

# Habitat for Humanity - New York City



## Housing Covenant

Building Common Ground  
For Housing Justice



“Your ancient ruins shall be rebuilt; you shall raise up the foundations of many generations; you shall be called the repairer of the breach, the restorer of streets to live in. ”

— Isaiah, 58:12

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## THE COVENANT

The Housing Covenant is a contract among all New Yorkers who recognize our shared obligation to provide lasting solutions to our city's housing crisis. Habitat for Humanity stands for the simple proposition that all people deserve decent, affordable shelter. Every day across the world, thousands of volunteers manifest God's love by rolling up their sleeves and building homes alongside the families that will live in them—more than 170,000 homes built on a foundation of love and justice. But it is not enough. The homes that Habitat for Humanity builds are a part of the solution, not the solution. Our city's housing challenge can only be met by the united effort of all New Yorkers, from the private and public sector, the faith community and the business community, schools, community organizations and unions. We call upon all New Yorkers to raise up our city, to restore our streets and provide decent, affordable homes for all.





# THE COVENANT VISION

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## A Just City

By entering into this covenant, we pledge to fulfill a vision of housing justice for New York City:

- A city where no one must go without a home, choose between food and shelter, or live in overcrowded, unsafe and poverty housing.
- A city where housing discrimination is eliminated, and all New Yorkers, regardless of race, religion, ethnicity or creed, are welcome in all neighborhoods.
- A city where more and more New Yorkers achieve the dream of homeownership.
- A city where homes and neighborhoods are built to ensure the health of residents and the sustainability of the environment.

This vision of housing for all New Yorkers is morally just and economically sound. It promises to build a strong foundation for the future growth of the city, for the preservation of diverse, mixed-income communities and for the protection of the health of New Yorkers and the environment. It is right—and it can be done.

## A City Transformed

What a progressive housing policy will mean for New York:

- Ending homelessness will enable the hundreds of millions of dollars spent on the shelter system to go toward improved schools and better social services.
- Quality, affordable housing in strong, vibrant neighborhoods will attract and retain the world's most talented workforce, creating thousands of jobs and yielding billions in productivity and economic growth.
- Eradicating discrimination will preserve and strengthen New York's diverse and exciting communities, attracting new people and new businesses.
- The dream of homeownership will become real for hundreds of thousands of New York City households, bringing the New York homeownership rate up toward the national average and building at least \$45 billion in wealth.
- All homes in New York will meet strict energy standards, reducing our dependence on fossil fuels and saving New Yorkers an estimated \$1.6 billion in energy costs. Healthy homes will reduce asthma rates in New York's neighborhoods, saving lives and saving our planet.

# HABITAT FOR HUMANITY - NEW YORK CITY COVENANT ACTION AGENDA

We call upon all New Yorkers to build common ground for housing justice in our city. The goals and actions set forth below are practical steps that will help create a more just city for all New

## Goal: End Homelessness in New York City

2004-2005 Action Priority: More “New York/New York” Supportive Housing

The New York/New York program builds supportive housing—affordable homes for homeless New Yorkers with special needs that provide a full range of support services. The program unites local and state resources, housing developers and community-based health programs. It enables homeless individuals with mental illness and other disabilities to achieve better health, improved job prospects and more stable lives—all for nearly the same taxpayer cost of being homeless. This proposal and others are included in the Blueprint to End Homelessness, a comprehensive plan developed by the city’s leading experts, advocates and providers.

### What You Can Do Now

Visit the Supportive Housing Network of New York at [www.shnny.org](http://www.shnny.org) to register your support for the Blueprint to End Homelessness.

## Goal: Build Decent, Affordable Homes for All New Yorkers

2004-2005 Action Priority: Adoption of City-wide Inclusionary Zoning

An inclusionary zoning program mandated by New York City will require affordable homes to be built alongside market-rate housing in redevelopment areas. Inclusionary zoning will expand the city’s affordable housing stock, create jobs and new businesses, and strengthen and preserve New York’s neighborhoods. Inclusionary zoning uses rezoning initiatives by the public to encourage housing development by the private sector. The program harnesses the power of the market to build affordable housing, using no public funds or taxes.

