



Department of
Housing Preservation
& Development

NEW HOUSING MARKETPLACE PLAN

CREATING A MORE AFFORDABLE, VIABLE, AND SUSTAINABLE CITY FOR ALL NEW YORKERS



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TABLE OF CONTENTS

Introduction	01
Strengthening Neighborhoods	04
Expanding the Supply of Affordable and Sustainable Housing.	08
Stabilizing Families	22
Appendices.	26



MESSAGE FROM MAYOR MICHAEL R. BLOOMBERG

One of our Administration's top priorities is ensuring that New York City continues to grow and thrive during these tough economic times, maintaining our role as a world capital and strengthening our position as a global leader in affordable housing.

Since 2003, when we announced our ambitious New Housing Marketplace Plan, the Department of Housing Preservation and Development (HPD) and its sister agency, the New York City Housing Development Corporation (HDC), have funded nearly 100,000 units of affordable housing throughout the five boroughs, an accomplishment of a scale unequalled by any other city in the nation.

Our efforts have already made a big difference in our City's neighborhoods and in people's lives. By working with partners throughout New York City, we've helped to grow the City's housing stock and improve the quality of housing for all New Yorkers. The most recent Housing and Vacancy Survey shows that contract rents rose at the same rate as income for the first time in a decade. And, neighborhood conditions are the best on record. Both of these are clear indications that the affordable housing opportunities we're creating for low- to middle-income New Yorkers are having a tremendous impact on the market.

Over the next four years, HPD will continue working to keep our City's housing stock growing, and we're confident that by building on our successful programs, implementing large-scale projects, and identifying new opportunities in our many diverse neighborhoods, we'll reach our goal of creating or preserving 165,000 homes by 2014. But we won't stop there – we will keep growing beyond the targeted units to ensure every New Yorker has the safe, quality affordable housing they deserve.

We can all be proud of what we have achieved so far, and we look forward to working with our partners in the public, private, and non-profit sectors to ensure our continued success in expanding affordable housing opportunities for our residents.

A MESSAGE FROM COMMISSIONER RAFAEL E. CESTERO



I am proud to launch our updated New Housing Marketplace Plan. Over the past six years, HPD and our sister agency HDC, in partnership with other key organizations, have created or preserved the volume of affordable housing that previously took the City 20 years to achieve. By any measure, this is an amazing accomplishment. But we know that we can and must do more.

The changing economy means new challenges for New York City's neighborhoods and families. And it means that the tools we use to create and preserve affordable housing have to adapt. This is nothing new – the Department of Housing Preservation and Development has consistently been a part of New York's rich tradition of finding underlying opportunities in both boom and bust times.

In the 1970s, when the City was on the brink of financial ruin, the Department moved aggressively and decisively to turn abandoned properties into the homes that spurred revitalization of many of our historic neighborhoods across New York City.

When we launched the New Housing Marketplace Plan in 2003 we did so in the face of another kind of crisis — one of housing affordability. To meet the challenge, the Mayor launched the most aggressive and extensive affordable housing plan in the nation. To date we have successfully created and preserved nearly 100,000 units of affordable housing, on pace to meeting the plan's ambitious goal to fund 165,000 units by 2014.

As we all know, the world changed drastically last year. Broader economic troubles brought shrinking credit markets and a mortgage foreclosure crisis. And while the economic reality poses challenges, it only makes the need for the New Housing Marketplace Plan stronger.

*In this update to the New Housing Marketplace Plan, the Department addresses the current crisis head-on. The new plan not only updates and adapts existing programs, but also launches new initiatives to meet three critical goals of **strengthening neighborhoods, expanding the supply of affordable and sustainable housing, and stabilizing families by keeping them in their homes.***

Staying on track to meet the goals of the New Housing Marketplace plan is crucial to spurring our short- and long-term economic recovery and to ensuring that New York remains a vibrant, sustainable and affordable City for all New Yorkers.

1 INTRODUCTION



Via Verde, the winning entry in an international design competition, will provide rental and homeownership opportunities to 222 households. It was designed by architect-developer team Phipps-Rose-Dattner-Grimshaw (PRDG) to exceed US Green Building Council's LEED Gold and NYSERDA's Multifamily Performance Program standards for environmentally responsible and energy efficient design.

By early 2010, the Department of Housing Preservation and Development (HPD) financed 100,000 units through the New Housing Marketplace Plan, including 12,500 units in Fiscal Year 2009 despite the economic downturn and resulting challenges in the housing market. With the help of the Housing Development Corporation (HDC) and many other public and private partners, HPD is on course to create or preserve 165,000 affordable homes for low-, moderate- and middle-income New Yorkers.

At the plan's inception in 2003, creating affordable housing in New York's booming market required an innovative approach that built upon partnerships and leveraged the strength of the market in creative ways. The plan has achieved the following accomplishments against its four key goals:

1. Finding new land for affordable housing

- ✓ Worked with the Department of City Planning (DCP) to rezone areas across the City, including Coney Island, Willets Point, Hunter's Point South, and Lower Grand Concourse, from which more than 6,300 affordable units will be permitted through inclusionary zoning and City-owned sites.
- ✓ Partnered with the NYC Housing Authority (NYCHA) to produce more than 1,600 units of affordable housing on underused NYCHA land, while providing income to the public housing agency through purchase prices.

2. Creating incentives to develop housing for new populations

- ✓ Financed more than 19,000 units of housing for moderate- and middle-income New Yorkers.
- ✓ Developed 3,200 units of supportive housing for formerly homeless individuals and families.
- ✓ Funded 24 projects with special income requirements for hard-to-reach populations and a total of 2,225 units through the Housing Trust Fund Program.

3. Harnessing the private market to create affordable housing

- ✓ Created the \$230 million New York City Acquisition Fund in joint partnership with banks, private foundations and non-profits to provide short-term loans to affordable housing developers acquiring private land. More than 2,700 units of affordable housing have been developed with assistance from the Acquisition Fund.
- ✓ Reformed the 421(a) property tax exemption program and expanded the inclusionary housing program to provide new incentives for the creation of affordable housing.
- ✓ Tapped into the bond market through HDC to finance almost half of the units under the plan, issuing approximately \$3.8 billion in taxable and tax-exempt bonds and \$1 billion in subsidy.

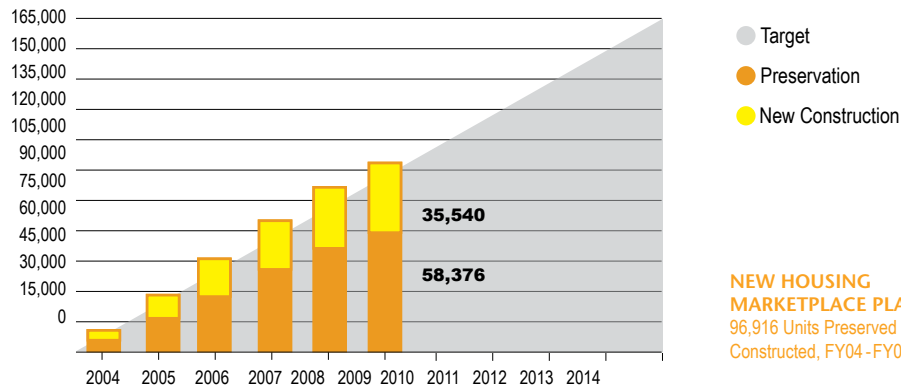
4. Preserving government assisted affordable housing

- ✓ Preserved over 30,000 Mitchell-Lama housing units.
- ✓ Created a financing program to preserve and extend affordability for distressed HUD-assisted properties and projects financed with Low Income Housing Tax Credits upon reaching the end of their regulatory period (also known as "Year 15").

To date, HPD and HDC have financed nearly 100,000 units of affordable housing under the New Housing Marketplace Plan.



3 INTRODUCTION



The results of the 2008 Housing and Vacancy Survey (HVS) demonstrate the impact HPD has made on affordable housing in the City.

During the boom of the last few years, the City's housing stock has grown substantially. Between 2005 and 2008, the City's housing stock increased by more than 65,000 units. This growth was fueled by unprecedented rates of new construction, with record high numbers of new housing units that received permits through the City's Department of Buildings. This increase in supply helped to stabilize housing costs during this period of growth. While the median gross rent (a measure that includes utility costs in addition to base contract rent) increased by 4.2% between 2005 and 2008, contract rent increased by only 1.6% during this same period—roughly in line with the increase in household income, which rose by 1.4% in real dollars.

Despite these gains, there is evidence that demand continues to outstrip supply. In 2008, the net rental vacancy rate was only 2.81%. This is well below the 5% threshold that defines a state of housing emergency. Moreover, the vacancy rate is lowest where housing is needed most—at the bottom of the housing market where units are affordable to most New Yorkers. The net rental vacancy rate was 7.2% among units renting for \$2,500 or more, but only 1.5% among units renting between \$500 and \$799.

