

UHAB

Urban Homesteading
Assistance Board

WHAT WE'RE DOING:

- **UHAB Mutual**, our own building insurance company, is expected to launch this summer.
- **Keep watching for a launch of the new website at uhab.org—sample page coming soon!**
- **Follow UHAB in the news via Tweets at twitter.com/NYCHomesteading**

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View from the Window

Spring 2009

VOLUME II, ISSUE I

SPRING 2009

From public housing to permanence

From its inception in 1992, the federally funded Multifamily Homeownership Program (MHOP) promised residents of public housing the rare opportunity to own a home. Now, after years of delays, the official transfer of two of soon-to-be 25 former New York City Housing Authority (NYCHA) buildings to tenant shareholders went off without a hitch. And the right of ownership—and those certificates—is a special victory for Plaza on the Park, at 1815 Prospect Ave., and Jennings Terrace, at 749 Jennings Ave., HDFCs. After 17 years of waiting for the conversion to co-ops, eager shareholders packed Prospect Ave.'s common room on Jan.



Ballots cast: UHAB's Elizabeth Ontenada records votes. Shareholders wait to see who's on the board.

12 as shares went out and ballots were cast for the first board of directors. Elizabeth Ontenada, a UHAB preservation associate who led trainings for the new board, said the atmosphere among former NYCHA tenants was a

unique one.

"They're a different bunch," she said. "They seem to understand the challenges very well, they know to ask a lot of good questions. A lot of what I'm doing is fine-tuning,"

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Spotlight: Veterans of the Harlem office

For 13 years UHAB has operated out of a community office in Harlem, providing the kind of valuable one-on-one counseling and neighborhood outreach our population of low-income shareholders needs. With the highest concentration—75%—of formerly city-owned property that had once foreclosed and is in the Tenant Interim Lease program, the Harlem office always has had their work cut

out for them. We thought it was high time to spotlight some of the hardworking associates at 2030 Lexington Avenue.

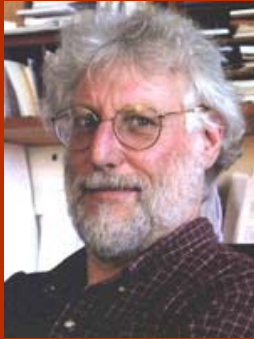
Cheryl Tidwell, a senior project associate, has been with UHAB for over 15 years and lived in a HDFC long before she started working for them. In her life before UHAB, Cheryl taught life skills – including interviewing and word processing – to adults.

She is passionate about fulfilling the mission of affordable housing – and she brings energy and a sense of humor to her work. A valuable resource and a stabilizing force.

After 10 years at UHAB, **Wanda Chappell** was recently promoted to senior project associate under the TIL/HDFC Contract. From the start, Wanda was so steady,

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A letter from the Executive Director



Andrew Reicher
Executive Director

"We have had far too many unscrupulous financial institutions, brokers, and others that led folks down the wrong paths when it comes to lending, and that have taken away the American Dream for many families..."

HUD Secretary
Shaun Donovan
April 21, 2009

Dear Friends:

While the bad news arising from the financial crisis and economic downturn fills our TV screens and everyday conversations, we wanted to share in this newsletter some signs of strength that are emerging from the economic rubble like the green shoots in spring.

Perhaps the strongest testament to the strength of UHAB's core mission, our HDFC co-ops, is this: In the face of failed loans, foundering projects and foreclosures in real estate across the map, not a single of the 1,600 limited-equity co-ops that UHAB assists, nor any other HDFCs we know of, has been lost to, or is at risk of foreclosure.

Nor, at this point is our Technical Assistance and Training division aware of any of the nearly 30,000 shareholders we work with

who have defaulted on their loans.

UHAB's Member Services helped save HDFCs over a million dollars in fuel in last year's heating season, and this year we enrolled 149 co-ops in Citgo's oil donation program, administered by the Citizens Energy Corp. You can read more about how this program has helped tenants save money and improve energy efficiency below.

As the City's fiscal crisis deepened this past year, the capital budget funds intended for the co-op conversion of 64 projects that have finished construction became increasingly uncertain.