### What You Can Do Now

Support the Campaign for Inclusionary Zoning. Send a postcard to Mayor Bloomberg and to your City Council Member stating that you support a New York that includes us all. For more information on the Campaign for Inclusionary Zoning, go online to [www.izny.org](http://www.izny.org).



## Goal: Expand Homeownership for New Yorkers

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2004-2005 Action Priority: Encourage Employer-Assisted Housing in New York City

Homeownership remains a vital way for families to build wealth, create a secure and stable home environment and forge a stake in their community. Yet New York City's homeownership rate is less than half of the national rate. The City should expand a new initiative to provide down payment assistance and homeowner education to first-time homebuyers. New York City recently began an employer-assisted housing program modeled on numerous similar efforts around the country.

### What You Can Do Now

Encourage your employer to get involved with Habitat-NYC and the City of New York to take advantage of this important new program. Visit [www.habitatnyc.org](http://www.habitatnyc.org) or <http://www.nyc.gov/html/hpd/pdf/cnmah-employer.pdf> for details.

## Goal: End Housing Discrimination in Our City

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2004-2005 Action Priority: Greater Enforcement of the New York City Human Rights Law

For too many New Yorkers, discrimination remains an insidious barrier to securing a decent, affordable place to live. The New York metropolitan area is one of the most racially segregated regions in the country. By strengthening local civil rights law, New York City can lead the fight against housing discrimination.

### What You Can Do Now

Fight civil rights cutbacks. Call and write your City Council Member to support Intro 22, The Local Civil Rights Restoration Act. For more information, go to [www.antibiaslaw.com](http://www.antibiaslaw.com).

## Goal: Healthy, Sustainable Homes and Neighborhoods in New York

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2004-2005 Action Priority: Expansion of the New York State Green Building Tax Credit

New York was the first state in the nation to adopt a package of tax incentives for construction of "green" buildings. The program offers state tax credits for use of building techniques that promote increased energy efficiency, the use of recycled and recyclable materials and improved indoor air quality. This form of green building tax credit has proven to be successful in many other states and should be expanded in New York to include smaller homes and structured to leverage more investment for affordable green housing development.

### What You Can Do Now

Be a good steward of the environment and improve your bottom line. Educate yourself about healthy, energy-saving improvements that you can make in your home and workplace. For tips and information on New York consumer programs, go to [www.getenergysmart.org](http://www.getenergysmart.org).



# Habitat for Humanity - New York City



## THE COVENANT POLICY AGENDA

Understanding How We  
Can Make A Difference in  
New York City's  
Housing Crisis

# End Homelessness In New York City

Each night, almost 40,000 New Yorkers sleep in city homeless shelters, mostly families with children. This is the shame of our city. Homelessness is a monumental human tragedy. Homelessness adversely affects health, educational outcomes and workforce success, severely limiting the life chances for tens of thousands of families. Worse still, it does not have to be this way.

## Issues

Moving homeless people off the streets and out of the shelters, and preventing many more from becoming homeless, depends on an adequate supply of decent, affordable, permanent housing.

For many homeless individuals, health and social services and workforce development are critical to their success. Supportive housing marries permanent affordable housing with access to the right services. Supportive housing is a proven strategy for those whose homelessness involves mental or physical disabilities, as well as housing problems. Meeting the permanent supportive and affordable housing needs of those who are homeless and those at risk is a dual challenge. It demands that we address both the outright housing shortage and the significant gap between what most residents can afford and what housing costs in the market.

## Strategies

To end homelessness, we must provide access to affordable housing for those at risk and provide supportive housing for those for whom disabilities jeopardize their stability.

## 2004-2005 POLICY PRIORITY

- Build More “New York/New York” Supportive Housing. The New York/New York program builds supportive housing—affordable homes for homeless New Yorkers with special needs that provide a full range of support services. The program unites local and state resources, housing developers and community-based health programs. It enables homeless individuals with mental illness and other disabilities to achieve better health, improved job prospects and more stable lives—all for nearly the same taxpayer cost of being homeless.

- Support the Blueprint to End Homelessness, a comprehensive plan developed by the city’s leading policy experts, advocates and providers.

- Increase the supply of housing affordable to lower-income households by at least 100,000 units over the next 10 years as called for in the Housing First! plan.

- Provide adequate federal and state rental assistance to supplement the buying power of the working poor. The successful federal housing voucher program must be expanded and improved to efficiently reach more eligible families.