Today, while the economic picture has vastly changed, the need to create and preserve affordable housing has not. According to the Department of City Planning (DCP), the City's population will exceed 9 million people by 2030, and

New York's housing stock is not keeping pace with its burgeoning population. Without action by the City, there will continue to be fewer and fewer affordable housing options for many New Yorkers. This, coupled with the challenges people are facing in this economic downturn, reignites the charge to expand and preserve affordable housing across the City.

Our to-date efforts have successfully propelled affordable housing development in a soaring real estate market. Despite the obstacles presented by today's economic climate, HPD and its partners remain committed to keeping housing on the forefront and to creating and preserving 165,000 units of affordable housing by 2014. It is imperative that the City continues to address New York's ongoing need for additional affordable housing. And the new economic reality requires new tools to address these needs.

The 2010 New Housing Marketplace Plan expands upon the strategies and programs outlined in 2003 to include new tools that respond to current challenges and take advantage of opportunities in today's very different market. The programs and initiatives outlined here aim to make New York City a more affordable, viable, sustainable city by:

- ✓ **Strengthening Neighborhoods**
- ✓ **Expanding the Supply of Affordable and Sustainable Housing**
- ✓ **Stabilizing Families**

Neighborhoods throughout New York City stand at a critical juncture. Billions of dollars have been invested throughout the City in affordable housing over the past two decades. It is HPD's responsibility to protect these investments and continue to strengthen neighborhoods. Changing market conditions require new approaches to preserve these investments, protect tenants and ensure long-term viability of the housing stock. The economic downturn has put many neighborhoods at risk. Foreclosed homes, stalled or vacant construction sites and distressed multifamily rental housing contribute to declining property values, deteriorating housing conditions, and increased risk of abandonment. With these challenges in mind, HPD has launched new initiatives to reclaim threatened neighborhoods by addressing physically and financially distressed properties and stabilizing communities using the tools at HPD's disposal. These tools include targeted enforcement activities, addressing distressed small homes and multi-family properties, and strengthening our asset management activities. In addition to leveraging its own tools, HPD will work closely with our governmental and not-for-profit partners to focus on comprehensive neighborhood strategies and solutions.

Targeted Monitoring and Enforcement

Identifying those buildings most at risk is the first step toward understanding neighborhood issues and needs. HPD will broaden its code enforcement activities with more proactive, strategic and targeted efforts to identify at-risk buildings and link them to broader trends in neighborhoods. This approach will be modeled, in part, after HPD's activities in the 1970s, when HPD's field offices and staff served as sentinels and facilitators to assist neighborhoods that faced widespread economic and physical stress and abandonment.

To this end, the Office of Enforcement and Neighborhood Services will work closely with other HPD divisions and outside community partners to identify buildings with on-going violation problems, assess and develop appropriate strategies to address those properties, and in certain instances, work closely with responsible owners to develop a plan to improve conditions and return buildings to firm financial footing and physical health. For cases that require greater intervention, HPD will employ enforcement tools such as the Alternate Enforcement Program (AEP), Emergency Repair Program (ERP),

or Housing Litigation to ensure compliance with legal and regulatory obligations. Ultimately, HPD will target and use all of its tools to ensure the health and quality of buildings and neighborhoods are maintained.

Purchase Foreclosed Small Homes and Transfer to New Owners

HPD launched the Real Estate Owned (REO) program to both create opportunities for affordable homeownership and address blight and vacancy in the New York neighborhoods that have had the highest volume of foreclosure auctions over the past two years. HPD will leverage millions of dollars of private financing and federal Neighborhood Stabilization Program (NSP) funds to acquire approximately 100 bank-owned properties that have failed to find buyers at foreclosure auctions. HPD is working with the National Community Stabilization Trust to engage banks in negotiating discounts on purchase prices and to target houses located on blocks with the most dramatic spill-over effects from foreclosure. HPD will partner with non-profits to rehabilitate these properties and sell them to qualified homeowners at affordable rates.

5 STRENGTHENING NEIGHBORHOODS



Overleveraged, physically distressed properties are a blight on neighborhoods and dangerous for the families who live in them. HPD, working with Fannie Mae, helped to ensure that the debt on a portfolio of 14 severely compromised buildings in the South Bronx owned by the Ocelot Capital Group was able to be sold to a responsible manager with extensive experience in caring for troubled multifamily properties. The purchaser, Omni New York LLC, has begun emergency repairs and will ensure the long-term health and affordability of 416 units.

Protect Distressed Multifamily Housing

The last decade has seen unprecedented growth in New York City's neighborhoods. A growing economy plus strategic investments by the City in housing, parks, and other infrastructure laid the groundwork for these positive changes, which included rising values of New York real estate. At the same time, a number of speculative transactions, fueled by access to easy credit, created a portfolio of properties that were bought and sold at inflated prices and are now considered "overleveraged."

The term overleveraged is commonly applied to multifamily properties that were refinanced or

purchased at inflated values and carry a level of debt that is unsustainable. Many of these real estate transactions were based on a number of risky assumptions by both lenders and buyers, including: underwriting that assumed unrealistically low operating expenses; flawed projections on the rate of tenant turnover that would allow conversion of rent-stabilized units to market rate rents; inflated prices of market-rate rents; and loan principal amounts predicated on ever-increasing property values.

In some cases, overleveraged buildings pose risks to neighborhoods. For example, in order to raise operating cash, owners may attempt to illegally raise rents and vacate apartments or divert revenue intended for property maintenance. This

raises the potential for deferred maintenance and a corresponding increase in uncorrected housing code violations.

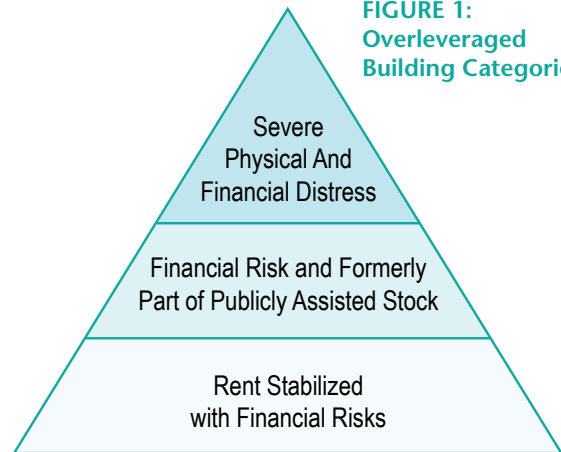
The actual number of overleveraged units across the City is difficult to assess. Various organizations have estimated significantly different ranges of affected buildings. HPD estimates that up to 100,000 units currently may be overleveraged. HPD will use a combination of targeted code enforcement, data analysis and input from advocates to identify and assess properties that pose real risks to tenants and their surrounding communities. These strategies are detailed below.

Refine Financial Products to Target Overleveraged Buildings

As announced in Mayor Bloomberg's 2010 *State of the City Speech*, HPD will make up to \$750 million available for potential purchasers of overleveraged properties. It will refine existing financial programs to allocate these funds, including:

- \$500 million in HDC bonds to assist with refinancing overleveraged buildings as well as \$100 million in City subsidy to assist with rehabilitation using existing HPD 8A and Participation Loan Programs.
- \$150 million from the New York City Acquisition Fund will be available to enable purchasers to acquire properties.
- Providing strong incentive to the 42 Mitchell-Lama developments that chose to convert to market-rate housing during the boom and are now at risk of financial distress to return to regulation.

FIGURE 1:
Overleveraged
Building Categories



Develop a Tracking System to Identify At-Risk Buildings

In order to identify and monitor potentially overleveraged buildings, HPD will track a variety of data that show a building's physical condition and financial viability. In addition, HPD will work closely with tenants to identify multifamily properties that were recently refinanced or sold to new entities and, using financial modeling, assess if the sale and consequent debt could place the building at financial risk over the long term. HPD will then overlay the data with indicators of physical distress such as B and C violations and litigation history. This data will be closely monitored and updated regularly to determine changes in at-risk properties over time.

Based on current data, HPD has estimated three major categories of overleveraged buildings (see Figure 1). The most at-risk buildings are those with both severe financial and physical distress and represent the smallest universe of buildings. HPD will target its financial tools toward these overleveraged buildings.

7 STRENGTHENING NEIGHBORHOODS

Strengthen Asset Management Activities

Over the past 20 years, HPD and its partners have invested in hundreds of thousands of affordable units throughout the City. As more and more units are established, it is increasingly important that HPD ensures their affordability as well as financial and physical stability over the long-term. HPD will take new, aggressive steps to protect its investment and these critical neighborhood assets.

First, HPD has created a new Office of Asset and Property Management. This new arm of the organization will help to ensure the physical and financial health of these properties and

active role in stabilizing mismanaged assets and protecting affordability. For example, the agency will develop tools to address a large number of private, not-for-profit Housing Development Fund Corporations (HDFCs) that are facing financial difficulty due to property values that spiked during the housing bubble, expiring tax exemptions, increased debt service, or other financial stress. These at-risk entities represent thousands of units of de facto affordable housing throughout New York City that do not currently have affordability restrictions. HPD will look for ways to assist these troubled private HDFCs in exchange for entering into regulatory agreements with the City.