In response, UHAB's Cooperative Development department identified new and creative sources of additional financing to allow these projects to move forward as co-ops. In many

cases, it will even make them more affordable.

National attention is finally being paid towards an issue our Organizing and Policy Department and its partners identified, analyzed and named in 2007: Predatory Equity.

During the real estate boom – what now seems like such a distant memory – equity investors, lenders and real estate speculators bought up affordable housing, and, by flipping and refinancing, overleveraged the properties with loans and investments that could only be repaid if the rentals made the impossible leap to market rate.

After reality – and then the economic downturn – intervened, 70,000 once-affordable units are left facing a downward spiral of deterioration, foreclosure, bankruptcy and worse, dragging the tenants along for the ride.

Our organizers and their partners brought forth

successful legislative efforts to protect renters caught helplessly in the crosshairs of the foreclosure crisis.

Still resonating today are UHAB's efforts bring local and national attention to the condition, as well as congressional action.

We continue to advocate for these foreclosed buildings to become permanently affordable housing cooperatives.

UHAB was born in the early 70's, and saw opportunity where others saw an urban crisis. Now we are looking for opportunity in the current economic crisis to preserve and create affordable homeownership.

We hope you enjoy these positive stories, and that we can count on your support in these efforts.

Sincerely,

Andrew Reicher
Executive Director, UHAB

Bailout legislation secures fate of renters

As a driving force behind the efforts of the Partnership to Preserve Affordable Housing (PPAH)—a coalition of citywide organizations pushing a national housing agenda – Dina Levy, UHAB's director of organizing and policy, propelled the voice of endangered tenants onto the floors of both the Senate and the House during the 2008 bailout negotiations.

The result: Two of three

policy recommendations by PPAH made it into the final wording of the bailout bill. 1) Tenants who have existing subsidies or rent protections will not be preempted by any federal action resulting from the legislation, and 2) Loan modifications must ensure that a building's finances can support decent, safe and sanitary living conditions based on *existing* rent levels.

The toll predatory equity has

taken on renters is finally in the national dialogue, and HUD noted on April 21 that 1/3 of those affected by foreclosure are renters. UHAB's own research finds 60,000 NYC multifamily rental units at risk of foreclosure, but a full view of the price urban residents will pay for unscrupulous lending and speculation is yet to be seen. Throughout the struggle, UHAB and PPAH will be there.

Boost of energy, and heating oil

Vivian Davis loves how bright her lobby is these days. She is the president of her HDFC at 1165 Fulton St., in the Morrisania section of the Bronx.

Since enrolling her building in the Citgo-sponsored Heating Oil Program offered by Citizens Energy Corp., she and

other shareholders in the building have seen an abundance of capital improvements they otherwise could not have afforded—and they have saved money, too.

"We saved over \$10,000 worth of oil," in 2007-08, she said in a recent interview at the building.

Participants are required to invest 32.5% of the grant money that they save on energy-efficient improvements.

"That's how we got the lights," said Vivian, showing off her vibrantly lit lobby and stairwells.

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Shareholder Vivian Davis admires the fluorescent lights that adorn the hallways in 1165 Fulton Street.



Voting day...con't.

she said, of her work training them to become a self-run entity.

"There is a real NYCHA culture they're coming from," she said. "They have a part of it still—they still refer to stuff they didn't like about the projects." Leaders at 749 Jennings St. and 1815 Prospect Ave., which are just a mile away from each other, communicate regularly in hopes of learning more going forward.

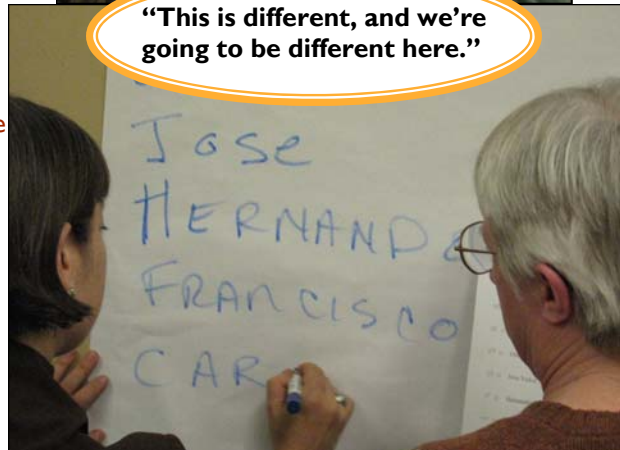
Elizabeth cited a Jennings Terrace



New shareholders vote for their first-ever representatives on the board of directors.



