

Draft Goals and Strategies

January 15, 2020

Bedford-Stuyvesant Housing Initiative

NYC
Department of
Housing Preservation
& Development

Agenda

00 Welcome and Introductions

01 Bed-Stuy Housing Initiative Overview

02 Summary of Housing Challenges and Assets

03 Draft Goals and Strategies

04 Next Steps

Agenda

00 Welcome and Introductions

01 Bed-Stuy Housing Initiative Overview

02 Summary of Housing Challenges and Assets

03 Draft Goals and Strategies

04 Next Steps

Agenda

00 Welcome and Introductions

01 Bed-Stuy Housing Initiative Overview

02 Summary of Housing Challenges and Assets

03 Draft Goals and Strategies

04 Next Steps

01 Bed-Stuy Housing Initiative Overview

Why create a housing plan in Bed-Stuy?

1. **Focus neighborhood stabilization efforts** in an area with multiple housing challenges, using a fair housing lens
2. **Respond to community requests** for more affordable housing and planning in the neighborhood
3. **Advance the development** of vacant HPD-owned land, informed by community
3. **Coordinate local housing CBOs and agencies** to improve service delivery to homeowners and tenants
4. **Evaluate and improve information and resources** available to owners and tenants, particularly in smaller buildings
5. **Partner with local groups** to enable broad participation in the process and implementation

