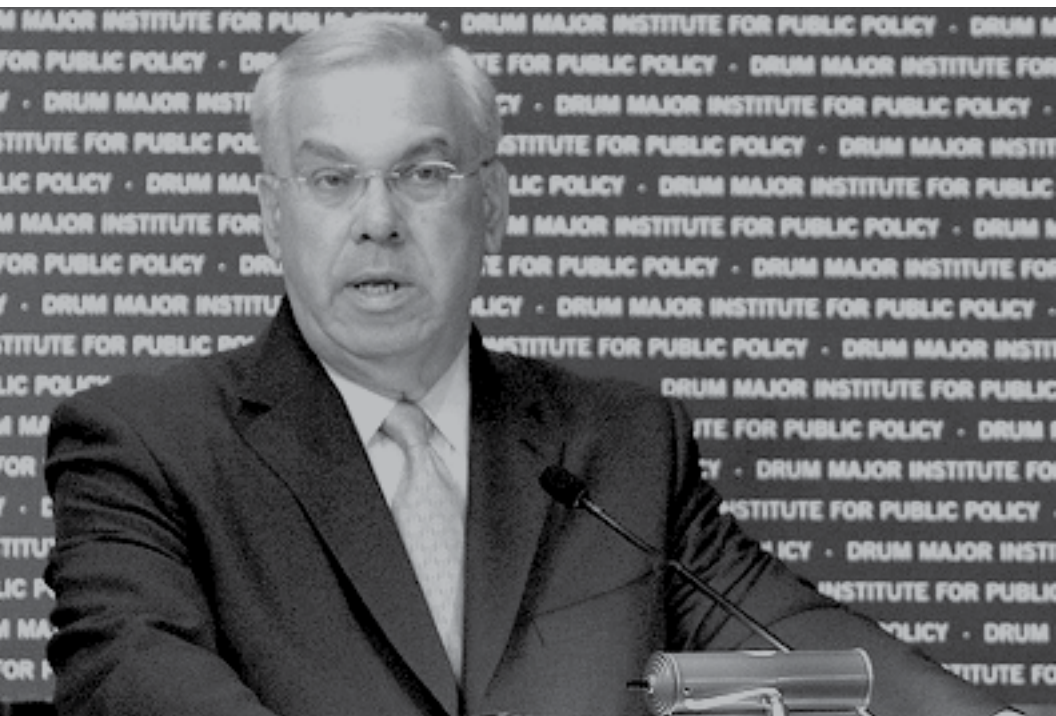


TRANSCRIPT

marketplace  of ideas



Featuring Boston Mayor

THOMAS M. MENINO

On Rehabilitating Vacant Properties
into Affordable Housing

NOVEMBER 19, 2007
THE HARVARD CLUB
NEW YORK CITY

**DRUM
MAJOR**
INSTITUTE FOR PUBLIC
POLICY

**THE DRUM MAJOR INSTITUTE FOR PUBLIC POLICY
MARKETPLACE OF IDEAS SERIES**

**PREVENTING PREDATORY
MORTGAGE LENDING**

SPEAKERS:

HON. THOMAS MENINO

Mayor of Boston

CARLTON COLLIER

Executive Director, Parodneck Foundation

BRAD LANDER

Director, Pratt Center for Community Development

HON. SCOTT STRINGER

Manhattan Borough President

Introduction by **WILLIAM WACHTEL**

Chairman, Drum Major Institute for Public Policy

Moderated by **ANDREA BATISTA SCHLESINGER**

Executive Director, Drum Major Institute for Public Policy

ABOUT DMI'S "MARKETPLACE OF IDEAS" SERIES:

Never content just to argue theory, DMI provides a platform for policymakers who have successfully worked for social and economic fairness in our public institutions. For far too long the conservative right has defined the limits of what is "possible" in society and politics. The "Marketplace of Ideas" shows that we can transcend these artificial boundaries: it is possible to be progressive, practical, and effective. Since its inception we've heard from a wide range of speakers, including Congresswoman Hilda Solis, who authored the nation's first environmental justice law; Minnesota Attorney General Lori Swanson, who initiated tough standards to crack down on predatory mortgage lending; Dallas District Attorney Craig Watkins, who transformed the prosecutors' role to include a focus on exonerating the innocent; and Maine State Rep. Sharon Treat, who passed legislation increasing access to affordable prescription drugs.

