



Habitat for Humanity – New York City Advocacy E-Newsletter
August - September 2008 - Issue No. 26

In This Issue:

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

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.

Additionally, to save you time, we are now providing the entirety of the newsletter in HTML format.

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

Thank you, Loan Rangers!

Our latest Loan Rangers series concluded with a well-attended training on Sept. 18th.

Thanks for joining us!

If your community group, church, or other organization would like us to come speak to you about consumer debt and predatory lending, please feel free to let us know. For more information, contact Paul Benecki by email at pbenecki@habitatnyc.org, or by phone at 212-991-4000 /ext 338.

Habitat – NYC and QFAH hold successful rally at Hunters Point

Habitat – NYC and its Queens for Affordable Housing (QFAH) coalition partners have been heavily involved in the fight for more affordable units at the 5,000-unit Hunters Point development. We held a rally with Councilmember Eric Gioia and 100 Queens residents on Sunday, Sept. 14th to demand that the city require at least half of the units be within reach of working families. Our thanks to all of you who joined us there!

“Queens residents call for affordable housing”

by Joshua Phillip

Sept. 14, 2008

<http://en.epochtimes.com/n2/united-states/queens-affordable-housing-4215.html>

3. City Housing News

Council opposition to Willets Point development solidifies

32 members of the City Council have signed a letter expressing “absolute opposition” to the mayor’s controversial Willets Point rezoning and development plan, and the 25 members of the Council’s Black, Latino and Asian Caucus have taken a similar stand. This means that over half of the Council opposes the plan – enough to block it in the event that the Mayor does not adequately address community advocates’ concerns.

From the outset, Habitat-NYC and Queens for Affordable Housing (QFAH) have called for dramatic improvement to the plan. We believe that:

- At least 1/3 of the units should be affordable to genuinely low-income families – households earning less than \$25,000.
- At least 1/3 of the units should be affordable to moderate- and middle-income families.
- Affirmative steps must be taken to insure that families from nearby neighborhoods have genuine access to the full range of units created at Willets Point.
- The affordable housing units created should be affordable in perpetuity.

- Housing that meets the needs of the neighborhood's elderly population should be a component of the development.

Habitat-NYC and QFAH have been working closely with Councilmember Hiram Monserrate (whose district represents a large part of the area where the project would be built) to ensure that the housing needs of the surrounding community are met.

“Council opposition to Willets Pt. tightens”

Gotham Gazette staff

Sept. 10, 2008

http://www.qgazette.com/news/2008/0910/Political_Page/

Leveraged purchase of rent-controlled housing may end badly for private equity

When two of New York City's leading real estate investment groups purchased Stuyvesant Town and Peter Cooper Village from MetLife in 2006, they planned to expand revenues from the aging developments by taking apartments out of rent control. Due in large part to strong legal protections for tenants, the plan has not worked, and now the companies face the possibility of defaulting on \$4.4 billion in loans – a debt that may be in excess of the developments' current market value.

Rockpoint Group and Stellar Management are experiencing similar problems at the Riverton complex in Harlem, as are Apollo Real Estate and Vantage Partners with the Savoy Park development. Both complexes were purchased for moderate sums, then refinanced at values high above market; bond holders underwriting the refinancing expected rapid increases in rental revenue that have not occurred. Rockpoint and Stellar have already defaulted on a \$25 million secondary loan for Riverton, and further defaults are expected soon at both complexes.

“Out of control”

by Andrew Bary

September 8, 2008

Barron's

Tenants & Neighbors organizes preservation of five low-income rental complexes

New York Tenants & Neighbors reports that its coalition partners have successfully organized to prevent takeover or conversion of five low-income projects across the city, including Trinity House, 1520 Sedgwick Avenue, Canaan IV, Morris Heights Mews and Tivoli Towers.

“NY tenants celebrate victories and continue “Real Rent Reform” Campaign”

National Low Income Housing Coalition

September 12, 2008

http://www.nlihc.org/detail/article.cfm?article_id=5505

4. State Housing News

Shakeups in Democratic primaries

In voting September 9, State House Speaker Sheldon Silver won his first serious primary race in two decades by an overwhelming margin; US Representative Edolphus Towns won a closely watched challenge from Kevin Powell, a political newcomer with a background in media; Assemblyman Sam Hoyt of Buffalo won a challenge from Barbra Kavanaugh, a former city councilwoman backed by Rochester billionaire Tom Golisano; and State Senator Kevin Parker held his nomination against two city councilmembers soon to be ousted by term limits.

Other incumbents were not so lucky. Thanks in part to support from the mayor, Senator Charles Schumer and the Working Families Party, 28-year-old Daniel L. Squadron defeated incumbent Martin Connor for the Democratic nomination for the State Senate's 25th district. Efrain Gonzales, a Democratic state senator facing serious corruption charges, lost to Pedro Espada Jr., a former councilman who has publicly raised the possibility of defecting to the Republican Party.