- New York’s rental vacancy rate stands at 2.94 percent, the lowest rate since the mid-1980s.

- Between 1975 and 1999, real renter incomes increased 3 percent, while real rents increased 33 percent.

- 18 percent, or 535,000 of all New York households, have a “critical housing need,” meaning they pay more than half their income for housing or live in seriously substandard conditions.

- 268,000 households with incomes below \$17,700 pay more than half of their income for rent and, although eligible for federal rental assistance, do not receive it.



# Build Decent, Affordable Homes For All New Yorkers

It is morally, socially and economically detrimental for hundreds of thousands of New Yorkers to struggle with excessive housing costs and endure overcrowded and substandard conditions. The future of our city depends on our ability to provide decent, affordable housing for all.

## Issues

Housing is the single largest slice of the household budget for most low and moderate-income families. High housing costs force many families to choose between being homeless and cutting corners on critical needs like food, childcare, health care and transportation. Excessive housing costs force families into overcrowded conditions, which are linked to lower educational attainment, health problems and, in some cases, domestic violence and abuse. Housing affordability is not a problem solely for the homeless and the poor. Increasingly, many moderate and middle-income households find they are unable to meet their housing needs at an affordable price, within reasonable commuting distance of jobs.

## Strategies

Habitat-NYC, as a founding member of the Housing First! coalition, believes that the city needs to provide at least 100,000 new affordable units over the next 10 years and preserve 85,000 more. This goal can be achieved through expanded public/private investment partnerships, persistent preservation efforts and innovative zoning and regulatory reform to maximize the potential of the city's vibrant market.

## 2004-2005 POLICY PRIORITY

• Implement city-wide inclusionary zoning. An inclusionary zoning program requires developers to include affordable housing for the right to build more market-rate housing in redevelopment areas. Inclusionary zoning will expand the city's affordable housing stock, create jobs and new businesses, and strengthen and preserve New York's neighborhoods. Inclusionary zoning uses rezoning initiatives by

the public to encourage housing development by the private sector. The program harnesses the power of the market to build affordable housing, using no public funds or taxes. Implementation of inclusionary zoning programs, like those used in scores of communities across the country, promote core values of diversity and integration.

- Increase local capital commitments to affordable housing production and preservation through redirection of Community Development Block Grant funds and investment of revenues generated by the Battery Park City Authority.
- Expand and improve federal and state rental assistance for the working poor and those making the transition from welfare to work.
- Complement production initiatives with aggressive preservation efforts. Securing the physical and financial health of existing housing will ensure the full benefits of increased supply.
- Expand employer and union-assisted housing programs. Employers and unions have developed creative strategies to leverage financing and real estate assets to expand housing choices for New York City's talented and diverse workforce.
- Initiate prudent regulatory changes to improve the development environment by encouraging competition, nurturing innovation and making it faster, cheaper and easier to build.

- 42 percent of all renters—more than 800,000 people—pay more than 30 percent of their income for rent.

- Severely crowded households increased by 34 percent between 1990 and 2000.

- At least 100,000 households are estimated to be living in illegal, unregulated and unsafe dwellings.



# Expand Homeownership for New Yorkers

Owning a home is the American Dream. Homeownership is the way most Americans generate new wealth and opportunity for their families. According to a report by the Consumer Federation of America, in 2001 the typical American low-income homeowner had net wealth of \$50,000, compared to only \$7,900 for the typical low-income household. If New York City's homeownership rate mirrored the rest of the nation, individual homeowners would gain an estimated \$45 billion in wealth. New York City's homeownership rate is less than half of the national average. This is not right and it must change.

## Issues

The American homeownership rate is a signature accomplishment of U.S. housing policy. Homeownership is associated with improved educational outcomes, substantial wealth creation and greater neighborhood stability. Homeownership provides a broad range of benefits to individual homeowners and to society as a whole:

- The children of homeowners do better in school and are more successful later in life.
- Homeownership acts as a powerful economic stimulus, benefiting the individual homeowner and the national economy.
- Homeownership benefits neighborhoods, providing economic and social capital. Homeowners are more likely to participate in local organizations, and homeownership in distressed communities raises neighborhood property values by a significant amount.
- Homeowners state that they are more satisfied with their living situation than renters.