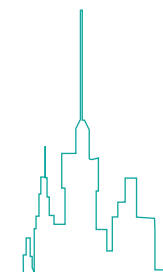
In addition to expanding internal capacity,



HPD will expand asset management to protect investments in affordable housing and to continue to strengthen neighborhoods across the five boroughs.

will actively monitor regulatory compliance to ensure ongoing affordability. Second, HPD will create new tools to support the expanded asset management function. With the help of the MacArthur Foundation, HPD is building a new database that will track real-time information on the condition of these properties and will serve as an early warning system to identify potential risks to buildings. Third, HPD will take a more

HPD will work closely with partners—HDC, the State Division of Housing and Community Renewal (DHCR), Enterprise Community Partners, Local Initiatives Support Corporation (LISC), and others involved in tax credit and regulatory compliance—to establish more integrated, comprehensive strategies for managing affordable assets across the City.





Workers install stairs at the construction site of Atlantic Avenue Residences in Brownsville, Brooklyn. The 42-condominium project was developed in partnership with Habitat-NYC.

The success of the *New Housing Marketplace Plan* will not be measured simply by whether the City produces 165,000 units of housing by the end of fiscal year 2014. Rather, true success will be measured over a far longer period: by whether these units are sustainable as quality, affordable housing for future generations of New Yorkers. The depressed real estate market offers unique opportunities to provide incentives for owners to keep their buildings affordable and to convert currently market-rate buildings to affordable housing. HPD is repositioning itself to take advantage of market opportunities that did not exist during the first six years of the plan.

To this end, HPD will implement new policies to promote long-term affordability and sustainability to ensure the City creates lasting, livable and affordable communities. HPD will expand our already robust preservation pipeline and programs and create opportunities to pull previously affordable units back into regulatory agreements. Simultaneously, HPD will target new construction where it is most essential: in neighborhoods with significant public investment and access to public transit and those that house populations most in need. HPD will also continue to put the infrastructure in place to ensure that our large-scale sites are shovel-ready when the economy rebounds, creating jobs today while laying the foundation for future growth.

Expand Preservation

Preservation has always been a crucial component of the New Housing Marketplace Plan. In today's climate of accelerating economic and physical distress throughout the housing stock, preservation must be a top priority. Over the next five years, HPD will invest \$1.4 billion (excluding bond issuances) to preserve approximately 47,000 additional units of affordable housing.

During the housing boom, thousands of affordable units converted to market rate housing. This occurred as owners of Mitchell-Lama and other government-assisted housing opted out of those programs, in anticipation of a windfall that never materialized. The City has the opportunity to take advantage of market changes that can bring these buildings back into the fold as well as extend terms of affordability

Preserve NYC's Mitchell-Lama Portfolio

At the inception of the program, New York City had a portfolio of over 60,000 Mitchell Lama units. Over 50 years since then, almost 60 developments (or 18,000 units) opted to leave the program, some of which chose to convert to market-rate apartments. Through the *New Housing Marketplace Plan*, the Bloomberg Administration has already successfully preserved over 30,000 units of Mitchell-Lama housing. However, there are approximately 10,000 units remaining that have not been refinanced. HPD has a rare opportunity to address the rehabilitation needs of this aging housing stock and keep all remaining City Mitchell-Lama units affordable for the long term. To accomplish this:

- HPD and HDC will expand existing refinancing and loan programs and roll-out an aggressive



Preservation has always been a crucial component of the plan; in today's economic climate, which is accelerating economic and physical distress throughout the city's housing stock, it must be a top priority.

for buildings that are currently under regulatory agreements. HPD's and HDC's low-cost financing is an attractive option for property owners with mounting financial and capital demands. Owners are proving increasingly receptive to accepting affordability restrictions in exchange for partnering with the City to refinance and preserve their buildings.

HPD is spearheading new preservation programs to make the most efficient use of City resources, while also tapping into other available funding sources to ensure the long-term viability of existing affordable housing.

outreach strategy to owners to help keep over 100,000 current HPD Mitchell-Lama residents in their homes as well as encourage buildings that opted out to return to the program.

- The City will explore new incentives to make staying in the Mitchell Lama program more attractive, allowing incremental increases in equity for Mitchell-Lama shareholders.
- HDC will extend the restricted affordability period for Mitchell-Lamas that receive refinancing.



Through the combined efforts of the HPD, HDC, HUD, and other partners, the City successfully reclaimed Plaza Residences (formerly Noble Drew Ali). Development partner Omni New York LLC helped rehabilitate and preserve 385 units of affordable housing for low-income New Yorkers in the Brownsville section of Brooklyn.

Implement Small Owner Repair Program

HPD's new Small Owner Repair Program will provide funding for limited systems replacement and other key repairs in privately owned multiple dwelling properties, generally in coordination with another housing code correction plan. Since participating owners often lack the resources to address building-wide problems, repair work done through the program will address specific critical issues rather than general rehabilitation. This program will provide a 10 year forgivable loan of \$10,000 per dwelling unit on average and will generally be targeted, but not limited to, small- to medium-sized buildings of four to 20 units. In exchange for this forgivable loan, owners will enter into a 10-year regulatory agreement with the City to ensure the financial viability, physical upkeep, and continued affordability of participating buildings.

Preserve Low Income Housing Tax Credit (LIHTC) Housing Beyond "Year 15"

Since its inception in 2007, the "Year 15" Program has preserved 1,277 low-income units. This program addresses the physical and financial needs of developments funded through the LIHTC program at the critical Year 15 juncture, which is when the original investors exit the project and ownership is transferred to an HPD-approved owner. Participating projects receive mortgage modifications and rehabilitation loans, if necessary, in exchange for extending their regulatory agreements another 15 to 30 years. HPD will seek to expand its Year 15 pipeline to preserve the affordability of approximately 4,600 additional LIHTC units under the New Housing Marketplace Plan.

Convert Failed Market Rate Developments to Affordable Housing

The sharp decline in the housing and credit markets has resulted in a significant number of stalled market-rate residential construction projects across the City. Working with the City Council, HPD and HDC have rolled out the pilot Housing Asset Renewal Program (HARP) to encourage developers and lenders to convert stalled and unsold market rate projects into affordable rental and homeownership housing. With an initial public commitment of \$20 million, HARP relies on a developer/lender contribution and public subsidy to make approximately 300 units of planned luxury housing affordable to New Yorkers earning up to 165% of HUD income limits. By refinancing these properties through HARP, HPD and its partners hope to attract middle- and moderate-income residents to developments that would otherwise sit unfinished or vacant, contributing to neighborhood blight and lowering property values. As HPD implements the HARP pilot, it will continue to explore affordable housing opportunities in the stalled sites across the City.

Target New Development

Though market conditions make new construction more challenging to finance, HPD remains committed to funding the largest pipeline of new affordable housing in the country. Over the

remaining years of the plan, HPD and HDC will invest \$1.8 billion in new construction to create more than 24,000 affordable new units of affordable housing.

In order to prioritize resources, HPD will strategically target new construction funding toward those neighborhoods and populations most threatened by the economic downturn, communities with a history of significant public investment, and populations most in need, including low-income New Yorkers, the middle class, and seniors. These initiatives will not only generate much needed new affordable housing, they will also stimulate New York's economy by seeding communities with capital investment and job creation.

Focus New Construction in Critical Neighborhoods

HPD and HDC will target new construction toward areas where development will have the most immediate impact, particularly in neighborhoods that are finally reaping – or on the cusp of reaping – the rewards of revitalization following years of community perseverance and public investment. Reclaiming vacant lots for affordable housing ameliorates blight and helps stabilize the surrounding community. It is imperative that the City continue to invest in and protect the future of these neighborhoods to ensure that they remain safe and desirable places to live.



HPD and HDC will target new construction in areas where development will have the most immediate impact, particularly in neighborhoods that are finally reaping the rewards of revitalization after years of community perseverance and public investment.



Few neighborhoods have seen more intensive, targeted development activity than Melrose in the South Bronx. HPD and HDC, with their partners, have financed construction of 2,637 homes, with an additional 700 units planned. One such building is the Aurora, developed by L+M Development Partners, as seen here in 2003 (inset) and 2009.

An example of this strategy is the Melrose Commons Urban Renewal Area (URA) in the South Bronx, where pre-development work is starting on the three largest City-owned sites that remain. These sites, located between Courtlandt and Elton Avenues, will transform from a large swath of vacant land into more than 700 units of rental housing affordable for low- and moderate-income residents. This development will also create much-needed retail and community space,

including a 10,000-square-foot early childhood education center. These three projects will not only add to the 2,743 units of City-financed new construction already completed (or under construction) in the Melrose Commons area, but will also directly support the goals of the South Bronx Initiative, the City's development framework to support the neighborhood's ongoing revitalization and growth.