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PANELISTS AND SPEAKERS

THOMAS M. MENINO is serving his fourth term as Mayor of the City of Boston. The first Italian-American Mayor of Boston, he was elected to his first term on November 2, 1993. Mayor Menino was re-elected to a second term without opposition in 1997 and won a third term in a landslide victory in November 2001. Most recently, Mayor Menino won a historic fourth election in November 2005 with 68 percent of the vote. Prior to his election in 1993, he previously served four months as Acting Mayor and nine years as a District City Councilor from Boston's Hyde Park neighborhood. A lifelong resident of Hyde Park, Mayor Menino is a graduate of St. Thomas Aquinas High School. In 1963, Mayor Menino earned an Associate's degree in business management and advertising and sales from Chamberlayne Junior College. In 1988, he earned a degree in community planning from the University of Massachusetts. As President of the United States Conference of Mayors from 2002-2003, Mayor Menino championed homeland security and housing availability. He has been an advisor to the National Trust for Historic Preservation since 1989. In the summer of 2004, Mayor Menino brought the Democratic National Convention to Boston. Among his main priorities, are providing every child with a quality education; creating affordable housing; lowering the crime rate; revitalizing Boston's neighborhoods; and promoting a healthy lifestyle for all city residents. Recognizing the importance of affordable housing for all of Boston's residents, Mayor Menino made this a top priority in 1999 and boosted housing starts by 135 percent. The following year, Mayor Menino implemented Leading the Way, a comprehensive housing strategy that directs city departments to sell vacant land for housing development, increases housing funding by selling surplus city buildings, and works to keep affordable housing from going market rate. The highly successful three year plan led to the city's permitting more than 7,900 new units of housing, 2,200 of which are affordable; rehabilitating more than 1,000 vacant public housing units; and preserving more than 3,100 affordable rental units from going to market rate rents. In 2004, Mayor Menino launched a new housing plan, Leading the Way II, which sets out new, ambitious housing targets.

CARLTON COLLIER is Executive Director of the Parodneck Foundation. For over three decades, the Parodneck Foundation for Self-Help Housing and Community Development, Inc. has played a leading role in providing financial, technical and organizing assistance to New York City's self-help housing and community development efforts. The mission of the Foundation, a city-wide, tax- exempt, not-for-profit agency, is to provide low and moderate-income residents with resources and capabilities that will enable them to create, own, and/or manage their own housing and improve their neighborhoods. Mr. Collier has headed the operations of the Parodneck Foundation and one of its four major programs, CATCH (Community Assisted Tenant Controlled Housing, Inc.) since 2006. CATCH operates under the mutual housing association model and is responsible for over 800 housing units, many in previously distressed buildings acquired under various city and federal

programs. Before joining CATCH in 1994 he accumulated over twenty years experience as an organizer with the District 1199 Hospital Union, the Banana Kelly Community Improvement Association, and other groups. Mr. Collier has extensive experience in the construction and non-profit management fields. His success in transforming an extremely troubled South Bronx building was featured in a two-part *Los Angeles Times* series in 1992.

BRAD LANDER directs the Pratt Center for Community Development, which works for a more just, equitable, and sustainable city for all New Yorkers by empowering communities to plan and realize their futures. During Brad's tenure, the Pratt Center has helped to shape a new inclusionary zoning policy in order to create affordable housing in New York City, to protect the tenure of public housing residents in Staten Island, and to create a new dialogue and strategies for how growth can be made to work for New York's low- and moderate-income communities. Brad also teaches affordable housing, real estate development, and community planning at Pratt. Before coming to the Institute in 2003, Brad served for a decade as executive director of the Fifth Avenue Committee, a community-based organization in Brooklyn that develops and manages affordable housing; creates economic opportunities through workforce development, job creation, and adult education; and organizes tenants and workers to fight for a better community. Brad's work at Fifth Avenue Committee was recognized with awards from the Ford Foundation, Fannie Mae Foundation, and *New York* magazine. He holds two master's degrees—one in City and Regional Planning from Pratt and a second in Social Anthropology from the University College London. He also holds a Bachelor's degree from the University of Chicago. Brad lives in Brooklyn with his wife, Meg Barnette, and their children, Marek and Rosa.