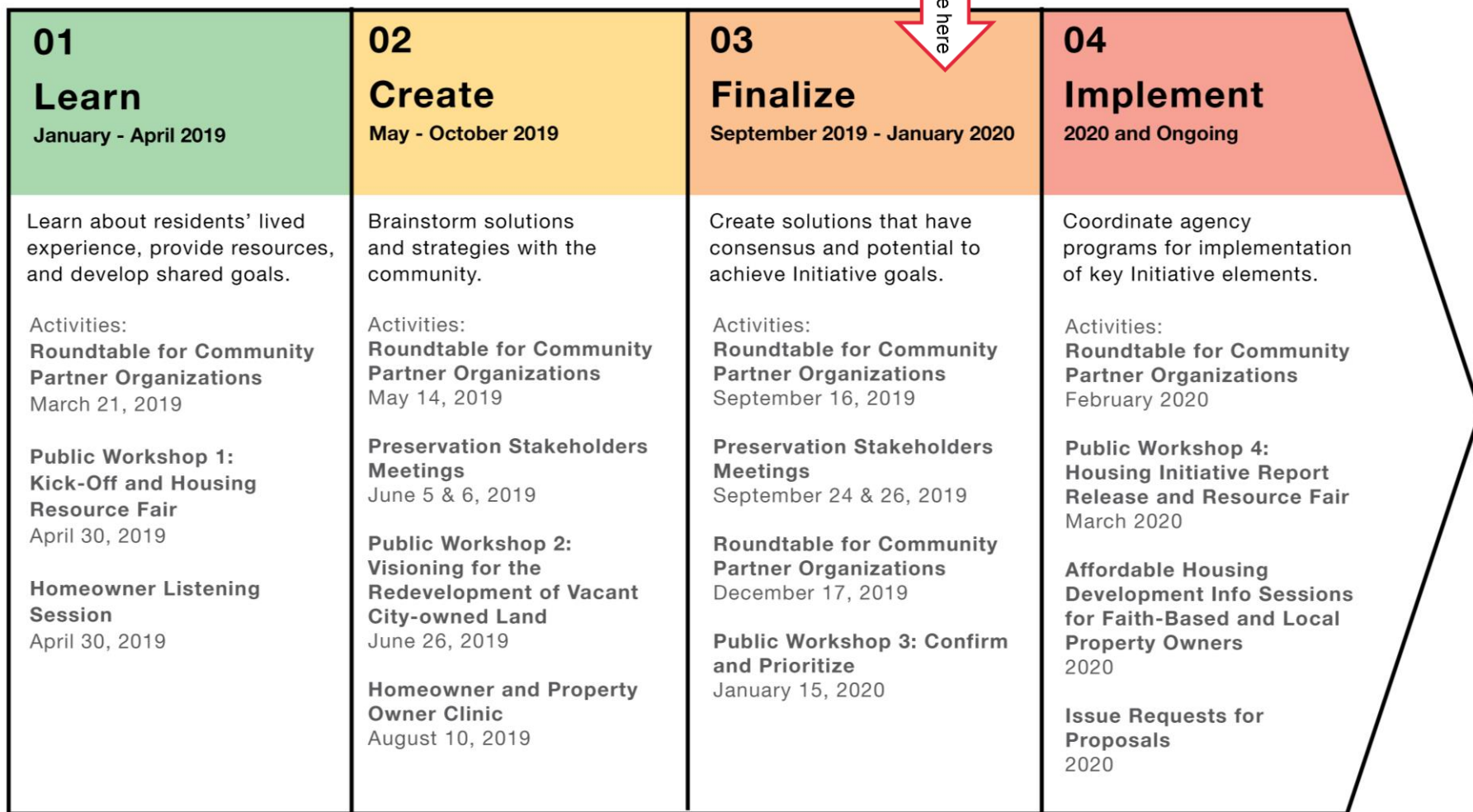
01 Bed-Stuy Housing Initiative Overview

Process Overview



01 Bed-Stuy Housing Initiative Overview

Timeline



Agenda

00 Welcome and Introductions

01 Bed-Stuy Housing Initiative Overview

02 Summary of Housing Challenges and Assets

03 Draft Goals and Strategies

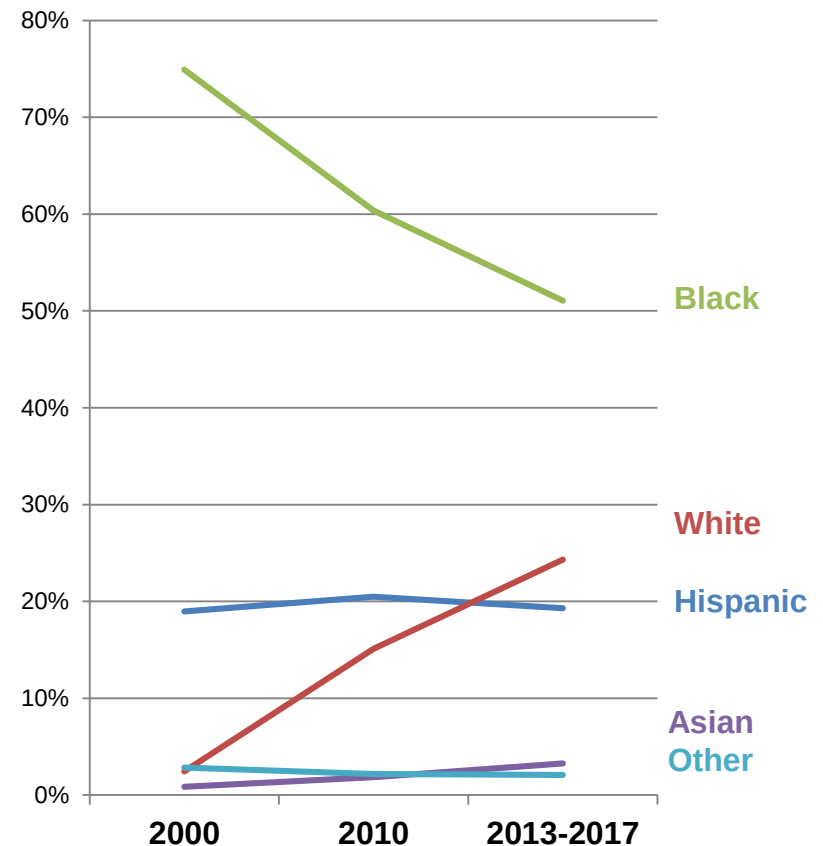
04 Next Steps

02 Summary of Housing Challenges and Assets

Hot market and predatory behavior are driving rapid demographic changes

- Trendy neighborhood, with high investor activity. BK03 is second highest city-wide in price appreciation of repeat sales¹
- Between 2011-2017, median gross rent in Bed-Stuy increased by more than double the city's rate (23% vs 11%)²
- Bed-Stuy has been an epicenter of deed scams in Brooklyn, targeting seniors and owners in foreclosure³
- A hotspot for illegal Airbnb activity in BK⁴
- Majority of residents are Black, though demographics are changing rapidly⁵