But New York City's ownership rate, while increasing slightly in recent years, continues to lag far behind the rest of the nation. Even more troubling, the homeownership rate for non-white households is disproportionately low.

## Strategies

New mortgage loan products targeting first time homebuyers with limited resources are helping to turn the tide. But, while low interest rates have improved affordability, much of the benefit has been offset by rapidly rising home prices. High prices also mean that many first-time buyers also need down payment assistance.

## 2004-2005 POLICY PRIORITY

In New York City and around the country, employers are sponsoring down payment assistance programs to help their workforce become homeowners. Habitat-NYC will work with the city to expand its new employer-assisted housing program by:

- Expanding homeownership through homebuyer education and training programs.
- Implementing additional steps to regulate unfair lending practices and effectively enforce fair housing laws.

- 69 percent of American households own their homes, an all-time high.
- 51 percent of minority households own their own homes.
- 33 percent of New York households own their homes.
- Children from low-income homeowning families experience increased educational attainment, higher earnings and reduced welfare use as adults.



# End Housing Discrimination in Our City

Almost 40 years after the passage of the federal Fair Housing Act, housing discrimination still exists in our city. Too often New Yorkers find themselves mysteriously turned away when trying to rent an apartment or buy a home, seeking approval by a coop board or attempting to secure a mortgage. Too often this is the result of illegal discrimination. This is morally reprehensible. We strive to build common ground to overcome the scourge of housing discrimination that still afflicts our city.

## Issues

Illegal housing discrimination takes many forms. It limits choices for individual households and reinforces patterns of segregation between neighborhoods and across the region. Race is a dominant factor, but discrimination based on household composition, marital status and disability are also pervasive.

But other forms of discrimination also afflict our city. With increasing frequency, responsible developers find it difficult to build affordable and supportive housing projects due to community opposition rooted in misconceptions and prejudice toward the potential residents. Across the city and the region, land use regulations and publicly subsidized development further racial and economic segregation.

## Strategies

The New York City Human Rights Law is one of the strongest civil rights laws in the country, providing greater protections for more people than comparable state or federal legislation. However, limited resources for investigations and enforcement have diminished its impact. Recent judicial rulings have further limited its scope. Enforcement is critical to protect New Yorkers from housing discrimination and to provide an effective deterrent against potential violations.

## 2004-2005 POLICY PRIORITY

- Implement a systematic and effective fair housing testing program in New York City. The U.S. Department of Justice considers testing—sending qualified individuals from protected classes to attempt to secure housing—“a valuable tool to document illegal housing discrimination.” Testing is an important tool for ensuring that discrimination is not a barrier to accessing the marketplace.

- Enact local legislation to strengthen the city’s legal tools to fight housing discrimination. Recognize the city’s intention to surpass the protections provided by state and federal law and to improve protections against discrimination on the basis of marital status or disability.

- Complement enforcement and monitoring with education. When owners, sellers, brokers and lenders know the law and have a deeper understanding of the circumstances of those seeking housing, they are less likely to intentionally or unintentionally break the law. Habitat-NYC can play a vital role in supporting developers of affordable and supportive housing that face community opposition due to bias against potential residents.

- The New York region is the most segregated metropolitan area for Hispanics and Latinos in the entire United States, according to the U.S. Census Bureau.

- The City of New York Law Department did not bring a single prosecution under the city’s Human Rights Law between 1995 and 2003.



# Build Healthy, Sustainable Environmentally Sound Homes and Neighborhoods

Environmentally friendly housing design is critically important for our families, communities and the entire world. Energy efficient construction methods and the use of recycled materials are important ways we can contribute to this effort.

## Issues

There is a growing understanding of the ways in which new construction methods and materials can significantly reduce the adverse environmental impacts of housing. High-performance or “green” building techniques have begun to change the way that housing is built to reduce construction waste, make buildings healthier for occupants and reduce energy consumption. However, these techniques and practices are not yet prevalent within the construction industry. There is often an inaccurate presumption that green building makes the cost of construction prohibitive for affordable housing.

## Strategies

The construction industry is working closely with the public sector to encourage innovation, educate builders and develop new standards. Many states and localities have created tax credits and other financial incentives to stimulate development of green housing. More and more builders and architects are developing low-cost approaches to building green.