"I grew up in Harlem, not too far from here and in a building managed by the New York City Housing Authority. While there, I dreamed of being a homeowner so I worked hard. It's been twelve years since I joined the New York City

Police Department. I've also started a family – my wife and I are raising three children. We were able to stay in the neighborhood because of the affordable housing opportunities that are being created here, and it's been wonderful because we have access to schools, parks, and transit. I also believe that the affordable housing is adding zest to Harlem in the form of diversity and the strong sense of community that its residents bring – we're hard-working citizens who take pride in our neighborhood. I'm glad that the City is working to make opportunities like these available to more New Yorkers – it's making a difference not only to the families they house but to the City as a whole." *

Manhattan: Colen J. Little Jr.



"My husband and I take a great deal of pride in living on Staten Island, where we decided to settle when he returned from the Korean War in 1952. He went

on to serve as a government rubber inspector; I was a housewife and then a switchboard operator. We raised two children here. When it came time to it being just the two of us, we wanted a comfortable, affordable place to live, but did not want to leave the borough. Park Lane at Sea View became our opportunity to stay. It's wonderful here because we have access to programming and open space, and we are a part of a community. This has facilitated the process of continuing to have an active lifestyle – we participate in events and classes sponsored by the Jewish Community Center, the Liberty Island Science Center, the College of Staten Island and the City's Department of Parks and Recreation. We look forward to continuing to contribute to this community in the years to come."

Staten Island: Josephine Inge

Staten Island

Manhattan

Brooklyn



"Intervale Green changed my life. Prior to moving into my one-bedroom, I lived in studio apartments where conditions were often poor and I would lack heat and hot water. I found this apartment by going on the HPD website

and signing up for the lottery. Since moving in, I have been reunited with my son Jeremy, 10, who had been living in the Dominican Republic. Living in this green building has been an educational experience for both of us, but I also work to green the city during the day – I work for the Green Job Corps, a non-for-profit that places youth in green jobs. I believe that affordable housing opportunities like this one improve the quality of life for families like mine and for New York as a whole because the way you live projects who you are. Good, green housing gives families the stability they need to positively contribute to society."

The Bronx: Caroline Beltre



"Chhaya Community Development Corporation in Queens helped us keep our home and avoid foreclosure. We're originally from Bangladesh and were struggling to keep our home after my husband was unable to work full-time for health

reasons, resulting in significant loss of income. Chhaya was an existing not-for-profit that received funding from the City to help people in situations like ours. We received comprehensive assistance regarding our loan modification application from Chhaya and we are very satisfied with the results. Chhaya stood by us at a time of crisis and when we couldn't stand alone. It was also very helpful to be able to speak in our own language, Bengali, with their staff because this allowed us to better understand the whole process and made us feel more comfortable. We have referred other families and friends to Chhaya who are facing similar problems."

Queens: Gulshan Amin



"HPD's work through the PLP and NEP programs has been transformative, and I know because I've participated in both. In giving me the opportunity to create affordable housing opportunities for low- and moderate- families in Brooklyn, it's given the bor-

ough's neighborhoods a major facelift. The buildings we work on are dilapidated or sealed; some have also been drug-infested. I now have a permanent and skilled team – its members all originally from the local neighborhood – that transforms them into beautiful units. To date, we've worked on approximately 80 buildings. We also sponsor local baseball teams and have integrated educational programming for our young residents. I'm originally from Brooklyn, and I see my work as a way of giving back. I'm glad my work with HPD translates into good, safe housing for the residents and the neighborhood at large."

Brooklyn: Sergio Benitez

Bronx

Queens



As planned, Hunter's Point South will be a vibrant urban community. It will include 3,000 housing units reserved for moderate- and middle-income families, waterfront parkland, retail, and a new public school. *

Develop New Middle-Income Neighborhoods

New York has a legacy of creating large-scale housing developments specifically targeted to the middle class. In housing terms, the middle class often means those who often cannot afford market-rate housing, yet are not income-qualified for most federally subsidized residential developments. As HPD finds ways to preserve existing moderate- and middle-income Mitchell-Lama

housing, the City is also committed to creating new communities that serve the middle class.

These ambitious developments require an upfront City investment of more than \$414 million in infrastructure — including roads, sewers and utilities — before a single unit can be built on them. HPD, in conjunction with partner agencies, is undertaking this essential work now to prepare these sites for thousands of housing units, as well as community amenities such as parks and schools. These efforts will put thousands of people



Markham Gardens is the result of a partnership between HDC, HPD, NYCHA, and other community groups. The development consists of 240 rental units, 25 homeownership units, and an 80-unit senior residence and was built on land formerly controlled by NYCHA in the West New Brighton section of Staten Island.

to work today to put the foundation in place for the neighborhoods of tomorrow.

An example of HPD's large-scale new construction projects is Hunter's Point South in Queens. This development will provide 5,000 new units of housing, 3,000 units of which are reserved for moderate- and middle-income families.

Further, Hunter's Point South will include more than 11 acres of landscaped waterfront parkland, retail spaces, and a new 1,100-seat public school. HPD is spearheading other similar developments with its partners, including Arverne and Willets Point in Queens and East New York in Brooklyn.



Gates Plaza has 83 units of affordable housing for seniors built under the HUD 202 program, and sponsored by the Ridgewood Bushwick Senior Citizens Council. In addition to residential one and two bedrooms, the building includes a roof deck, patio garden, large common areas, and kitchen facilities.

Produce New Housing for Seniors

The federal Section 202 program was created to fund affordable housing for low-income elderly people. The program provides a substantial capital advance as well as project-based rental assistance to help make the developments affordable to very low-income seniors for the long term. In high-cost cities such as New York, however, the subsidy amounts provided are insufficient to cover the total development costs of a senior housing project. To help fund this gap and to ensure that this important federal resource is fully utilized in New York City, HPD will invest more than \$90 million through 2014 to supplement Section 202 allocations in order to finance an additional 1,000 units of affordable housing for seniors.

Promote Sustainable Housing


To ensure long-term sustainability of affordable housing across the City, HPD will pursue initiatives to extend affordability periods and 'green' agency programs. HPD will also work with other agencies to think holistically about sustainable neighborhood development and to collectively leverage available resources.

Ensure Affordability for the Long Term

Long-term affordability protects low-, moderate-, and middle-income residents and affordable housing resources, particularly in neighborhoods that have experienced dramatic increases in real estate values. The loss of more than 2,000 Mitchell-Lama housing units since 2001 on the Upper West Side of Manhattan alone illustrates what can happen when such policies are not in

place from a project's inception. When middle-income families first moved into these rental and cooperative developments in the early 1970s, the neighborhood was economically depressed

and in need of investment. The City's commitment for consistent long-term affordability will put the City in the driver's seat, eliminating potentially costly case-by-case negotiations for extended affordability.



Locating new development near public transit fulfills a number of City policy goals: it makes neighborhoods more livable, capitalizes on infrastructure investment, and discourages car use.

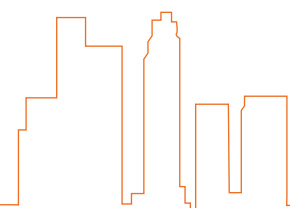
and afflicted by crime. But by the early 2000s, the Upper West Side had undergone a tremendous transformation into one of the most valuable real estate enclaves in the City. With investors willing to pay premium prices, 11 Upper West Side Mitchell-Lama developments left the program, resulting in an alarming loss of affordable housing for middle class New Yorkers.

To protect against similar losses in the future, HPD and HDC will start to include new provisions in regulatory agreements for multiple loan programs that will help protect affordability in neighborhoods where real estate values undergo marked rises. These long-term affordability changes provide future city leaders the tools to keep developments affordable for generations to come. The City has already begun to extend regulatory terms in exchange for new and different incentives. HPD will continue exploring ways to maximize the return on public investment, promote economic diversity in areas where real estate prices are escalating, and keep people in their homes for the long term. Providing the op-

'Green' HPD Programs

HPD will incorporate 'green' practices into the preservation and development of affordable housing to further the Bloomberg Administration's goal to create a sustainable New York City. These efforts will include implementing a new weatherization program, greening the pipeline of units HPD will develop, and prioritizing transit-oriented development.