SCOTT M. STRINGER was sworn in as Manhattan's 26th Borough President in January of 2006 after serving 12 years in the New York Assembly, where *The New York Times* credited him as having "a sterling reputation as a catalyst for reform." During his first year in office, Borough President Stringer helped breathe new life into Manhattan's Community Boards, ensuring that every neighborhood will have a strong voice in decisions that impact local resident's lives. He revamped the Borough President's Land Use Division and effectively weighed in on crucial development projects that will shape Manhattan's future. His continued advocacy for development that reflects neighborhood values has resulted in victories for local residents from Battery Park to Washington Heights. Borough President Stringer worked to secure a \$900,000 grant from the federal Justice Department in order to crack down on domestic violence in Northern Manhattan and followed through on his pledge to create the Manhattan Borough President's Youth Sports league which serves more than 1,000 children across the borough by providing much needed after school activities. Since taking office Borough President Stringer has emerged as one of the City's leading voices on the need for comprehensive transportation reform and he has continued his career long fight for affordable housing by conducting the first ever borough-wide survey of vacant lots and abandoned buildings to identify sites for the

creation of more affordable housing in Manhattan. In 2006, the Borough President authored a number of ground-breaking policy reports on issues of importance to every New Yorker including parental involvement in our public schools, nursing home emergency preparedness, public safety and transportation. During his twelve years in the State Assembly, Mr. Stringer authored landmark legislation to protect victims of domestic violence, led the fight against repeal of the commuter tax, voted against every attempt to weaken rent regulations and sponsored legislation that ended “empty-seat voting” in Albany. Borough President Stringer was born in Washington Heights where he graduated from local public schools and went on to graduate from John Jay College of Criminal Justice.

ANDREA BATISTA SCHLESINGER has led the effort since 2002 to turn the Drum Major Institute, originally founded by an advisor to Rev. Dr. Martin Luther King, Jr. during the civil rights movement, into a progressive policy institute with national impact. Under Andrea’s leadership as Executive Director, DMI has released several important policy papers to national audiences including: ‘Congress at the Midterm: Their Middle-Class Record’ and ‘Principles for an Immigration Policy to Strengthen and Expand the American Middle Class.’ Andrea studied public policy at the University of Chicago. Andrea has worked in various capacities to promote educational equity and youth empowerment. She directed a national campaign to engage college students in the discussion on the future of Social Security for the Pew Charitable Trusts, and served as Director of Public Relations of Teach For America before working as the education advisor to Bronx Borough President Fernando Ferrer. Andrea has been profiled in the *New York Times*, *New Yorker magazine*, *Latina Magazine* and in ‘Hear us Now,’ an award winning documentary about her tenure as the student member of the New York City Board of Education. She has appeared on the ‘Lou Dobbs Tonight’ show on CNN and has been published in *New York Newsday*, *Crains New York Business*, *The Mississippi Sun Herald*, *New York Daily News*, *Alternet.com*, *Tom Paine.com*, *New York Sun*, *Colorlines Magazine*, *The Chief-Leader* and *City Limits magazine*. She is a contributor to The Huffington Post, on the Editorial Board of *The Nation* and was named a ‘40 under 40 Rising Star’ by *Crain’s New York Business*, a “Next Generation of Political Leaders in New York’ by *City Hall Newspaper*, and received a LatinaPAC Dolores Huerta Award for ‘making great strides in promoting progress in our community.’

WILLIAM B. WACHTEL Mr. Wachtel is the Chairman and founder of the Drum Major Institute for Public Policy and son of the founder of the Drum Major Foundation, Harry Wachtel. He is also the founding partner of Wachtel & Masyr, a law firm comprised of approximately 30 attorneys specializing in domestic and international business transactions and litigations. He is a graduate of the University of Vermont (B.A. 1975, magna cum laude) and Columbia University (J.D., 1979); Phi Beta Kappa; Harlan Fiske Scholar. Mr. Wachtel was the legislative assistant to United States Senator P.J. Leahy from 1974-75. He is a member of the Association of the Bar of the City of New York and the American Bar Association. Mr. Wachtel is also founder of the Why Tuesday? Campaign. Why Tuesday? is a bipartisan effort to

increase voter participation in our electoral process by moving our federal Election Day from the first Tuesday in November to the first Saturday and Sunday of the month.

TRANSCRIPT

The transcript from this event has been edited for length and readability.

Internet links are provided in footnotes throughout this transcript as resources for readers seeking to better understand the policy discussion. While we hope they are helpful, the Drum Major Institute for Public Policy is not responsible for the content or continued functioning of these links.

WILLIAM WACHTEL: Good morning. My name is Bill Wachtel. I am the Chairman of the Drum Major Institute, and it is my honor and pleasure to welcome you this morning and introduce to you both the Mayor and in turn the panel.

We are here to talk to Mayor Menino about what he has been able to do on a subject which is not a political issue, it is a moral issue, and the moral issue is affordable housing. Now, affordable housing is something that everybody talks about in campaigns and politics, but it is not something that most people are able to do something about, in some measure because they stick to the old lines of decision making.