Demographic Shift between 2000-2017⁴



¹ Based on HPD Office of Policy and Strategy Housing Price Index 2018

² Housing and Vacancy Survey (HVS) 2011 and 2017; normalized to 2017 dollars

³ Attorney General's Office, 2015-2019

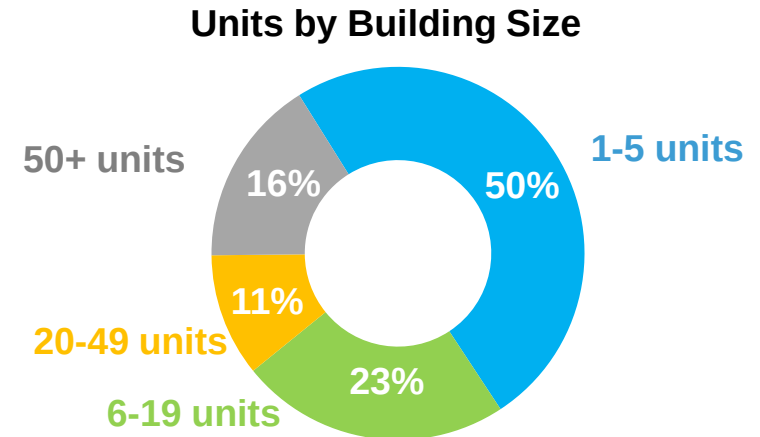
⁴ Office of Special Enforcement, 2019

⁵ US Census 2000 and 2010; ACS 2013-2017; based on census tracts that approximates BK03. Overall population increased by 20%

02 Summary of Housing Challenges and Assets

Mostly unregulated housing stock that is physically and financially distressed

- Half of homes in Bedford-Stuyvesant are in small buildings (1-5 units), while 80% of homes are renter-occupied¹
- 25% of homes are in buildings that are government-assisted with regulated rents, including 13% NYCHA²
- The building stock is aging, with nearly two-thirds of all homes (65%) in buildings built before 1947¹
- About 23% of units have three or more maintenance deficiencies³



Of ~51,000 occupied homes



¹ NYC Housing and Vacancy Survey (HVS) 2017

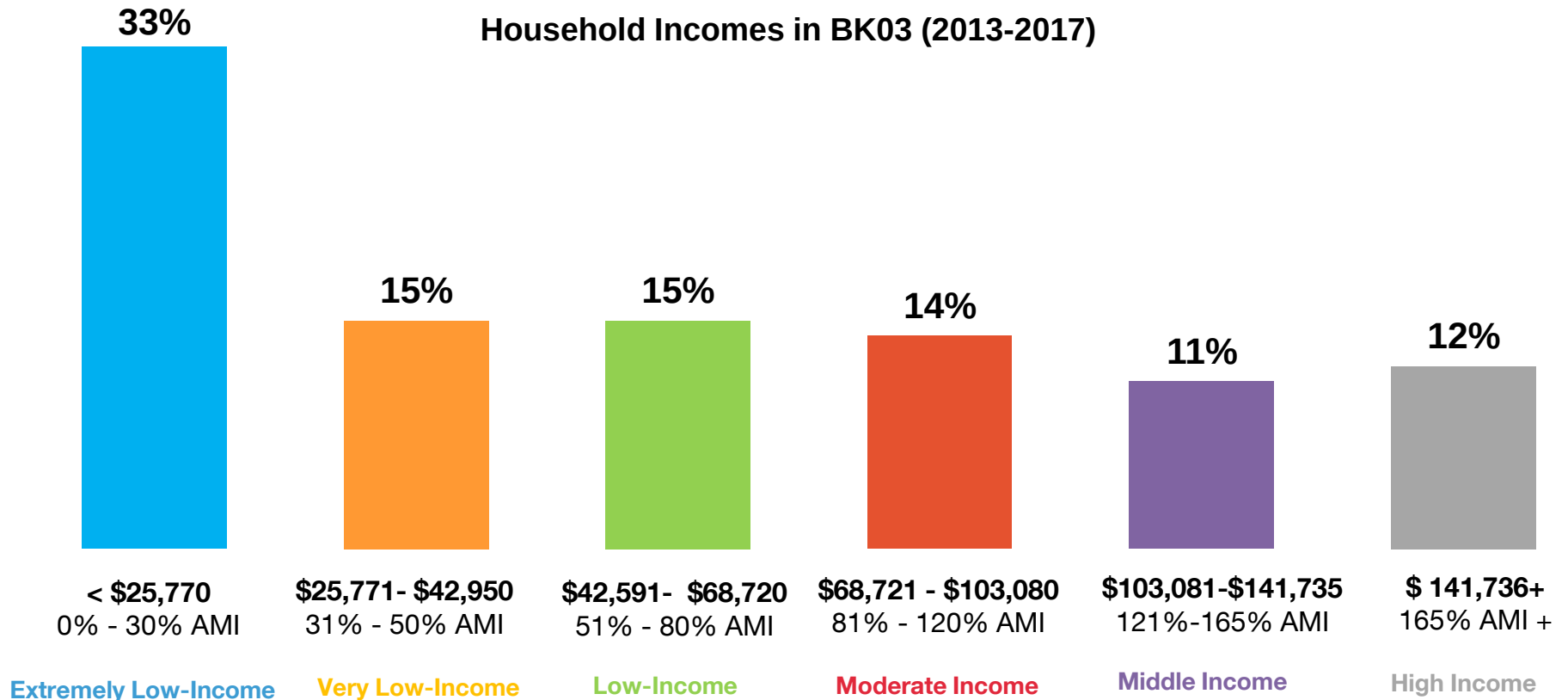
² HPD Office of Policy and Strategy 2018; includes NYCHA properties as of 12/2016