Between 2005 and 2008, citywide contract rents only increased 1.6% in real dollars, while median gross rents increased by 4.2% over the same period. This difference can be attributed to rising utility costs and demonstrates the need for more efficient energy use, which can be a burden to renters and homeowners. HPD will develop programs to promote green retrofitting and weatherize HPD-assisted housing. The agency is pursuing numerous programs, including retrofit updates to the J-51 program and leveraging the federal Weatherization Assistance Program (WAP). The maintenance and operating savings derived from energy efficiency measures will not only reduce the City's resource consumption



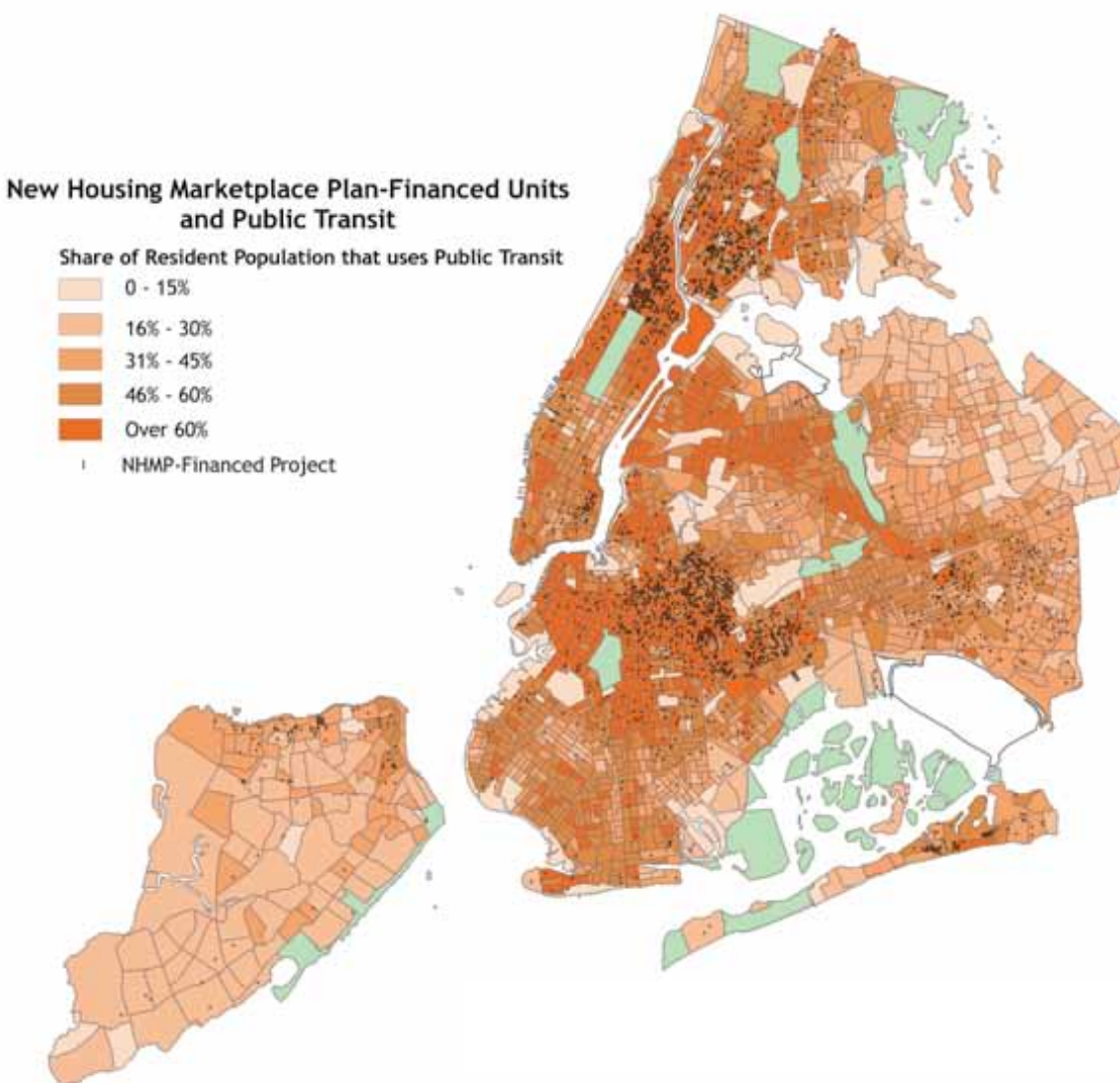


Only the sixth high-rise multifamily building in the country to receive the ENERGY STAR label, 1825 Atlantic Avenue added 150 units of housing to the Bedford-Stuyvesant neighborhood of Brooklyn. Dunn Development earned the green label in part by including a condensing boiler, increased wall and roof insulation, low-flow fixtures, efficient lighting systems, and ENERGY STAR appliances as standard equipment in the building.

and promote a cleaner environment but will ensure the physical and financial sustainability of individual developments.

HPD will also incorporate green building standards and practices across the entire pipeline of the *New Housing Marketplace Plan*. Since 2006, HPD has incorporated sustainability criteria into competitive Requests for Proposals for new construction projects. And since 2008, HPD has required threshold green building criteria and has provided competitive points for participation in Enterprise Green Communities and in the New York State Energy Research and Development Authority (NYSERDA) Qualified Allocation Plan (QAP) for 9% Low Income Housing Tax Credits.

Based on the success of these pilot programs in proving that green building can be done cost effectively, HPD will require all new construction projects to participate in Enterprise Green Communities and adhere to the program's criteria. Developers applying for most preservation loan programs will also be required to incorporate threshold energy efficiency and sustainability measures into their rehabilitation scopes. Further, with state and non-profit partners, HPD will implement a reporting and monitoring system to measure the cost savings of these practices over time, with the ultimate goal of altering lenders' underwriting standards to encourage green building.



The majority of housing units developed under the New Housing Market Place Plan are located in neighborhoods with high transit ridership.*

Finally, HPD will prioritize 'Transit-oriented Development' (TOD). Locating new development near public transit fulfills a number of City policy goals: it makes neighborhoods more livable, improves residents' mobility, capitalizes on infrastructure investments, and discourages car usage. In addition, TOD enhances affordability by reducing the hardships commuting can place on low- and moderate-income households. Given New York's extensive public transportation system, the majority of HPD developments are already transit-oriented; in fact, 84.3% of units

started under the plan are within a half-mile of a subway station. Furthermore, HPD and the Department of City Planning (DCP) have targeted citywide re-zonings to permit greater residential density near transit corridors and hubs, such as along the extended 7 line at Hudson Yards in Manhattan and at the A/C line at Fulton Street in Bedford-Stuyvesant. Further, in partnership with DCP, Department of Transportation (DOT) and other agencies, HPD is participating in a citywide comprehensive planning process to proactively link development with transit. HPD and DOT

will inform each other's decisions about where to site new housing and expand public transportation to achieve the greatest synergies between the agencies' initiatives. HPD and DOT hope to access federal funding through HUD's Sustainable Communities Initiative to support these efforts and expand both HPD's pipeline of TOD projects and DOT's Bus Rapid Transit program.



Built on a formerly abandoned lot in the South Bronx, the Women's Housing and Economic Development Corporation's Intervale Green received the 15th annual Charles L. Edson Tax Credit Excellence Award. Intervale Green represents the second largest multi-family, high-rise, EnergyStar affordable housing development in the nation. Intervale Green includes 128 units of affordable housing for low-income and formerly homeless residents.

At the start of the New Marketplace Housing Plan, easy access to mortgages allowed many New Yorkers to invest in homes, even as sales prices continued to rise. This was a particularly attractive option as escalating rents threatened low-, moderate-, and middle-income renters with displacement. Recently, however, many homeowners have seen the value of those investments plummet. Broader economic instability has increased the vulnerability of many New York residents, threatening their ability to stay in their homes.

Now more than ever, new programs and renewed commitments are necessary to keep people in their homes. In addition to its efforts to protect tenants in existing affordable rental housing, HPD is launching new initiatives for homeowners threatened by the recent mortgage foreclosure crisis. HPD will also finance over 2,000 additional units of supportive housing for chronically homeless individuals and families, a population that is growing as a result of today's economic hardships.

Prevent Foreclosures

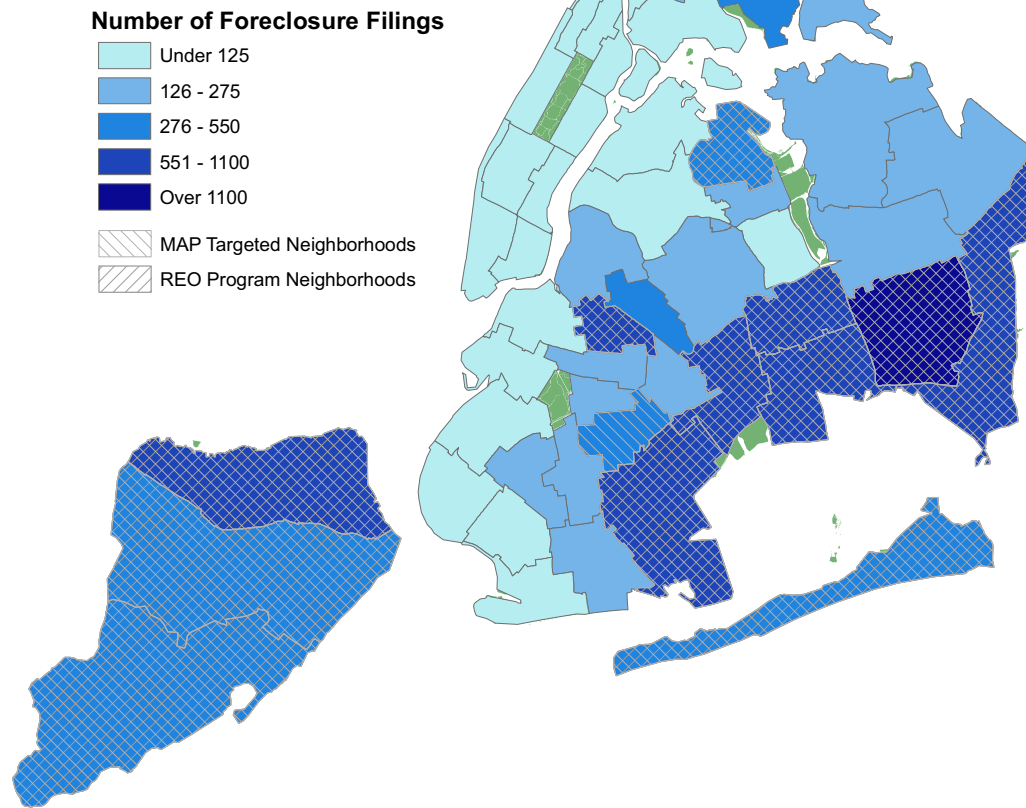
In addition to destabilizing neighborhoods, foreclosures can have a devastating effect on households. In New York City, the volume of foreclosure filings in 2007 and 2008 represents the highest annual totals in recent history, with nearly 14,000 *lis pendens* filings each year—more than double the citywide volume of foreclosure filings in 2005. Even more troubling was that there were more than 15,000 *lis pendens* filings in the first three quarters of 2009 and the number continued to grow through the end of the year. The problem is further compounded by the fact that foreclosures disproportionately affect certain neighborhoods across the City (see corresponding foreclosure map).