## 2004-2005 POLICY PRIORITY

Expand the use of the New York State Green Building Tax Credit in the development of affordable housing. New York was the first state in the nation to adopt a package of tax incentives for construction of green buildings. The program offers state tax credits for the use of building techniques that promote increased energy efficiency, the use of recycled and recyclable materials and improved indoor air quality. So far, it has

seen limited use in affordable housing development.

- The U.S. Green Building Council through its LEED program— “Leadership in Energy and Environmental Design”—is developing new residential standards for indoor air quality, energy efficiency and sustainable building methods. This new standard will provide a clear benchmark for the performance of new housing in these areas. All housing built in New York City should meet Energy Star® standards and incorporate state-of-the-art LEED standards for materials and methods that minimize the impact of construction on the environment and provide healthy, durable homes for New Yorkers.

- Habitat-NYC projects provide an excellent showcase for these new techniques and approaches. By demonstrating how new standards, techniques and incentives can be applied to the cost constraints of affordable housing, these initiatives can expand the benefits of green building to all New Yorkers.

- The US is consuming and importing a record amount of energy, of which buildings consume 36.4%

- US buildings account for 36% of the total carbon dioxide emissions and 30% of total greenhouse gas emissions.

- One million children under the age of six nationwide suffer from lead poisoning from peeling paint in substandard homes.

- New York City has the highest rates of asthma in the United States, with the highest numbers recorded in poor urban areas with substandard housing and high rates of indoor and outdoor air pollution.



# Beyond the City Limits

## Policy Priorities for Albany and Washington

Habitat-NYC recognizes that New York City alone cannot solve the city's housing crisis. Policy change must come from Albany and Washington, D.C. to achieve success. The state and federal governments must be active partners.

We pledge to lend our voice to call on the state and federal governments to address these critical housing issues:

### STATE POLICY PRIORITIES

- Increase the Public Assistance Shelter Allowance to provide realistic access to the housing market for the poorest households. The current allowance forces thousands of families to live in seriously substandard living conditions, from poverty housing to homelessness.
- Expand the state green building tax credit to include smaller homes and streamline the program's structure to leverage more investment for affordable green housing development.
- Provide a sustainable revenue stream for the state's affordable housing trust fund and other programs by dedicating funds from the state's real estate transfer tax revenues, increasing the limit on the state's low income housing tax credit, authorizing the State of New York Mortgage Agency to retain and use any excess revenues to finance affordable housing, and authorizing the New York State Housing Finance Agency to retain and use its annual excess funds to finance affordable housing.
- Reduce the cost of housing by exempting construction and rehabilitation of affordable housing from the state's sales and use tax. Reducing the cost of housing construction provides opportunities to meet a greater range of needs through the market and allow existing subsidies to go farther.
- Expand and improve homeownership programs. Create new programs to assist homeowners with low-cost financing for maintenance and capital improvements to ensure that new and existing homeowners are able to maintain and improve their housing investment.

### FEDERAL POLICY PRIORITIES

- Preserve and expand the Housing Choice Voucher program (Section 8). Proposed funding levels and changes in program administration will leave New York City short the equivalent of close to 20,000 housing vouchers over the next two years. Existing commitments must be fully funded, and at least 75,000 new vouchers should be authorized nationally.
- Provide sufficient capital and operating funds to properly maintain and operate New York City's 180,000 units of public housing, the largest and best run public housing authority in the country.
- Expand the President's chronic homelessness initiative to provide assistance to increase the supply of supportive housing for the most vulnerable New Yorkers. Authorize the Samaritan Initiative with appropriations.
- Create a National Affordable Housing Trust Fund to build and preserve 1.5 million affordable homes across the country over the next 10 years.
- Create a federal homeownership tax credit program. A new federal tax credit for production of new homeownership opportunities would be modeled on the highly successful Low Income Housing Tax Credit and would stimulate the creation of thousands of new homes and homeowners nationwide.
- Reform the mortgage interest tax deduction. In 2002, tax expenditures to support homeownership exceeded \$100 billion, most of it to middle- and upper-income families. Capping the mortgage interest deduction for high-income households or converting the deduction to a progressive homeownership tax credit would make housing assistance more equitable and would reach more working American families.



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