³ NYC Housing and Vacancy Survey (HVS) 2017; maintenance deficiencies include insufficient heating in winter, heating breakdowns, cracks or holes, presence of rodents, peeling paint, broken plaster, toilet breakdowns, and water leaks

02 Summary of Housing Challenges and Assets

Under-resourced households

- Half of all households still earn extremely low to very low incomes (0-50% of AMI, or less than \$48,050 per year for a family of three) ¹

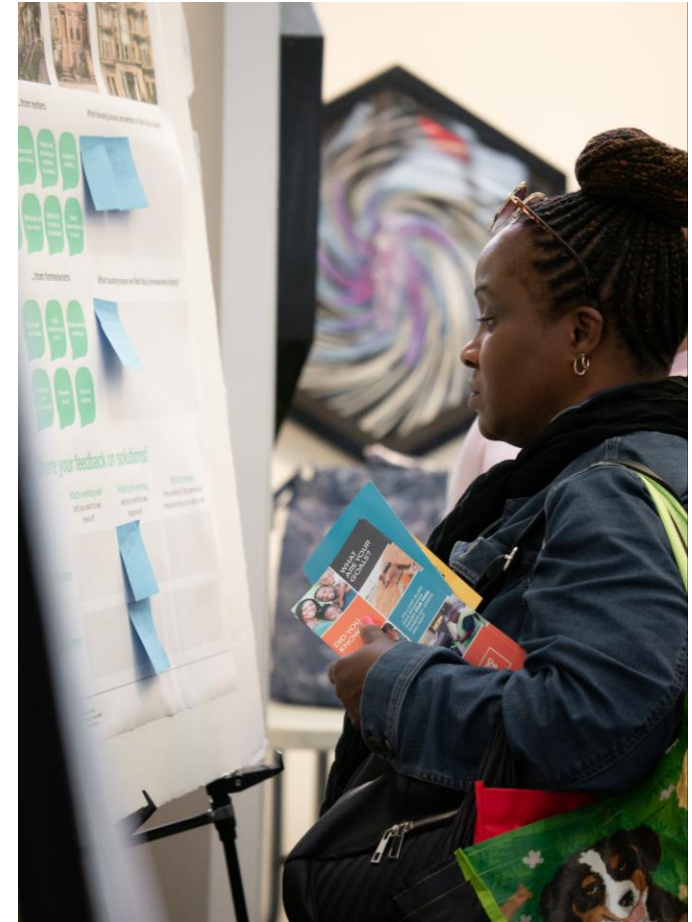


¹ Sample incomes are for a three-person household based on 2017 Income Limits; ACS 2013-17

02 Summary of Housing Challenges and Assets

Under-resourced households

- Bed-Stuy historically provided homeownership opportunities for African American families
 - Today, there are many aging homeowners (CD 36 designated a NORC by DFTA, 2019)
 - Homeowners often described as “house rich, cash poor”
- Homeowners find it difficult to keep up with maintenance and increasing taxes/utilities
 - Difficulty finding quality, reliable contractors
 - Historic district challenges
 - Struggling tenants who fail to pay their rent exacerbate owners’ challenges
- CBOs report too few owners practice estate planning, leaving heirs vulnerable to loss of property and intergenerational wealth
- Homeowner’s struggles can have major impacts on housing quality and security of tenants



02 Summary of Housing Challenges and Assets

Challenges with resource delivery

- Owners expressed confusion about maintenance responsibilities of owners vs. the City can lead to accumulating fines
- Concentration of professional investors also means oversaturation with information and aggressive solicitation by realtors, including housing scams
 - Aging owners face additional barriers
- While owners have access to a variety of CBOs, they often approach providers too late and there are limited emergency funds immediately available
- There are available low- to no-interest forgivable financing resources, but owners are hesitant to take on debt