HPD is introducing comprehensive, homeowner-targeted intervention strategies to address households at-risk of foreclosure and keep people in their homes. This approach encompasses prevention, education, counseling, outreach, and direct assistance for people residing within the communities most affected by the crisis. HPD will also continue to actively advocate for important legislative actions, especially those that will result in a greater number of mortgage modifications, to help keep people in their homes.



HPD and the Center for New York City Neighborhoods (CNYCN) joined with 311, New York City's information hotline and website, to route homeowners in danger of foreclosure to housing counselors ready and equipped to provide help. A public service campaign helped to spread the word.

**Foreclosure Activity, by Sub-borough Area
First Three Quarters of 2009**



Support the Center for New York City Neighborhoods

In 2007, Mayor Bloomberg, with HPD and in partnership with the City Council, responded to the rise in mortgage foreclosures by establishing a new non-profit organization, the Center for New York City Neighborhoods (CNYCN) to fund a major expansion and coordination of legal services, housing counseling, and consumer education available to New York City residents in danger of foreclosure. CNYCN provides a dedicated call center that serves as a primary point of contact for all New York City homeowners in distress. By calling 311, homeowners are trans-

ferred to the call center, which conducts intake interviews and connects the caller to one of the Center's service partners. As of December 2009, CNYCN awarded over \$6 million to non-profit service partners.

As of December 2009, CNYCN awarded over \$6 million to non-profit service partners. More than 6,600 clients have obtained one-on-one counseling from providers, of whom nearly 4,800 clients received budget and financial planning services, over 1,800 received legal services, and more than 1,900 received assistance in submitting loan modification requests to lenders. Altogether, HPD will dedicate over \$3 million to

support CNYCN's outreach and counseling in the areas hardest hit by the mortgage foreclosure crisis.

Provide Mortgage Assistance Program (MAP) Loans to Households in Need

HPD will launch the Mortgage Assistance Program (MAP) to assist up to 1,000 homeowners in neighborhoods most affected by the foreclosure

water. Families affected by unemployment, sudden loss of income and other forms of financial strain may not meet the minimum requirements for refinancing and modification or they may face additional challenges (for example, second liens). To overcome these barriers, MAP will provide soft second loans to help households repay arrears, reduce principal and take other steps that will increase their chances of remaining in



The Mortgage Assistance Program (MAP) will provide multifaceted, direct assistance to households who would otherwise not be able to stay in their homes.

crisis. MAP will provide multi-faceted, direct assistance to families who otherwise would not be able to stay in their homes. The program is designed to complement President Obama's Making Home Affordable Program, as well as other foreclosure prevention efforts currently being implemented by community partners throughout the City. HPD has committed \$5 million to MAP and is seeking to match that amount with philanthropic contributions.

The MAP fund's main component is a financial assistance package designed to increase the success of low- to moderate-income homeowners in the Making Homes Affordable program. Under the federal guidelines, lenders are expected to reduce interest rates, extend loan terms, and/or write off a portion of the loan principal for borrowers who are not current on their payments and who hold mortgages that may be under-

their homes and maintaining a stable housing cost burden.

Educate Distressed Homeowners About Available Resources

In August 2009, HPD partnered with CNYCN to launch a public service announcement targeting New Yorkers facing foreclosure. The campaign promotes free services available through 311, including legal services, housing counseling, and access to mandatory settlement conferences in housing court. Homeowners in neighborhoods with high concentrations of foreclosures have been targeted through flyers and ads in subway and bus shelters and distributed by City agencies, community organizations, and religious institutions, among others. Other outreach efforts will build upon this campaign, such as including information on foreclosure assistance in water and sewer bills sent to homeowners.

Focus On Vulnerable Populations

Continue Commitment to Housing the Homeless

HPD sets aside a percentage of units in affordable housing developments for homeless families who are living in the City's shelter system. To date, HPD has created or preserved over 4,000 homeless units and plans to finance over 2,000 more through 2014.

Together with our partners at the Department of Homeless Services (DHS) and the Human Resources Administration (HRA), HPD provides a much-needed housing resource for New York City families who need it the most. Through an ongoing partnership with DHS, HPD continues to improve its system for matching families to apartments, streamline processes, and provide rental assistance to help ensure long-term housing stability for formerly homeless families.

In addition, for homeless individuals and families for whom a roof over their heads is not enough, supportive housing can be a permanent solution to homelessness. Through the HPD Supportive Housing Loan Program, HPD makes loans to nonprofit organizations to develop permanent affordable housing with on-site social services for individuals who are chronically homeless and suffer from a disability such as mental illness or HIV/AIDS. Affordable, permanent housing provides a safe and healthy environment in which



Ready for occupancy in 2007, Morrisania Homes, a 64-unit affordable housing development in the South Bronx, was the first affordable development in the state to qualify for the LEED for Homes programs. Pictured here are some proud new owners of these energy-efficient two- and three-family houses.

the homeless and disabled can continue to work toward recovery. On-site social services help residents achieve their goals through employment, educational and vocational training, and health-care and counseling. And research shows that supportive housing is a cost-effective solution to homelessness.

APPENDICES

Appendix 1: Metrics

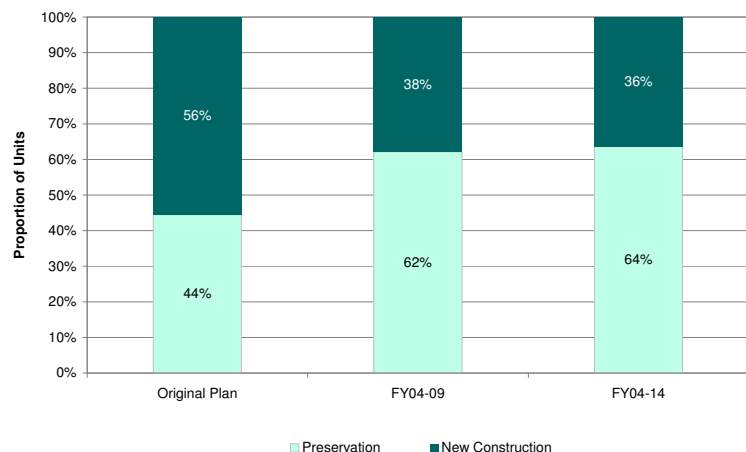
Appendix 2: Budget

Appendix 3: Glossary

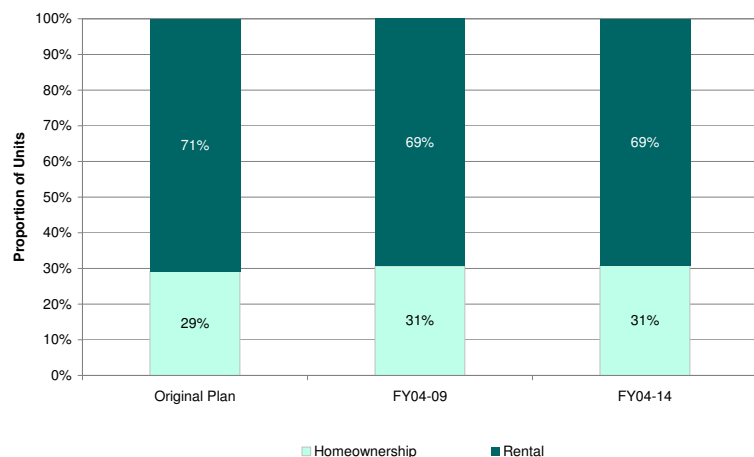
Appendix 4: End Notes

27 APPENDIX 1: METRICS

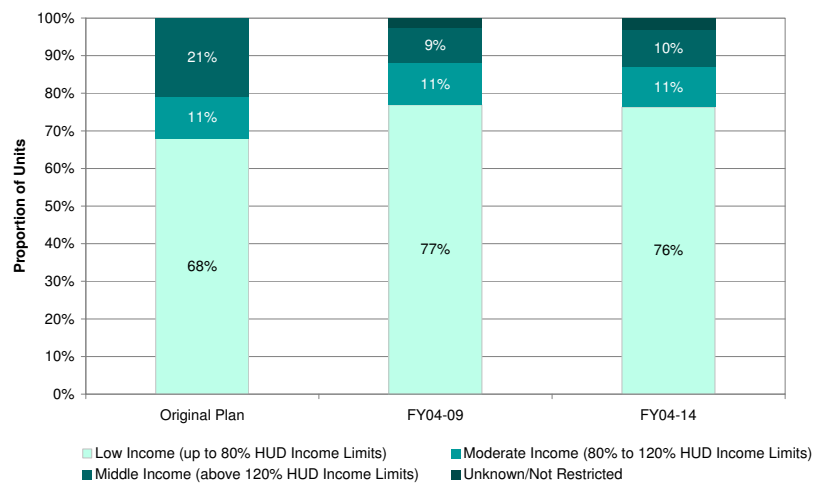
Time periods: original projections, FY04-FY09, FY04-FY14



