier, First Health Part D Value

Plus and Cigna Medicare Rx Plan each raised premiums by more than 15 percent. Overall, seven of the current top 10 prescription drug plans (PDPs) have double digit increases in premiums." But there are alternatives: UnitedHealth's (AARP) new Medicare Rx Saver Plus PDP is offering premiums averaging just \$15 a month, the lowest available in many markets. More information at <http://www.avalerehealth.net/wm/show.php?c=1&id=902>

More than 46 million in U.S. remain in poverty, says Census Bureau

Following are some key findings from a new report issued by the U.S. Census Bureau, as presented by the Economic Policy Institute, a liberal research group. The data refers to the year 2011:

¶ Fifteen percent of the U.S. population in 2011, virtually the same as the year before.

¶ Around 46.2 million people remained in poverty in the United States.

¶ The poverty rate for children was 21.9 percent, or around 16.1 million kids. More than one-third (34.9 percent) of all people living in poverty were children.

¶ Among working-age people (those between the ages of eighteen and sixty-four), the poverty rate was 13.8 percent, unchanged from the previous year. Among those aged 65 and older, however, the rate was 8.7, the lowest on record.

¶ The share of the poor *below half* of the poverty line was forty-four percent. In other words, 6.6 percent of the overall population falls below half the poverty line.

¶ Non-Hispanic whites had significantly lower poverty rates than any other racial or ethnic group. Hispanics experienced the largest declines in poverty, a drop of 1.2 percentage points between 2010 and 2011.

¶ More than a third of black children and Hispanic children (34.1 percent) were living in poverty. The poverty rate for families with children headed by single mothers hit 40.9 percent.

¶ Of the more than seven million families with children living in poverty, 4.2 million were headed by a single mom.

¶ Various public programs--those generally railed against by right-wingers--helped to counter some poverty trends. For example, "If food stamps (SNAP) were added to the Census definition of money income, then 3.9 million fewer people would be in poverty. If the federal Earned Income Tax Credit were added to money income, then 5.7 million fewer people would be in poverty. In 2011, 2.3 million people were kept out of poverty by unemployment insurance, and 21.4 million people were kept out of poverty by Social Security."

Additional data on poverty and income trends are available at: <http://www.epi.org/publication/lost-decade-poverty-income-trends-continue-2/>

Accountants and lawyers: Crucial advocates for M-L residents

The following information originally appeared on the website of Save Mitchell-Lama (<http://www.save-ml.org/modules.php?name=News&file=article&sid=82>). Although all attorneys and accountants come highly recommended, the MLRC does not assume that their representations will always be successful in court. They are listed in alphabetical order by last name of first named lawyer in firm.

Residents in a building fighting a rent increase are usually aware of the importance of an attorney on their side. But another type of advocate is also extremely useful: an accountant.

If your building is still in Mitchell-Lama, the landlord is only entitled to the cost of running the building plus a six percent return on his or her investment. The cost of running the building may rise where the landlord invests money in something that benefits the whole structure, such as a new roof, elevators, or windows.

But the rents may only stay at the increased level until these improvements are paid for. Once payment is completed, the rent should go down again.

In addition, a careful, informed review may be necessary when the building is about to leave Mitchell-Lama. So you need someone who can go over the landlord's claimed costs and income with careful eye.

And when fighting a rent increase at the state's Division of Housing & Community Renewal or the city's Department of Housing Preservation & Development -- or the federal Department of Housing & Urban Development -- those agencies often respond better to professionals.

Here are some accountants recommended by tenant associations:

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Fax (631) 271-8001
sgcpa@optonline.net

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(516) 625-3700 #201
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Lawyers for M-L residents and other tenants

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Liu damns soaring rents, questions HA on federal repair funds

New York City Controller John Liu waded into the city's roiling housing waters recently with two reports on private sector rents and public housing.

In one study, "Rents through the Roof," Liu argued that "Despite their particularly precarious situation, middle-income renters find little hope in existing local and federal efforts to create affordable housing."

He added that "Unaffordable rents threaten to drive the middle class out of the City. "Working families should not be forced to leave town or live in inferior housing. We need to invest more in affordable housing for middle-income renters so that our City is not only home to the very wealthy and the very poor but also to the vast majority of New Yorkers who fall in between."

The report, citing HUD data, said that forty-nine percent of New Yorkers "pay rent that is considered a severe burden. . . up from forty-one percent in 2000. The City's median household income, \$50,886, has remained flat since 2000, when it was \$50,539, but the City's median rent rose significantly from \$853 to \$1,004. (Measured in 2010 dollars)"

The analysis of HUD's latest housing and income data found that:

Thirty percent of New Yorkers spend more than half of their income on rent.

Forty-nine percent of New Yorkers pay rent that is considered a severe burden by the U.S. Department of Housing and Urban Development, up from forty-one percent in 2000.

The City's median household income, \$50,886, has remained flat since 2000, when it was \$50,539, but the City's median rent rose significantly from \$853 to \$1,004. (Measured in 2010 dollars)

Sixty-nine percent of middle-income households are renters.

Thirty-eight percent of the City's existing rental units are unaffordable to middle-income New Yorkers — up sharply from 23% in 2000.

Concerning the Housing Authority, the New York Daily News reported that Liu said nearly one billion dollars in federal money has been sitting in a bank account unspent by the HA. The funds were intended to pay for repairs.

"Why NYCHA is sitting on a pile of money while residents suffer and buildings deteriorate is incomprehensible," city Comptroller John Liu told the News.