02 Summary of Housing Challenges and Assets

Limited affordable housing new construction, relative to market rate

- Low density zoning and high land costs make financing affordable housing difficult
- Since 2014, HPD has financed 720 new affordable homes in BK03, most still under construction²
 - 69% for extremely low- to low-income
- From 2014 to 2019, ~4,000 new units in BK03 received final C of O for new buildings (11% of new units in BK)¹
 - Since 2018, as-of-right development using the NYS 421a tax abatement has led to Housing Connect lotteries in 14 buildings with affordable units only for 130% AMI households
- Limited homeownership opportunities affordable to low and moderate income households
 - 2BR condos average \$900,000³

New Construction Affordable Housing Financed in BK03 (2014-2019)

AMI Groups for Housing New York	Number of Homes
Extremely Low Income	110
Very Low Income	47
Low Income	345
Moderate Income	102
Middle Income	114
Other	2
Grand Total	720

1 DOB Certificates of Occupancy for New Buildings, Oct 2019

2 HPD Performance Management and Analytics 2019

3 Based on StreetEasy summary conducted 9/23/19

02 Summary of Housing Challenges and Assets

Active City and State investments in housing stabilization

- HPD has more than 850 new construction affordable homes in the pipeline over the next 2-3 years, including 130 homeownership opportunities
- Since 2014, HPD has preserved 2,300 affordable homes in Bed-Stuy, 93% for extremely low- to low-income households
- HPD completed 86 surveys of zombie homes in Bed-Stuy and continues to notify and refer maintenance issues to hold owners accountable
- NYCHA has incoming investments in building new senior housing (at Sumner Houses), preservation through PACT-RAD in four developments, and lead/rat action plans in multiple developments.
- HCR Vital Brooklyn investments in health and housing, including 122 affordable senior apartments in the pipeline (by Interfaith Hospital).
- HRA funds free legal services in four Zip Codes in Bed-Stuy

02 Summary of Housing Challenges and Assets

Local assets and opportunities

- Network of active community-based service providers and elected officials dedicated to serving Bed-Stuy
- Network of churches, barber shops, salons, local businesses, block associations, and other trusted local sources of information
- Five public sites for RFP with opportunity for 600+ new affordable housing and community amenities
- Network of faith-based organizations that may be interested in affordable housing development



Agenda

00 Welcome and Introductions

01 Bed-Stuy Housing Initiative Overview

02 Summary of Housing Challenges and Assets

03 Draft Goals and Strategies

04 Next Steps

03 Draft Goals and Strategies

Goals

1. Enhance resource delivery to homeowners and tenants
2. Support owners in financial distress and under pressure to sell
3. Promote safe and healthy housing
4. Reduce housing speculation and illegal activities
5. Create new affordable rental and homeownership opportunities on underutilized land



03 Draft Goals and Strategies

Goal 1: Enhance resource delivery to homeowners and tenants

- Create and distribute a Bed-Stuy Homeowner's Manual to centralize information on homeowner responsibilities and how to access resources
- Create a Bed-Stuy Homeowner Helpdesk to provide legal and financial counseling**
- Host Tenant Clinics (new model) to provide individualized assistance for tenants to know their rights and access resources
- Proactively educate tenants on their rights and resources under the Housing Stability and Tenant Protection Act of 2019 (TSU/MOPT)
- Recruit more Housing Ambassadors in Bed-Stuy, including faith-based organizations, to help residents apply for affordable housing

***Still exploring potential funding and/or scope with partner agencies*

03 Draft Goals and Strategies

Goal 2: Support owners in financial distress and under pressure to sell

- Enroll more Bed Stuy homeowners in programs to reduce homeownership costs (e.g., DOF and DEP payment plans, STAR, DHE, and SCHE)
- Expand preventative outreach and resources for owners to conduct estate planning, financial management, and property appraisal to avoid deed scams**
- Work to expand emergency financial assistance to prevent foreclosure**
- Offer home maintenance classes for Bed-Stuy homeowners to help owners reduce overall repair costs**
- Explore ways to expand support and technical assistance for HDFC cooperatives**
- Explore with partner agencies opportunities to assist owners on or at-risk-of being on the Tax Lien Sale to stabilize their properties**