Preservation vs.
New Construction*



Homeownership vs. Rental*



Affordability Breakdown*

New Housing Marketplace Plan Revised Budget		
Thousands of Dollars		
	Original Plan	Current Projection
USES		
PRESERVATION	\$2,777,000	\$2,940,668
NEW CONSTRUCTION	\$2,648,000	\$3,205,546
SUPPORTIVE HOUSING	\$832,000	\$959,631
EXPENSE BUDGET	\$1,264,000	\$1,411,258
TOTAL USES	7,521,000	8,517,102
SOURCES		
CAPITAL BUDGET (MAYORAL CAPITAL AND HOME)	\$4,358,126	\$3,938,482
EXPENSE BUDGET	\$1,264,129	\$1,411,258
HOUSING DEVELOPMENT CORPORATION RESERVES	\$548,190	\$1,220,120
LOW INCOME HOUSING TAX CREDITS (LEVERAGED VALUE)	\$595,850	\$575,034
421 A FUND	\$0	\$400,000
RESO A	\$164,693	\$283,728
NYC ACQUISITION FUND	\$360,000	\$251,613
NYC HOUSING TRUST FUND (BPCA)	\$130,000	\$132,451
FUTURE FEDERAL RESOURCES	\$0	\$121,416
TAX CREDIT ASSISTANCE PROGRAM (TCAP)	\$0	\$85,000
LOWER MANHATTAN DEVELOPMENT CORPORATION	\$50,000	\$54,000
NSP 1	\$0	\$24,000
CITYWIDE AFFORDABLE HOUSING FUND	\$50,000	\$20,000
TOTAL RESOURCES	\$7,520,988	\$8,517,102

GLOSSARY OF TERMS AND PROGRAMS

8A Loan Program

The 8A Loan Program provides low-interest loans for systems upgrades and moderate rehabilitation of existing occupied buildings.

311

311 is New York City's information hotline and website that provides access to non-emergency City services and information about City government programs. To contact 311 by phone, call 311 from within the City or (212) NEW-YORK outside the five boroughs. TTY service for the speech and hearing impaired is also available by dialing (212) 504-4115.

421(a)

421 (a) tax incentive programs provide partial tax exemption for new construction of multiple dwellings for rent on lots that were vacant, predominantly vacant or improved with a non-conforming use three years prior to the start of construction.

Alternate Enforcement Program (AEP)

To deal with buildings with serious code violations, HPD and the City Council developed the Alternative Enforcement Program (AEP) in 2007 as a mechanism to force owners of the most physically distressed buildings in the City to address their code violations. The program has successfully helped 95 buildings remove violations and complete the program.

Area Median Income (AMI)

Area Median Income is used to determine income level qualifications for affordable housing programs. For instance, low-, moderate- and middle-income households are categorized by a calculation of AMI, which is established by the federal government.

Center for New York City Neighborhoods, Inc. (CNYCN)

The Center for New York City Neighborhoods is a nonprofit that helps coordinate legal services, housing counseling, and consumer education to New York City residents in danger of foreclosure.

Department of City Planning (DCP)

The New York City Department of City Planning oversees the city's zoning and land use processes. It works to promote strategic growth and development in the City, in part, by initiating planning and zoning changes for individual neighborhoods and business districts.

Department of Homeless Services (DHS)

The New York City Department of Homeless Services works to prevent homelessness by providing short-term emergency shelter and re-housing support in partnership with its clients, public agencies, and the business and nonprofit communities.

U.S. Department of Housing and Urban Development (HUD)

The U.S. Department of Housing and Urban Development is the nation's federal housing agency. HUD provides funding and programmatic support to sustain homeownership, create affordable housing opportunities for low-income Americans, and support the homeless, elderly, people with disabilities and people living with AIDS. HUD also promotes economic and community development and enforces the nation's fair housing laws.

Department of Transportation (DOT)

Responsible for the highways and certain bridges of New York City, the Department of Transportation works to provide safe, efficient, and environmentally responsible movement of people and goods. DOT's Bus Rapid Transit Program is an initiative to develop an integrated, high performance transit system.

Emergency Repair Program (ERP)

HPD's Emergency Repair Program repairs emergency conditions when an owner fails to do so. If HPD's ERP repairs the emergency condition, HPD, through the Department of Finance, will bill the owner for the cost of repairs. If the owner fails to pay the bill within 60 days, a lien is placed on the property.

Energy Efficiency Retrofit Loan Fund

The Energy Efficiency Retrofit Loan Fund provides financial and technical assistance to property owners that commit to doing energy-efficient rehabilitation.

Housing Asset Renewal Program (HARP)

HARP is designed to fund affordable housing rental or for-sale units in completed or partially constructed unoccupied residential buildings where, due to market or construction conditions, the owner is unable to complete construction or to sell or rent a sufficient number of units to meet private lending requirements and therefore construction or completion has been stalled. The funding is intended to convert market-rate units to affordable units and enable the owner to complete construction and/or rent or sell units.

Housing Development Fund Corporations (HDFC)

Housing Development Fund Corporations are nonprofit entities that oversee limited equity housing cooperatives or rentals to provide low-income housing for New Yorkers.

HUD Income Limits (HUD IL)

HUD Income Limits are used to determine income level qualifications for affordable housing programs. For instance, low-, moderate- and middle-income households are categorized by a formulated created by HUD.

Human Resources Administration (HRA)

The New York City Human Resources Administration is the City's social services provider. Programs and services include: temporary cash assistance, public health insurance, food stamps, home care for seniors and the disabled, child care, adult protective services, domestic violence, HIV/AIDS support services and child support enforcement.

Inclusionary Housing Program

The inclusionary housing program provides a zoning bonus for multiple dwelling developments in return for new construction, substantial rehabilitation, or preservation of permanent affordable housing.

J-51 Tax Exemption and Abatement program

J-51 is an as-of-right tax exemption and abatement for residential rehabilitation or conversion to multiple dwellings. Eligible projects include HPD-financed or privately-financed moderate and gut rehabilitation of multiple dwellings; privately-financed and governmentally-assisted major capital improvements to multiple dwellings; or conversions of lofts and other non-residential buildings into multiple dwellings.

Lis pendens

A legal notice of an intent to initiate foreclosure proceedings.

Low Income Housing Tax Credit (LIHTC)

Low Income Housing Tax Credit refers to tax credits awarded by HPD to qualified low-income housing projects in New York City. To be eligible, projects must be substantial rehabilitation or new construction with at least 20% of apartments reserved for low-income households. HPD's Year 15 Program seeks to preserve low-income units beyond "Year 15", or when regulatory agreements expire. Participating projects receive mortgage modifications and rehabilitation loans in exchange for extending regulatory agreements another 15 to 30 years.

Making Home Affordable

Making Home Affordable is a federal plan created under the Obama Administration to stabilize the national housing market by helping up to 7 to 9 million Americans reduce their monthly mortgage payments to more affordable levels, and thus prevent avoidable foreclosures.

Mitchell-Lama Program

Created in 1955, the Mitchell-Lama program provides affordable rental and cooperative housing to moderate- and middle-income families. HPD supervises waiting lists, management issues, and other oversight responsibilities for New York City's Mitchell-Lama developments. In some cases, responsibility is shared with HUD. New York State also oversees a Mitchell-Lama portfolio.

Mortgage Assistance Program (MAP)

The Mortgage Assistance Program will offer loan assistance to borrowers who are behind on their mortgages due to extraordinary circumstances, such as temporary income loss, medical expenses or disability, and help them achieve, or return to, a supportable loan.

National Community Stabilization Trust

The Community Stabilization Trust is a collaboration of national community development nonprofits working together to facilitate the transfer of foreclosed and abandoned properties from financial institutions to local housing organizations to promote productive property reuse and neighborhood stability. The trust works with state and local governments to build local capacity to effectively acquire, manage, rehab and sell foreclosed property to ensure homeownership and rental housing are available to low- and moderate-income families.

