

HABITAT FOR HUMANITY OF NEW YORK CITY

Helping community land trusts grow throughout New York City

Over the past four years, Habitat for Humanity New York City has worked tirelessly to create lasting affordable homeownership opportunities beyond its own building efforts. By mobilizing volunteers, engaging City Council members, advocating through the media and helping to form a new coalition, Habitat has won support for legislation and access to new financial resources that will help community land trusts, or CLTs, take root in more city neighborhoods and help residents “own” a part of their community in the face of rapid gentrification and displacement.

Background

Over the past decade, New York City’s resurgent housing market has brought tremendous new investment to the city but has benefited only a relatively small share of the population. As the city homeownership rate dropped to 31 percent (25 percent for households earning less than \$55,000)¹, rent burdens grew and entire neighborhoods lost their affordability, displacing many low-income residents. During this time, city funding for affordable homeownership dwindled, and many previously affordable for-sale homes reverted to market rate as a result of the burn-off of short-term affordability restrictions in the city’s early homeownership programs.

These trends alarm Karen Haycox, CEO of Habitat New York City. To combat the wave of displacement underway in the city, Habitat sees advocacy for policies that create long-term affordable homeownership opportunities as an imperative. In addition, Habitat has embraced a preservationist mindset that leads it in a bold new direction and strengthens the organization’s work to support the preservation of existing affordable, low-income multifamily buildings and, significantly, to ensure the longer-term affordability of each new unit of housing created. Without mechanisms to preserve affordability over the long term, “the affordable housing that we work so hard to finance, build and advocate for will be lost to the open market in the very next generation,” Haycox says.

“If affordable homeownership opportunities continue to dry up,” says Matthew Dunbar, Habitat New York City’s vice president of government relations and advocacy, “New York City could become one of the largest gated — or rather, moated — communities in the U.S.”

In 2014, Habitat New York City began a four-year advocacy effort to increase city support for lasting affordable homeownership, with an emphasis on facilitating the expansion of CLTs citywide.

Community land trusts

CLTs are nonprofits that own and steward land for long-term community benefit. Most provide homes that are perpetually affordable to low- and moderate-income households. When a CLT sells a home, it retains ownership of the land underneath and sells only the structure on top. The homebuyer leases the land from the CLT for a nominal fee. As a condition of this ground lease, the owner agrees to resell the home at a price that is affordable for future low-income homebuyers. CLTs traditionally focus on single-family homes but can also preserve the affordability of multiunit buildings, including housing cooperatives.

Habitat sees CLTs as a more durable mechanism for ensuring long-term affordability in New York City than alternatives such as deed restrictions. As Dunbar puts it: “A deed restriction is only as good as the person enforcing it.” “New York City

¹ furmancenter.org/homeownershipopportunityNYC

has struggled with enforcing deed restrictions on some of the city's affordable rental properties, leading to excess rent charges," says Leo Goldberg of the Center for NYC Neighborhoods. In contrast, CLTs are active stewards of the affordable homes they create. The long-term ground lease directly ties CLTs to their homes. Furthermore, CLTs stay in regular communication with homeowners. Most offer pre-purchase and post-purchase financial counseling, facilitate property maintenance and repair, and monitor resale and refinancing activities to ensure homes remain affordable.

There are approximately 225 CLTs nationwide, but they are relatively new in New York City. Their growth in the city has been hindered historically by lack of official city recognition of the model and an absence of financial support from city and state housing agencies.

Advocacy

In 2014, the mayor of New York City released a 10-year housing plan that gave limited attention to homeownership, and Habitat struggled to get the larger affordable housing coalitions in the city to make the issue a more significant focus point among the myriad housing challenges facing the city. The affiliate decided to take a leadership role in speaking up for affordable homeownership, and helped to lay the groundwork for the city's first coalition focused on homeownership: the Coalition for Affordable Homes. In addition to founding members, including Habitat and the Center for New York City Neighborhoods, or CNYCN, the new coalition gathered a groundswell of homeownership-minded organizations, including nonprofits focused on legal services, foreclosure prevention and housing counseling. Habitat also became a core member of the New York City Community Land Initiative. Within each coalition, Habitat played a major role in advocating for new homeownership resources and, increasingly, CLTs.

