



**Habitat for Humanity – New York City Advocacy E-Newsletter**  
**2nd Quarter 2008 (Issue No. 24)**

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**1. Habitat Update**

Habitat - NYC's Loan Rangers Campaign is going strong! We kicked off the year educating and training over 50 volunteers on Refund Anticipation Loans and armed them with thousands of informational flyers to distribute in low-income communities throughout New York City. Our second series of trainings focused on the rent-to-own industry, bringing our volunteer participation up to 100, and flyer distribution up to 25,000. We received numerous calls from low-income consumers across the city, thanking us for our materials and sharing their experiences with both RALs and rent-to-own.

We are about to embark on our next two training sessions focusing on deceptive credit card practices and predatory auto loans. If you are interested in joining or learning more about Habitat-NYC's Loan Rangers Campaign, please visit: <http://www.habitatnyc.org/advocate.html>

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**2. City Housing News**

**2009 City Budget Finalized**

After much anticipation, the city budget was approved before the deadline of June 30th. The City Council approved a \$59.1 billion budget for fiscal year 2009 by a vote of 49 to 1, with Councilmember Charles Barron dissenting.

The New York City Public Housing Authority did not do well in this year's budget. While \$18 million was appropriated in the budget, advocates and Council members had been pulling for a restoration to keep the Housing Authority, mired in \$195,000 deficit, from closing its community centers and senior

centers. Without new government financing, the Housing Authority must eliminate all of the agency's community-based programs, including 94 community centers and 147 senior centers operated by the agency or the city's Department for the Aging in public housing. In 2006, facing a similar deficit, the Housing Authority was forced to raise rents paid by the highest income households to generate an estimated \$35 million to \$45 million in additional revenue.

The budget retains the \$400 property tax rebate and 7 percent property tax reduction from the 2008 budget. The Council restored about \$400 million to city agencies that the administration planned on cutting, officials said. Council members had initially hoped to restore approximately \$700 million. The city restored cuts to the Department of Education with \$129 million from the City Council's discretionary funding.

### **Rent Stabilized Apartments Receive Another Significant Increase**

The Rent Guidelines Board (RGB), which regulates rents for New York City's one million rent stabilized apartments, approved its highest rent increases in years. At a meeting in the Great Hall at Cooper Union in the East Village, shouting matches between tenants and landlords flared as the RGB authorized rent increases of up to 4.5 percent on one-year leases and 8.5 percent on two-year leases renewed between Oct. 1, 2008 and Sept. 30, 2009. Tenants who pay for their own heat are subject to lower increases.

The meeting consisted of groups of tenants blowing whistles to drown out a long statement read by the Board's chairman, Marvin Markus. The nine-member board voted for increases by 5-to-4. Some board members put their fingers in their ears to block out the high-pitched whistling. The board also took an unusual and controversial step of authorizing a supplemental rent increase that affected only tenants who have lived in their apartments for six years or more. Owners of buildings with those tenants have the option of charging them the approved increases, or a \$45 monthly increase for one-year leases or \$85 for two-year leases—whichever is greater.

The board's vote had a mixed reaction among property owners. They said that on the one hand the increases were not enough, but that on the other hand they were pleased with the supplemental increase, which they felt would ease the burden on small-property owners who have longtime rent-stabilized tenants paying \$500 or \$600 a month.

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## **3. State Housing News**

### **DHCR Assess Housing Needs**

The State Division of Housing and Community Renewal (DHCR) has completed and released two of a series of regional reports on New York's housing needs. These reports describe the basic affordable housing issues and needs of the six counties that comprise the North Country Region and nine counties that comprise the Finger Lakes Region.

Governor David A. Paterson said the reports represent "a new level of outreach and coordination with local officials who best understand the needs of their communities. These reports will provide us with a powerful tool to help determine how New York State's housing and community development programs can best be targeted to meet the needs of our residents."

To prepare these unprecedented studies, DCHR staff met and interviewed dozens of local officials, advocates, developers and other members of the housing communities in both regions. DHCR also met with not-for-profit organizations and social service organizations that include affordable housing as a part of their mission. In addition, staff members met with affordable housing developers from the private sector with regional experience, and they gathered information by making site visits and tours throughout both regions with local officials.

The housing needs reports also include U.S. Census and American Community Survey data intended to identify demographic and housing-related trends. DHCR staff also analyzed information from current local planning documents, including several studies on the unique housing needs each region.