Neighborhood Stabilization Program (NSP)

Created by Congress under the Housing and Economic Recovery Act of 2008 (HERA), the Neighborhood Stabilization Program provides grants to states and localities for the redevelopment of foreclosed and abandoned homes and residential properties. NSP grants are intended to prevent further declines in neighborhoods most severely impacted by foreclosures.

Neighborhood Entrepreneurs Program (NEP)

The Neighborhood Entrepreneurs Program enables neighborhood-based private property managers to own and manage clusters of occupied and vacant City-owned buildings.

New York City Acquisition Fund

The New York City Acquisition Fund provides local developers with bridge financing to acquire private property for the construction and preservation of affordable housing.

New York City Housing Authority (NYCHA)

The New York City Housing Authority provides apartments to rent for low- and moderate-income individuals and individuals who qualify for Section 8 subsidies. Average family income in conventional public housing is \$22,728 and average monthly rent is \$394. HPD, in collaboration with NYCHA, rehabilitates NYCHA housing stock and constructs low- and moderate-income units on vacant NYCHA property.

New York City Housing Development Corporation (HDC)

The New York City Housing Development Corporation provides a variety of financing programs for the creation and preservation of multifamily affordable housing throughout the five boroughs of New York City. HDC programs are designed to meet the wide range of affordable housing needs of the City's economically diverse population.

New York City Housing Trust Fund

The New York City Housing Trust Fund, funded by \$130 million in Battery Park City revenues, will be used to preserve or create 4,500 units of housing for over 11,000 New Yorkers. This is a flexible subsidy of between \$20,000 and \$50,000 per unit to for-profit or not-for-profit developers to build or substantially rehabilitate multi-family apartments that may be rentals, condominiums, or cooperatives.

New York State Energy Research and Development Authority (NYSERDA)

The New York State Energy Research and Development Authority is a public benefit corporation created in 1975 tasked with helping New York meet its energy goals: reducing energy consumption, promoting the use of renewable energy sources, and protecting the environment.

New York State Housing Finance Agency (HFA)

The New York State Housing Finance Agency offers financing to build affordable housing and preserve existing affordable housing in communities across the State of New York.

Overleveraged properties

Multifamily properties that were refinanced or purchased at inflated values that currently carry a level of debt that is unsustainable. Often, these real estate transactions were based on a number of risky assumptions by both lenders and buyers.

Participation Loan Program (PLP)

For properties with significant rehabilitation needs, the Participation Loan Program offers low-interest loans in conjunction with a private bank loan for moderate and substantial rehabilitation.

Private Housing Finance Law, Article II

State law that created the Mitchell Lama program.

Real Estate Owned Program (REO)

The Real Estate Owned Program works to acquire, rehabilitate, and sell bank-foreclosed one- to four-family homes to qualifying low- and moderate-income households in New York City.

Section 202

Under the Section 202 Supportive Housing Program for the Elderly, not-for-profit sponsors selected by HUD purchase land from the City in order to build new construction residential buildings or to rehabilitate existing vacant buildings. HUD provides the necessary funding under Section 202. The completed buildings provide rental housing for low-income elderly persons.

Small Owners Repair Program (SORP)

The Small Owners Repair Program will provide funding for limited systems replacement or other key repairs in privately owned multiple dwelling properties, generally in coordination with another concurrent or recently completed housing code correction plan. Since participating owners often lack the resources to address building-wide problems, repair work through the program will address specific, critical issues.

Supportive Housing Loan Program

The Supportive Housing Loan Program is intended to provide permanent housing in which formerly homeless, low-income, and disabled people—including those with AIDS—can live independently with support and assistance provided through on-site social services funded by the City and State. The loan program provides financing to not-for-profit organizations developing supportive housing through either new construction or rehabilitation.

Transit-oriented development (TOD)

Development that is located near public transit systems; intended effects include decreased commuting time and transportation costs, decreased car usage and energy consumption, and increased affordability.

Weatherization Assistance Program (WAP)

The Weatherization Assistance Program is a federal program that finances energy-related repairs and retrofits for affordable housing units.

PAGE 13*

Lenox Gardens is where the Housing Plan's expansion announcement took place (<http://www.nyc.gov/html/hpd/html/pr2006/pr-02->)

PAGE 15*

Includes City investment in infrastructure for Hunter's Point South, Gateway, Arverne-by-the-Sea, and Edgemere; excludes land payment of \$40 million to the City for Gateway Brooklyn to offset infrastructure costs.

PAGE 20: Transit Map (Expand Affordable and Sustainable Housing)*

Created by HPD Policy Research and Program Evaluation Sources: HPD Production Credit System, FY 2004 - FY 2009. 92,664 units mapped out of 93,916 units; U.S. Census, 2000. Public transit share mapped by Census Tract Each NHMP-Financed Project point represents one address. Projects may include more than one address. A Public Transit user is defined as an individual 16 years of age or older who considers the subway, bus, commuter rail, light rail, or ferry as their primary means of daily transit. Taxis and paratransit are not included. Some NYC neighborhoods, such as Midtown, have a lower transit share than less dense and less transit-oriented neighborhoods because they are located in greater relative proximity to public transit destinations, such as workplaces, educational facilities and religious institutions. Such neighborhoods have a relatively high proportion of walkers and bike riders relative to the neighborhoods with the highest transit share in NYC.

PAGE 23: Foreclosure Map (Stabilize Families)*

Created by HPD Policy Research and Program Evaluation

Source for foreclosure filings: PropertyTrac™ (Q1, Q2), PropertyShark™ (Q3). This count includes foreclosure filings for mortgage and tax liens for residential properties, excluding all others. Repeat and/or duplicate filings are treated as follows: if a foreclosure is filed on the same borough/block/lot (BBL), with the same defendant name, and within the same 365-day timeframe, the foreclosure filing is counted once, on the first occurrence of the filing. Some foreclosure filings could not be linked with a sub-borough area.

PAGE 27: Tenure, Construction Type Graphs (Appendix 1 Metrics) and NHMP Progress Graph*

Data include all NHMP units financed through June 30, 2009 (N=93,916). Source: HPD Production Credit System (PCS) Fiscal Year 2004 – Fiscal Year 2009; HDC. Projections to the end of the plan were based on program guidelines and specific projects, where possible.

PAGE 28: Affordability Graph (Appendix 1 Metrics)*

This analysis includes HPD- and HDC-sponsored units counted towards NHMP from Fiscal Year 2004 through Fiscal Year 2009 (93,916 units). Extended Affordability units (n=4,793) were classified based on each project's original program: LIHTC (below 60% HUDIL), 202 Refinancing (below 50% HUDIL), and LMDC (below 80% HUDIL) projects were counted as low-income; three FY09 Housing Supervision projects were counted as moderate-income per their regulatory agreements; all other Extended Affordability projects, originally HPD and HDC Mitchell-Lama, HPD Housing Supervision, Section 8 Regulatory Agreement, and Article XI Regulatory Agreement, were counted as low-income. All units financed with HomeFirst Downpayment Assistance (n=999) were counted as low-income because program guidelines restrict funding to households at or below 80% HUDIL. Affordability distributions for all other units (n=88,124) were estimated using PCS data and HDC data. Income calculations are based on the total number of units and not imputed. Units classified as low-income are affordable to households earning up to 80% HUDIL; moderate-income are for households up to 120% HUDIL; and middle-income are for households above 120% HUDIL. Units classified as "unknown" are either missing income level data or are market rate units. HUDIL is calculated by applying a "High Housing Cost Adjustment" to HUD's FY2008 4-person Very Low-Income Limit. HUDIL is not based on HUD's FY2008 Median Family Income. See <http://www.nyc.gov/html/hpd/downloads/pdf/HUD-Income-Limits-detailed.pdf> Projections to the end of the plan were based on program guidelines and specific projects, where possible.

The success of this New Housing Marketplace Plan depends on the dedication and expertise of a strong affordable housing community both within government and in the private and non-profit sectors. There are a number of people we would like to acknowledge for their assistance in revising this plan and creating programs for a new economy, beginning with Mayor Michael R. Bloomberg for providing a bold vision for affordable housing in New York City. HPD would also like to extend its appreciation to the following individuals:

Office of the Mayor

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Housing Development Corporation

Marc Jahr, *President*, Mathew Wambua, and Richard Froehlich

Our Agency Partners

Amanda Burden, *Director*, Department of City Planning
Michael Dardia, *Deputy Director*, Office of Management and Budget
Thomas Farley, *M.D., M.P.H., Commissioner*, Department of Health and Mental Hygiene
David Frankel, *Commissioner*, Department of Finance
Robert Hess, *Commissioner*, Department of Homeless Services
Michael Kelly, *General Manager*, New York City Housing Authority
Robert LiMandri, *Commissioner*, Department of Buildings
Mark Page, *Director*, Office of Management and Budget
Seth Pinsky, *President*, Economic Development Corporation
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Janette Sadik-Khan, *Commissioner*, Department of Transportation

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**Department of
Housing Preservation
& Development**

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