Over the next four years, Habitat New York City worked on three policy and programmatic objectives to expand the viability of CLTs citywide:

- Legislation to officially recognize CLTs within the city's administrative code.
- Financial resources for affordable homeownership.
- Funding for CLTs.

Habitat and its coalition partners met with elected officials and staff members from the NYC Department of Housing Preservation & Development, or HPD, and the New York attorney general. Habitat also engaged in focused media advocacy to increase awareness of the impact of affordable homeownership and the need for mechanisms like CLTs to ensure lasting affordability. Facilitating reported stories, and publishing op-eds in local and national media outlets, Habitat took the case for long-term affordable homeownership public.

In April 2017, Habitat New York City took its mission for affordable homeownership to the steps of City Hall. With support from a Habitat for Humanity International challenge grant, the affiliate organized "Habitat at the Hall," the affiliate's first local advocacy day. Habitat mobilized 20-25 homebuyers and volunteers to meet with 17 council members. Volunteers included clergy partners, Habitat Young Professionals members and campus chapter leaders. Before arriving on the steps, Habitat hosted a robust training program to assist participants with information on topics such as how to manage a meeting with elected officials and how to request support for legislative items.

In these meetings, Habitat staff members encouraged City Council members to sign on to Intro 1269, a bill that officially recognizes CLTs within the city code. The mayor was unable to meet with the Habitat advocates, so they held a rally near his office on the steps of City Hall. A week after Habitat at the Hall, Habitat volunteers and homebuyers followed up by sending over 2,000 miniature paper houses to City Council offices to request support from the broader City Council membership. Habitat staff members also sent out action alerts through the affiliate's electronic advocacy platform to enable supporters to send messages directly to the mayor and their council members, and helped the coalition coordinate a policy briefing and education session for City Council staff.

As a result of Habitat at the Hall and members' follow-up communications, Habitat succeeded in adding 19 sponsors to Intro 1269 (for a total of 23 out of 51 council members). Several Habitat staff members were involved in the achievement,

including Katrell Lewis, advocacy and community engagement manager. While both Lewis and Dunbar work primarily on advancing Habitat development projects, their roles include regular promotion of affordable homeownership issues and occasional lobbying. Housing Services department staff helped schedule and communicate with homebuyers about Habitat at the Hall. Haycox and the marketing and communications staff provided leadership and messaging support to the affiliate's advocacy efforts. "Ultimately the goal is to incorporate advocacy across the organization, so that everyone can 'talk advocacy' in an effective way, including faith outreach and volunteer engagement staff," Dunbar says.

Impact

PRO-CLT LEGISLATION

Habitat's work on Intro 1269 made the difference in its passage. "Habitat singlehandedly got City Council members on board, which got us over the hump," says coalition partner Leo Goldberg. The bill passed in December 2017 and was enacted the following spring.

The bill is an important first step toward establishing the CLT model as an essential strategy for preserving affordable homeownership in New York City, says Christie Peale, executive director of the Center for NYC Neighborhoods.² Recognition within the city code clarifies the city's authority to enter into regulatory agreements with CLTs that include tax benefits. Also, adds Goldberg, "It's a big deal for awareness building about CLTs." Habitat and the Coalition for Affordable Homes are now turning their attention to a pair of state bills that would create a property tax exemption for CLTs across the state and increase funding for permanently affordable homebuilding.

MORE CAPITAL RESOURCES FOR AFFORDABLE HOMEOWNERSHIP

Another product of the advocacy work of Habitat New York City and its coalition partners is the Open Door program, announced in late 2017. The program grew out of Housing New York 2.0, an update to the mayor's original 10-year comprehensive housing plan, and includes a greater emphasis on lasting affordable homeownership. Open Door will increase capital resources for affordable homeownership construction by between \$123 million and \$156 million over the next eight years. The program will finance the development of 1,300 new homes affordable to low- and moderate- income households, mostly through the construction of cooperative and condominium buildings.

Habitat's recent work to develop Sydney House, a 56-unit co-op building, helped demonstrate to the city that large-scale, multiunit affordable homeownership was possible in the city's neighborhoods — with adequate capital support. With over \$9 million in funding from Open Door, Sydney House broke ground in March 2018 as the first development to break ground under the Open Door term sheet. "This is a case where advocacy turned into real dollars almost instantly," Dunbar says.