Mayor Menino has thought somewhat outside of the box by looking for something very simple: vacant property, abandoned buildings. Well you say, “Gee, an abandoned building. Who wouldn’t, as a leader, be able to figure out that an abandoned building belongs in circulation, particularly if it is able to be used to afford middle-class housing?”

Well, not only have few gone there before, but Mayor Menino’s vision in Boston has now become a vision that other people throughout the country are following. In fact, in Pittsburgh recently, there was a conference. Over 600 people gathered. They called it “Reclaiming the Vacant Properties Conference.”¹ With a name like that, you have to know they are serious about the purpose. This morning, in the ongoing series of the Marketplace of Ideas, we are not only going to hear from Mayor Menino, but we will have the opportunity to hear from a panel and talk about not only what has gone on in Boston, but in some measure: if you can do it there, why can’t you do it anywhere?

Now, in that spirit I will tell you that coming this morning, we called Mayor Menino’s Chief of Staff and told him that there was one thing we need to get a promise on. We don’t want to hear about the Patriots. We don’t want to hear about the Celtics. And if he dares talk about the World Series, we may have to enroll him in Harvard. To which he said, “No, no, no, that will absolutely destroy my ability to get anything done. I just...that’s not the way I am.”

The panel today is actually what I will call a hot panel. We have Scott Stringer who is our Manhattan Borough President, who actually has done things here in

the Borough as it relates to affordable housing and, in particular, understands the need to look at abandoned properties. We have Brad Lander, who is the Director of the Pratt Center for Community Development who has done a lot of work on affordable housing in New York. And we have Carlton Collier, who is the Executive Director of the Parodneck Foundation for Self-Help Housing and Community Development. So Mr. Mayor, we welcome you, we thank you, and we are all ears. Thank you all for coming.

MAYOR THOMAS MENINO: I am here and delighted to be with so many people who understand the link between affordable housing, strong neighborhoods, and strong cities. Do you realize in the last presidential campaign housing was mentioned three times? Why don’t elected officials get involved in housing? Because we all want the next day’s headlines. It takes a little longer to build housing than we elected officials would like to think. It takes us years to develop some of the ideas we have because of zoning, neighborhood issues, finance issues, all those things. But it is so important that the leadership comes from Mayors, but also from the community groups.

We’re very fortunate in the City of Boston to have a great network of community development corporations, and we have so many of those in our city that really do about 60 percent of the affordable housing in the City of Boston. They have been really effective in the way that they have helped rebuild neighborhoods of Boston. To me, whatever happens downtown is great. They want to build skyscrapers and everything else, let them build them. But the most important thing is what goes on in your neighborhoods. Because that is where people live, send their kids for school and go for recreational activities. So I am really pro-business, but I am really pro-neighborhoods. I meld those two together. Housing, and especially abandoned building surveys, are not the most eye-catching issues to talk about. It is not a very stylish issue and does not make a lot of noise out there. But it is of paramount importance to strengthen America’s cities and the key ingredients are economic growth. Americans need strong cities if we are going to maintain our leadership in the global economy.

I want to thank Andrea and the Drum Major Institute for hosting this important event and inviting me here today. Bringing different people together like this helps us find new ways to enhance the vitality of cities. And forums like this one play a key role in generating bold ideas and new solutions to the challenges we face. I am glad to join Borough President Stringer today. He knows the issues that are out there every day. And I thank him for his leadership on this issue and his service to this city.

I want to talk about the importance of abandoned building surveys as a crucial part of Boston’s successful housing strategy. How we did it and why it worked for us. I believe I have the greatest job in the world for one simple reason. Being Mayor of Boston allows me to help people. That sums up the philosophy of government. We are here to help, period. I also believe the best way to make a difference is by creating partnerships because engaging our community partners, the private sector, and

¹ “Reclaiming Vacant Properties: Strategies for Rebuilding America’s Neighborhoods” was the first national conference focused on realizing the potential of vacant properties as community assets. See <http://www.vacantproperties.org/reclaimingconference.html>

other stakeholders gives us more resources and brain power to achieve great things. So our abandoned building survey and our entire housing strategy is an outgrowth of that philosophy.

Over ten years ago, we noticed a disturbing trend in some of Boston's neighborhoods. Abandoned buildings were attracting crime and drug activities, encouraging disinvestment, and lowering the quality of life for residents. Vacant buildings were eroding people's confidence in the neighborhoods and cities.