"This is different, and we're going to be different here."



UHAB's Marina Metalios and Ann Henderson record the nominees after speeches at 1815 Prospect's first election.

board member's description of public housing as how *not* to live, when she addressed a shareholder's refusal to clean up after their dog at a meeting recently.

"She said, 'You know what it was like... you remember the smell, the hallways... the way we were treated, and the way we were as tenants,'" Elizabeth recalled the speech.

"This is going to be different, and we're going to be different here."



Ann Henderson, associate director of co-op preservation, trains first-time board members on protocol.

Boost of energy...continued.

While enrolling in the Citizen's Energy program—which supplies low-income buildings with several free heating oil deliveries—was an easy choice, this year's enrollment almost didn't happen.

Citgo, the Venezuelan government's oil subsidiary, announced suspension of the grants due to falling oil

prices and the economic crisis on Jan. 5.

Two days later, UHAB was notified the grants were renewed, and Citizens Energy, which runs the program, urged organizations to find positive stories of free-oil recipients. Vivian was glad to help.

Besides channeling money into capital im-

"We need it, and we can do something good."

provements for buildings, the free fuel has significantly lowered operating costs. "It's during these hard times and this economic crisis that it's more crucial now than it ever has been," Vivian said. "We need it. A lot of people here are low income, and senior citizens. We need it, and we can do something good."

Melanie Ralescu, a project associate in Member Services who coordinated enrollment, says the long-term gains make the program perpetually valuable.

"The amazing thing about this program is it's not just offering temporary relief, it also encourages long-term thinking in planning for a building's finances," she said.

UHAB facilitated the approval of 177 low-income buildings into the program in 2007-2008's heating season, saving HDFCs \$1,278,038.

This year, UHAB enrolled 149 buildings into the program, with the largest grant supplying a Brooklyn building with 6,142 gallons of free oil.

efforts as a VISTA volunteer that we couldn't let her leave once her temporary contract was up!

Wanda lives in a TIL building, and knows what it is to go through the co-op conversion from the inside. Her building will be a shining example of how to succeed in the TIL Program, and she deserves to take some credit for it!

The depth of Wanda and Cheryl's work and life experiences make them a true asset to UHAB.



**Sept. 5 2008 - Harlem BBQ
Wanda and Cheryl**

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The Urban Homesteading Assistance Board helps transform renters into homeowners who collectively own and democratically govern true housing cooperatives. UHAB develops, supports and preserves affordable housing throughout the city of New York.

We enable residents to become owners in cooperative housing, we oversee co-op conversions in failed or foreclosed rental housing, we work to ensure the well-being of converted co-ops and support existing cooperatives that are in financial or organizational distress.

We provide need-to-know management skills to potential and current owners for effective maintenance, governance, and sustenance of affordable co-op housing.

UHAB increases the city's affordable housing stock by converting dilapidated and underutilized buildings into apartments for low- and moderate-income New Yorkers who wish to realize the dream of homeownership.

Out & about...

On Jan 7th, 30 seminarians met with leaders of UHAB and took a walking tour of several buildings.

The students attend Union Theological Seminary, an independent, multi-denominational seminary in Harlem.

The students met with Upper Manhattan TIL/HDFC Director Oscar McDonald and External Affairs Director Chris Heeg to learn in depth about the kind of work UHAB does.

The participants were engaged in a 10-day intensive program to learn more about social action. The school's stated mission is to educate leaders for ministry while extend-

ing the work of social justice.

Thanks for the visit, seminarians!

Executive Director Andrew Reicher appeared on Feb. 26 at the Bloomingdale branch of the New York Public Library to present a seminar on the story of urban homesteading.

Okay, so the *New York Times* ribbed it as "squatting" in their Daybook listing. But hey, they also deferred to our terminology as homesteading, calling us "the experts."

On the record.

That's what really counts.

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