To see the North Country Report and the Finger Lake Report visit:  
[http://www.dhcr.state.ny.us/general/pubs/housing\\_needs\\_study.htm](http://www.dhcr.state.ny.us/general/pubs/housing_needs_study.htm)

### **2008 Legislative Session Ends With Good News for Affordable Housing**

The 2008 Legislative Session has adjourned. Along with the budget, which passed in April, this has been an excellent session for affordable housing. Here are the highlights of the actions that were taken that affect affordable housing:

- **Prevailing wage and IDA reform ([A8703A](#)):** Neither the Assembly nor the Senate took any further action on this bill, which would have required prevailing wages for any projects receiving IDA funding.
- **The Housing Trust Fund program bill ([A10812](#)):** This legislation expands the types of projects eligible for HTF funding to include the conversion of underutilized (rather than vacant) non-residential property. It also widens the scope of eligible preservation projects to include distressed residential property in areas where the need for affordable housing is high, even if the structure is not at least 60% vacant. Finally, the bill increases the maximum award per unit to \$125,000.
- **NYC ICIP program ([A11586](#) & [A11755](#)):** Legislation to reform and extend this program, which was set to expire on June 30, passed both houses. These bills retain the benefits for mixed-use affordable housing projects.
- **NYS historic tax credit ([A7935](#)):** This legislation substantially increases the value of the existing state historic tax credit for both commercial and residential property and expands project eligibility.
- **Senator Dean Skelos** from Nassau County was elected Majority Leader. Senator Skelos has been a consistent supporter of affordable housing initiatives throughout his Senate career, most notably as the sponsor of our Real Property Tax Assessment Reform Act (Section 581-a of the RPTL) and the Long Island Workforce Housing Program. Senator Skelos has also been an advocate for additional capital funds for affordable housing.

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## **4. Federal Housing News**

## **National Housing Trust Fund**

The Senate passed the Housing and Economic Recovery Act, H.R. 3221, the massive housing and foreclosure assistance bill that would establish a permanent housing trust fund. The bill will now be sent back to the House of Representatives, where it will likely be revised. House Committee on Financial Services Chairman Barney Frank (D-MA) was optimistic that the House might consider the measure as early as this week.

Due to objections by Senators Jim DeMint (R-SC) and John Ensign (R-NV), the version passed by the Senate is the original bill that passed out of the Senate Committee on Banking, Housing, and Urban Affairs in May. Senate Banking Chairman Christopher Dodd (D-CT) had hoped to pass a revised bill that was closer to the House-passed bill.

In addition to establishing a permanent Housing Trust Fund, H.R. 3221 would also reform the Government Sponsored Entities Freddie Mac and Fannie Mae and expand the Federal Housing Administration (FHA) to help homeowners facing foreclosure. If enacted, funds intended for the trust fund will be diverted to pay for the new FHA Hope for Homeowners program for three years.

The Senate version of the bill also provides \$3.9 billion in Community Development Block Grants (CDBG) funding for the purchase and resale of foreclosed properties to prevent neighborhood blight. One-quarter of the funds must be used to assist very low income households. Due to the concerns of the Administration as well as from conservative Democrats in the House, the CDBG funding likely will be stripped from the bill during House action. The White House issued a veto warning on June 19, which included a reiteration of its objection of the inclusion of the CDBG funds in the larger bill. The version previously passed by the House did not include the CDBG funding.

Chairman Frank is hopeful that the next version of H.R. 3221 the House considers will be one that the Senate can accept. If not, the bill will continue to go back and forth between the two chambers until an agreement is reached on a final version.

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## **5. Recent Housing Research**

### **Raise the Roof, Lower the Costs: Construction Costs and Housing Affordability in New York City**

Recently, the Manhattan Institute documented the skyrocketing costs of affordable housing developments and pointed out that efforts to impose prevailing wage will drive costs even higher. The report includes the following recommendations:

- Preserve the use of nonunion labor in the construction of affordable housing.
- Reform the state's negligence laws, in particular, those imposing absolute liability on builders for accidents on the job site.
- Monitor the unfolding impact of the recent curtailment of the 421-a tax-abatement program.

You can read the full report by clicking [here](#).

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**Habitat for Humanity – New York City transforms lives  
and our city by uniting all New Yorkers around the  
cause of decent, affordable housing for everyone.**

This message was sent to members of Habitat for Humanity – New York City’s Housing Justice Action Network. If you were forwarded this e-mail and would like to join our mailing list, please click here!

<http://capwiz.com/habitatnyc/mlm/signup/>



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