



Habitat for Humanity – New York City Advocacy E-Newsletter
July - August 2008 - Issue No. 25

In This Issue:

1. **New Newsletter Format**
 2. **Habitat – NYC News**
 3. **City Housing News**
 4. **State Housing News**
 5. **Federal Housing News**
-

1. New Newsletter Format

The Habitat – NYC Advocacy E-Newsletter is transitioning to a new monthly format with wide-ranging coverage of housing and consumer protection policy. Our aim is to bring you rapid access to the most important issues affecting low-income homeowners in New York State and beyond.

We will continue to provide timely information about the latest events and volunteer opportunities here at Habitat – NYC Advocacy. Thank you for reading with us - please let us know what you think about our newsletter, our policy positions, and our events and programs. To get involved or to stay in touch, email us anytime at advocate@habitatnyc.org.

2. Habitat – NYC News

Loan Rangers: Credit card debt training update

We will be holding training sessions on avoiding excessive credit card debt for our Loan Ranger volunteers on September 10, 18, and 25 from 6:30 to 7:30 PM at our office at 111 John St., 23rd Floor / New York, NY 10038.

The US government reports that consumers charge close to \$2 trillion per year to their credit cards, and the average consumer carries more than \$8,000 a year in debt. Most at risk are low-income consumers, who often rely on credit for day-to-day expenses.

Join Habitat-NYC's Loan Rangers Public Awareness Campaign and help teach low-income consumers how to avoid credit card problems. If you are interested in learning more, please visit http://habitatnyc.org/advocate/loan_rangers/. To get involved, email Paul Benecki at pbenecki@habitatnyc.org, or call (212) 991-4000 x338.

Habitat - NYC's Atlantic Avenue project will contribute \$34.5 million to NYC's economy

A long-dormant block on Atlantic Avenue and Eastern Parkway in Ocean Hill-Brownsville, Brooklyn, will generate almost \$34.5 million in economic stimulus, thanks to the affordable condominiums that Habitat for Humanity – New York City is building on the site. It is the largest multifamily building ever constructed by Habitat for Humanity worldwide.

Every dollar invested by Habitat-NYC in the Atlantic Avenue complex will generate approximately \$3 in economic activity to the City of New York, HR&A Advisors, Inc. reported in a July 2008 economic and fiscal impact study.

“Transforming a Vacant Block to a \$34.5 Million Economic Engine: Habitat for Humanity - New York City & HR&A Advisors Calculate Benefits of Affordable Housing”

Habitat-NYC news release, as reported by MSN

July 21, 2008

http://news.moneycentral.msn.com/category/topicarticle.aspx?feed=PR&Date=20080721&ID=8914284&topic=TOPIC_ECONOMIC_INDICATORS&isub=

To see the full HR&A report, please go to:

http://habitatnyc.org/pdf/about_us/Habitat-NYC_Economic_Impact_Report.pdf

3. City Housing News

Rivera introduces bill to require LEED standards for city capital projects

Councilmember Joel Rivera has introduced a measure that would require city-funded capital projects worth \$5 million or more to comply with LEED Silver environmental quality specifications (or, for some residential structures, a less stringent set of LEED standards).

Habitat - NYC's Atlantic Avenue residential development already exceeds the proposal's requirements.

“New Bills: From Saving Energy to Preventing Choking”

by Courtney Gross

August 4, 2008

<http://www.gothamgazette.com/article/searchlight/20080804/203/2597>

Reform of 421-a tax abatement sparks rush to build

New York City developers received 17,128 new building permits in June - four times as many as issued in June 2007. The building boom is widely attributed to the financial advantage for construction initiated before the July 1 changeover to new rules for the city's 421-a tax abatement program. The old 421-a rules subsidized the cost of market-rate residential construction for decades by granting large tax abatements to developers in certain areas of the city.

According to Brad Lander of the Pratt Center for Community Development, the rush shows that the 421-a tax break was too generous and needed to be reformed.

Habitat – NYC and its coalition partners were instrumental in formulating the 421-a reforms that the state legislature enacted last year.

“Rush to build as tax break fading away”

by Adam Lisberg

July 29, 2008

http://www.nydailynews.com/ny_local/2008/07/29/2008-07-29_rush_to_build_as_tax_break_fading_away.html

For more information on 421-a reform, see the joint Habitat – NYC / Pratt Center for Community Development report at: http://www.habitatnyc.org/pdf/advocate/421a_Report.pdf

4. State Housing News

Paterson signs foreclosure bill

“Gov. David Paterson has signed legislation giving New Yorkers an extra 90 days to save their homes from foreclosure.