"Squadron's agenda: a more open Albany"

by Jonathan Hicks

Sept. 14, 2008

<http://www.nytimes.com/2008/09/15/nyregion/15squadron.html?ref=nyregion>

"Silver sidesteps a challenge, but other incumbents fall in primary"

by Nicholas Confessore and Jonathan Hicks

Sept. 9, 2008

<http://www.nytimes.com/2008/09/10/nyregion/10primary.html?scp=2&sq=democratic%20primary&st=cse>

DHCR releases latest findings of statewide affordable housing needs study

The NYS Department of Housing and Community Renewal (DHCR) has released the latest findings of its statewide Affordable Housing Needs Study, an assessment based on comments solicited from affordable housing advocates, developers and managers. Consolidated results for the Capital District are now available on the department's website at:

<http://www.dhcr.state.ny.us/Publications/HousingNeedsStudy/>

5. Federal Housing News

Treasury drafts plan to purchase billions of dollars in mortgage-backed securities

On Sept. 19, Secretary of the Treasury Henry Paulson announced an unprecedented plan for the federal government to buy ailing mortgage-backed securities from banks at a steep discount. "The federal government must implement a program to remove these illiquid assets that are weighing down our financial institutions and threatening our economy," Paulson said.

The move came as central banks around the world announced large coordinated increases in the supply of available government credit, the SEC banned the short-selling of stocks of American financial companies, and the Treasury released a plan to back money-market mutual funds with up to \$50 billion in government assistance.

“Stocks surge as U.S. acts to shore up money funds and limits short selling”

by Graham Bowley

Sept. 19, 2008

<http://www.nytimes.com/2008/09/20/business/economy/20cndleadall.html?hp>

Treasury places Fannie Mae and Freddie Mac into conservatorship

The federal government has retaken control of Fannie and Freddie, removing their current boards and executives and placing the companies under the authority of the new Federal Housing Finance Agency (FHFA). The move is seen as vital to shoring up the American mortgage market, which relies on the two companies for liquidity. Stockholders of the two “government-sponsored entities” (GSEs) have lost almost all share value, as the Treasury’s bailout took the form of a large purchase of common and preferred stock, diluting existing shares.

For middle- and upper-income homebuyers, mortgage lenders and owners of the two institutions’ housing bonds, the takeover is excellent news. For housing advocates, it presents concerns about the future of the companies’ longstanding affordable housing mission. Now that the two semi-private entities are entirely government-run, spending on most of their low-income programs is at the discretion of the executive branch.

According to the National Low Income Housing Coalition, the GSE’s dedicated funding stream for the new national affordable housing trust fund is secure. The Housing and Economic Recovery Act of 2008 requires the two former companies to set aside 4.2 basis points (4.2 cents of every 100 dollars) of all new business for the trust fund; as this is a legislative requirement, and is not dependent upon profitability, the Treasury’s takeover should not affect the funding stream.

“The Fannie / Freddie takeover and the national housing trust fund”

National Low Income Housing Coalition

Sept. 12, 2008

http://www.nlihc.org/detail/article.cfm?article_id=5494

“Homeownership mission vulnerable after rescue”

by Binyamin Appelbaum and Renae Merle

Sept. 10, 2008

<http://www.washingtonpost.com/wp-dyn/content/article/2008/09/09/AR2008090903276.html>

“U.S. takeover of mortgage giants lifts stock markets”

by Michael Grynbaum and David Jolly

Sept. 8, 2008

<http://www.nytimes.com/2008/09/09/business/worldbusiness/09markets.html?hp>

“In rescue to stabilize lending, U.S. takes over mortgage giants”

by Stephen Labaton and Edmund Andrews

Sept. 7, 2008

<http://www.nytimes.com/2008/09/08/business/08fannie.html?em>

6. Housing Research

Housing issues and the 2008 elections

For a broad discussion of housing issues and the 2008 fall elections, see KnowledgePlex’s new report, *“Hot-Button Housing Issues for Voters and Candidates”* at:

<http://www.knowledgeplex.org/specialreport.html>

Fair Housing Justice Center finds widespread discrimination against Section 8 recipients

In a recent survey of Craigslist rental housing advertisements by licensed real estate brokers, the Fair Housing Justice Center encountered high rates of overt discrimination against recipients of public assistance. Over the course of one month, a systematic survey of postings revealed 363 discriminatory ads representing a total of 413 housing units.

Discrimination on the basis of source of income is now illegal under the city’s Human Rights Law.

“No license to discriminate: real estate advertising, source of income discrimination, and homelessness in New York City”

Fred Freiberg and Diane Houk

Fair Housing Justice Center

September 2008

http://www.helpusa.org/site/DocServer/License_to_Discriminate_finalDRAFT.pdf?docID=2141

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.