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Open Door enshrines many of the principles of lasting affordability that Habitat has been advocating over the past few years, while expanding the scale of the city's homeownership strategies beyond low-density, infill construction. The program sets a cap of 2 percent annual price appreciation for homes sold within the regulatory period (generally 40 years) to ensure that the homes remain affordable from one household to the next. With these rules, the program seeks to help owners "build limited equity in their homes over time, balancing the goal of asset building with the city's need for ongoing affordability."³

\$1.65 MILLION FOR CLTS

In 2017, the city Housing and Preservation Department announced that it was allocating \$1.65 million for CLTs as part of funds awarded through a New York State Attorney General bank settlement. Habitat's advocacy for CLTs with the New York City Community Land Initiative coalition played an important role in securing this funding, according to Goldberg and Dunbar. The funds will support three CLTs from different areas of the city, along with a learning collaborative. Included in

² citylimits.org/2016/09/14/council-bill-would-boost-land-trusts/

³ City of New York, *Housing New York 2.0*, 2017. (www1.nyc.gov/assets/hpd/downloads/pdf/about/hny-2.pdf).

is the new Interboro CLT, the first citywide CLT, co-founded by Habitat. Funding will also support a new CLT organized by Picture the Homeless in East Harlem, and the existing Cooper Square CLT in Manhattan. The learning collaborative aims to build the capacity of other nascent CLT efforts in the city. For example, the council sponsor of the CLT enabling bill hopes to use a CLT to create permanently affordable homes as part of the city's rezoning plan for Far Rockaway.

GREATER CREDIBILITY

Habitat NYC's recent legislative and funding victories were noticed by the city's larger affordable housing coalitions. Dunbar reports that affordable homeownership has received increased attention in these advocacy circles and is now on the agenda in a new and exciting way.

Lessons

1. **Habitat has a lot to bring to coalitions.** The Center for NYC Neighborhood's Leo Goldberg remarked that Habitat NYC showed an impressive ability to organize and mobilize supporters in the successful effort to pass pro-CLT legislation. He also noted that Habitat brings important affordable housing expertise, incredible brand awareness and strong long-term perspective to coalition efforts.
2. **Media advocacy can be really useful.** Habitat's media advocacy played an important role in building support for CLT legislation and greater funding for affordable homeownership, according to Goldberg and Dunbar. Through op-eds and promoted stories, Habitat staff members helped the public better understand the issue of affordable homeownership and provided leadership in the debate about solutions. This "thought leadership" in support of long-term affordable homeownership also made it harder for legislators to ignore the issue and added to pressure to respond.
3. **"You can't be a thought leader if you're not willing to expend some brand capital."** Habitat's recent advocacy successes have taught Dunbar that it pays to "go out there and leverage your brand." "Thought leadership requires risk," he says, "but affiliates cannot be so brand protective as to shy away from using their brand at all." After all, he adds, "it is only capital if it is used."
4. **Sometimes it helps to pursue policy victories independently,** with a small group of allies, before you can gain credibility in larger affordable housing coalitions.

Resources

- Matthew Dunbar, Vice President of Government Relations & Advocacy, Habitat for Humanity New York City, mdunbar@habitatnyc.org.
- More information about community land trusts: housinglandtrust.org/pdf/MarketWise_vol03_issue01.pdf.
- Intro 1269 (bill authorizing city regulatory agreements with CLTs): legistar.council.nyc.gov/LegislationDetail.aspx?ID=2834721&GUID=C7C2FD27-BEFB-43C6-905C-25974B68B380.
- Open Door Program: www1.nyc.gov/site/hpd/developers/development-programs/open-door.page.
- Articles and op-eds published by Habitat New York City:
- Huffington Post: huffingtonpost.com/entry/give-hardworking-new-york_b_12138464.html.
 - City Limits: citylimits.org/2017/10/19/cityviews-community-land-trusts-are-a-path-to-affordable-homeownership/.
 - *NY Daily News*: nydailynews.com/opinion/homeownership-nyc-missing-affordable-housing-foundation-article-1.2951926.



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