According to the story, the mayor's office said that if all the funds were spent now, nothing would remain in repair funds for the next three years.

Converting M-L co-ops: We need guarantees

(Continued from page 5)

to respond. Presumably the legislature, in allowing the exemption to a rental development with an owner converting to City-supervised Article XI tenant cooperative ownership, concluded that the rental tenants would surely benefit by the conversion to self-ownership and more protected than they were as tenants, since this would eliminate the possibility of privatization of the project by the owner without any requirement for a vote by the tenants.

However, in the case of the conversion of a Mitchell-Lama cooperative, which is not a rental with an owner, there is no legislative exemption provided from the requirements of Section 352-eeee 1 (a) of the NY General Business Law ("Martin Act").

We believe the Attorney General's Office should not, by regulation, exempt such conversions from the Offering Plan and a four- to six-month comment period mandates of the Martin Act.

In the case of most of the privatization plans submitted to the Attorney General's Office to date, there have been significant comments to the Attorney General's Office from shareholders and their attorneys who are familiar with the individual projects, asking for additional disclosures. The lawyers at the Attorney

General's Office have scrupulously taken these comments into account, and, where advisable, requested additional disclosures from the Sponsor.

The information provided in these Red Herrings has been significantly improved because of this process. Reviewing an Offering Plan or exemption application requires time and reflection and sometimes research. Expecting shareholders themselves or their advisors to fully digest the exemption application and respond to it in thirty days is unreasonable and creates an unnecessary urgency when these Mitchell-Lama co-ops have been functioning successfully for the past forty years and continue to do so.

We believe it is perilous to essentially push these co-ops into Article XI status by eliminating the need for a full Offering Plan and a four- to six-month comment period and by permitting conversion to be approved by a mere majority of shareholders. We ask that representatives of your office meet with us to discuss these issues and urge you to follow the dictates of the PHFL and require a two-thirds vote for dissolution of the Article II corporation and not, by regulation, exempt this type of conversion from the requirements of Section 352-eeee 1 (a) of the Martin Act.

GAO: richer households benefit most from mortgage interest breaks

A new report released in September from the Government Accountability Office (GAO) found that higher-income households were more likely to benefit from the mortgage interest and property tax deductions than lower income households.

According to a review of the report by the National Low Income Housing Coalition, the discrepancy is a result of "the larger amounts they [upper income households] are able to claim make them more likely to itemize and claim these deductions."

In addition, higher-income households "have received greater tax savings from the mortgage interest and property tax deductions. For example, in 2008 taxpayers with adjusted gross incomes of more than \$100,000 accounted for 13% of all tax returns, but claimed 47% of all mortgage interest and property tax deductions. In contrast, tax payers with incomes less than \$100,000 represented 87% of all tax returns, but accounted for 53% of the

mortgage interest and property tax deductions."

The study found that the federal government assumed \$170 billion in obligations for programs that are housing related. An estimated \$80 billion was lost due to the popular mortgage interest deduction.

According to the GAO report, there is considerable agency overlap in administering housing programs.

"Housing assistance is fragmented across 160 programs and activities. Overlap exists for some products offered, service delivery, and geographic areas served by selected programs—particularly in the Department of Agriculture's (USDA) Rural Housing Service (RHS) and Department of Housing and Urban Development's (HUD) Federal Housing Administration (FHA).

"For instance, RHS, FHA, and the Department of Veterans Affairs (VA) all guarantee mortgage loans for homeowners."

Stringer, Squadron support IPN tenants on j-51 battle

Following is the text of a letter sent by Manhattan Borough President Scott Stringer and NY State Senator Daniel Squadron to the tenants at Independence Plaza North, August 20, 2012

Dear IPN Neighbors:

For many years, as the tenants of Independence Plaza North, you have fought to keep your homes affordable. When Stellar Management took IPN out of the Mitchell Lama program in 2004, it was receiving J-51 tax benefits which require owners to maintain the rent stabilization of their buildings. A couple of years later, Stellar claimed that it did not have to keep apartments affordable, despite receiving the tax break. We have fought this every step of the way, working closely with the Independence Plaza North Tenants Association. The decision to preserve rent stabilization at IPN remains in front of our state courts--and you can count on us to continue our efforts.

In the most recent development of your case, the Appellate Division of the New York State Supreme Court ruled that tenants at IPN are not entitled to rent stabilization. The attorney representing your tenant association has filed a brief with the Court of Appeals asking that your case be heard, and last week [mid-August] we took important steps to support this action.

On August 15, 2012, we filed two amicus briefs with the Court of Appeals asking that they grant your case the fair hearing it deserves. The brief led by Borough President Stringer included City Council Speaker Christine Quinn, Congressmember Jerrold Nadler, Assemblymember Deborah Glick, Councilmember Margaret Chin and Community Board 1. The brief led by State Senator Squadron included State Senator Tom Duane, Assemblymember Brian Kavanagh, and Councilmember Daniel Gitterman. Our hope is that these briefs will have a significant impact on the Court of Appeals' decision, and that your case will ultimately be heard.

The fight is about affordability of IPN--and also about the future of affordable housing across the city. We know you will not give up this fight. And we won't either.

Please contact our offices if you would like more information on our amicus briefs or if you require assistance with other matters. Contact Hannah Friedman in Borough President Stringer's office at 212-669-8774 or Mary Cooley in Senator Squadron's Office at 212-298-5565 or visit our websites at <http://mbpo.org> or <http://www.nysenate.gov/senator/daniel-l-squadron>.