***Still exploring potential funding and/or scope with partner agencies*

03 Draft Goals and Strategies

Goal 3: Promote safe and healthy housing

- Improve housing conditions for public housing residents in four Bed-Stuy developments through PACT-RAD and implementing lead, rat, and mold remediation in other developments (NYCHA)
- Offer low-interest loans to support home repairs and improvements, including accessibility modifications (HomeFix)
- Provide assistance to small property owners to work with HPD to stabilize their buildings and keep rents affordable for tenants (Landlord Ambassadors)**
- Proactively identify and survey larger buildings with signs of physical distress to improve housing quality for tenants and support owners to make repairs
- Continue monitoring and enforcing the maintenance of Zombie Homes and explore acquisition strategies
- Explore ways to work with tenant organizers to proactively identify and address building issues that are contributing to asthma**

***Still exploring potential funding and/or scope with partner agencies*

03 Draft Goals and Strategies

Goal 4: Reduce housing speculation and illegal activities

- Educate homeowners and explore targeted enforcement of illegal commercial Airbnbs in Bed-Stuy that may be taking away units from the rental market**
- Engage lenders, bank regulators, and advocates to improve lending practices and disincentivize speculative lending
- Support the community in advocating at the State level for a Cease and Desist zone in Bed-Stuy

03 Draft Goals and Strategies

Goal 5: Create new affordable rental and homeownership opportunities on underutilized land

- Issue the Bed-Stuy RFPs to create 600 new affordable homes with community amenities on City-owned land
- Use public land and partnerships to prioritize affordable rentals for populations most in need:
 - *Affordable senior:*
 - NYCHA Next Gen: The Atrium - Senior (RiseBoro)
 - Vital BK: Herkimer Gardens - Senior (Federation of Organizations)
 - 811-817 Lexington - Senior (IMPACCT)
 - *Extremely low- to low- and formerly homeless:*
 - 776-780 Myrtle (IMPACCT)
 - Dekalb Commons – Bed Stuy I and II (St Nick’s Alliance)
 - W/WBE RFP Site B + private site (Dabar)
- Use small public sites to create about affordable homeownership opportunities for first-time buyers:
 - Rochester Suydam (Jobe Development)
 - Bed-Stuy East + Weeksville (Habitat)
 - Bed-Stuy Central + North (Shelter Rock)
- Conduct targeted outreach to Bed-Stuy faith-based groups or other property owners with underbuilt properties to develop affordable housing.



03 Draft Goals and Strategies

Main Themes Heard Across Bed-Stuy RFP Sites

Affordability

Very strong neighborhood wide interest in **affordable rentals for seniors and extremely low- to low-income households, including formerly homeless**, per the survey analysis. Workshop participants and community-based organizations additionally stress the importance of **affordable homeownership opportunities**.

Ground Floor

Strong interest in **financial institutions/banks** and **workforce development**, in pursuit of intergenerational wealth building. **Healthy Food Retail** and **Health and Wellness** were also strong themes among ground floor uses.

Design

Consistent interest in **sustainability**; **senior-friendly** spaces; **spaces that bring people together**; enhancements to **street safety** and pedestrian experience.

03 Draft Goals and Strategies

What We Heard: Emerging Site Goals in Bed-Stuy RFP Sites

Myrtle-Marcy

Space for Diverse Communities

- Housing, retail, community facility, and design that promotes bringing people together to celebrate difference

Fulton-Howard West

Neighborhood Stability and Equitable Economic Development

- Extremely low- to low-income
- Formerly homeless
- Financial institution
- Small business incubation space
- Workforce development
- Financial literacy

Fulton-Howard East

Homeownership

- Affordable homeownership for moderate- and middle-income
- Ground floor programming that meets community needs while compatible with co-op/condo

Fulton-Utica

Youth Activity

- Extremely low- to low-income
- Formerly homeless households
- Active youth recreation space
- Pedestrian safety interventions
- Retail that complements transit

Fulton-Saratoga

Community Wellness and Healing

- Part senior housing
- Multi-purpose community center
- Food, fitness, wellness programming
- Alt medicine
- Food co-op



Agenda

00 Welcome and Introductions

01 Bed-Stuy Housing Initiative Overview

02 Summary of Housing Challenges and Assets

03 Draft Goals and Strategies

04 Next Steps

04

Next Steps

- Continue exploring funding sources and scope with partner agencies for the proposed strategies
- Release Bed-Stuy Housing Plan and Issue RFP Part 1: March 2020

HPD Main Points of Contact

Addison Vawters

- Neighborhood Planner
- vawtersa@hpd.nyc.gov
- 212-863-6579

General Email:

- Bedstuy@hpd.nyc.gov

Thank you!