The bill, signed on August 5, aims to help homeowners who sought subprime loans. The 90-day grace period is being added to what is typically a 440-day foreclosure process in New York — the longest in the nation.”

“Gov. David Paterson signs foreclosure bill”

AP

August 5, 2008

http://www.nydailynews.com/money/2008/08/05/2008-08-05_gov_david_paterson_signs_foreclosure_bill.html

Paterson orders 7% state spending cut, secures cuts from legislature

On July 30, citing economic uncertainty and a large projected budget shortfall, Gov. David Paterson ordered executive agencies to cut spending by \$630 million this year - about 7% of the annual budget. He also reconvened the legislature for an emergency session, and late on the night of August 19, the Assembly approved cuts totaling \$411 million. The Senate may increase the amount of the cut to about \$500 million. Between the legislature's actions, Paterson's recent executive order, and the 3.35% spending cut he ordered in his first act as governor, projected state spending will drop by about \$1 billion for 2008-9. This reduction represents a significant retreat from the budget increases approved in Albany early this year.

“Deal to slash state budget finalized”

by Kenneth Lovett and Glenn Blain

August 19, 2008

http://www.nydailynews.com/news/2008/08/19/2008-08-19_deal_to_slash_state_budget_finalized.html

“Governor Paterson reopens budget process, ordering current-year spending cuts, special legislative session and hard hiring freeze to address plummeting state revenues”

Governor's office press release

July 30, 2008

http://www.state.ny.us/governor/press/press_0730081.html

5. Federal Housing News

President Bush signs momentous federal housing bill

On July 31, President Bush signed the most important federal housing legislation of our time. The Housing and Economic Recovery Act provides tax incentives and support for local housing programs and will make an enormous difference to low-income renters and homeowners across the nation. The law provides for:

- A true national Housing Trust Fund with a dedicated funding source
- Assistance for up to 400,000 homeowners to replace burdensome mortgages with government loans
- Federal support for Fannie Mae and Freddie Mac
- \$15 billion in housing-related tax incentives
- Almost \$4 billion in funds for cities and states to buy foreclosed properties and keep neighborhoods intact

Citizen pressure on lawmakers made this an enormous win for those most in need of housing and for housing advocates everywhere. We thank you for your support and for helping make Habitat for Humanity International's voice in Washington louder than ever.

For the full details of the new housing bill, see NCSHA's analysis at:

<http://www.ncsha.org/uploads/NCSHA%20HR%203221%20Summary%20FINAL.pdf>

For news coverage, see:

“Bush signs sweeping housing bill”

by David M. Herszenhorn

July 31, 2008

<http://www.nytimes.com/2008/07/31/business/31housing.html?hp>

Freddie Mac loses \$831 million for four straight quarters in the red; federal bailout anticipated

After a year of losses, troubles at Freddie Mac appear to be getting worse. The federally sponsored home mortgage purchase company may require intervention by the Treasury if it runs into difficulty raising money in the capital markets. Congress and the White House have already agreed to provide billions of dollars in liquidity support for both Fannie Mae and Freddie Mac as part of the Housing and Economic Recovery Act.

Shares of both companies dropped sharply on August 18 after a story in Barron's warned of a pending government bailout. Federal intervention would heavily dilute the value of extant Fannie Mae and Freddie Mac shares.

Analysts caution that if a liquidity crisis causes the two institutions to pull back from their historic levels of mortgage buying, interest rates on home loans could rise above 7%, with serious consequences for the housing market.

Freddie Mac's year-long run of negative earnings has some investors calling for the ouster of chief executive Richard Syron, who has been accused of ignoring warnings of risk in the institution's mortgage purchases.

“Bailout concerns slam Freddie, Fannie shares”

by Reuters

August 18, 2008

<http://www.nytimes.com/reuters/business/business-fannie-freddie.html?ex=1219723200&en=78e92b44d6b63d28&ei=5070>

“Freddie Mac’s big loss dims hopes of turnaround”

By Charles Duhigg

August 6, 2008

<http://www.nytimes.com/2008/08/07/business/07freddie.html?ei=5070&en=d6c7ff61af7a678a&ex=1218686400&adxnnl=1&emc=eta1&adxnnlx=1218111864-pqOrn+CAFMSE/C5jCFYOCQ>

“At Freddie Mac, chief discarded warning signs”

By Charles Duhigg

August 5, 2008

<http://www.nytimes.com/2008/08/05/business/05freddie.html?ex=1218686400&en=0c0b638b8ff3a91b&ei=5070&emc=eta1>

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/>

If you believe in the mission of Habitat – NYC and would like to support our work with a financial contribution, please go to <http://www.habitatnyc.org/donate.html> to find out how you can help us help others.