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with some of these foreclosure issues. And we have a homeowners program.³ An interesting aspect of that is, of the people who've gone through our homeowners program, 0.7 percent had foreclosures. For people who have not gone through a foreclosure program, it's 2.7 percent of all the mortgages. So you understand, it is education. Talk about abandoned property: we are going to have a big crisis, and it has not really reached its potential yet. And it is getting worse because of the underwriting rules.

It is a serious problem because Boston neighborhoods are the foundation of our city. If there is a challenge for our neighborhoods, it is a challenge for the entire city. I not only saw this as a challenge, but also as an opportunity to transform these vacant properties into benefits for the community. We looked past the problem and saw the possibilities, with our approach getting more sophisticated as time went on.

First, we conducted a survey of our abandoned buildings to get some good, hard data. Then, we looked at the data and found that most of these buildings were in fact privately owned. We contacted the owners, encouraged them to fix up their buildings. Some did, either using their own money or a combination of private capital and city funds. And also we have a linkage program in the City of Boston: to build a building over 100,000 square feet, you pay a certain amount of linkage for

And now we see another creature out there: foreclosures. Foreclosure is a major issue that is facing all of us. In Boston, we started a foreclosure program about ten months ago. I got the five largest banks in the city, and we created the First Choice Lenders program where we got six non-profits to give counseling and help to folks who are facing foreclosure.² Also, they put \$100 million on the table to help us

housing and job stress, and we are able to use some of that housing money to help rehabilitate some of our property.⁴

If the owners did not want to cooperate or fix up their property, we labeled it a "house of shame," putting pictures of their vacant property on TV and the local newspapers, side-by-side with the pictures of where they actually lived. We had a lot of fun. After a while they all got the issue. They started calling me. One day, I did an event at 7:00 o'clock in the morning on TV at somebody's vacant lot. The guy called my hotline and said, "I want to talk to the Mayor right away, I want to talk to the Mayor. I'll have people out there in a half hour. I don't want any more publicity on my property." He had somebody there within a half hour cleaning up the property and fixing up the houses. It was an excellent motivator to individuals.

But this approach was too limited. So we partnered with the State, our local CDCs.⁵ The Local Initiatives Support Corporation⁶ got to work with a program called One-to-Four Family Program.⁷ They focus exclusively on transforming the worst houses on the block into affordable home ownership. This program is expensive and labor-intensive. But for the people who live next door to or across the street from these eyesores, it was well worth it. We also made strides through Project Pride,⁸

a partnership between the Department of Neighborhood Development,⁹ the Inspectional Services Department,¹⁰ and the Sheriff's Department. They allowed the city to secure privately owned buildings and board them up to stop criminal and drug activities. That is so important because residents need to feel safe if their neighborhoods are going to thrive. Also, we worked out a deal with the U.S. Marshal's office on some of the

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2 In October of 2006, Mayor Menino recognized six Boston banks as "First Choice Lenders" for assisting with the city's foreclosure prevention efforts. See <http://www.cityofboston.gov/news/Default.aspx?id=3333>

3 The Boston Home Center provides homebuyer education classes, credit counseling, and foreclosure prevention programs. See <http://www.cityofboston.gov/dnd/hbs/>.

4 Job-housing linkage fees are regulatory fees assessed on developers to raise funds for affordable housing and job training. The fees result from the relationship between the creation of low-wage jobs by commercial, industrial, and luxury residential development and the increased demand for affordable housing.

5 Community Development Corporations (CDCs) are nonprofits that seek to revitalize low- and moderate-income communities through community leadership and housing and/or job creation.

6 The Local Initiatives Support Corporation (LISC) provides funding, financing, and technical assistance to CDCs, non-profit developers, and policy and advocacy organizations in Boston. LISC seeks to transform distressed communities into healthy ones. See <http://www.lisc.org/boston/index.shtml>

7 The One-to-Four Family Program targets vandalized, boarded-up, or burnt-out houses of one to four units for renovations by CDCs. See <http://www.bostoncommunitycapital.org/faqs.html>

8 Project Pride seeks to combat illegal activity on City-owned and privately owned abandoned properties by boarding and securing drug-related buildings and cleaning and fencing vacant lots, primarily in drug-control areas. See http://www.cityofboston.gov/dnd/N_Building_Management.asp

9 See <http://www.cityofboston.gov/dnd/default.asp>

10 See <http://www.cityofboston.gov/isd/>

property that was taxed by the drugs or other illegal activities. The city was able to purchase that property, then we put out an RFP¹¹ and we had some private investors buy the property and that also eliminated some of the abandoned property we have in the city.

We were helped in our efforts by the changing real estate market. As the market grew stronger, owners who had sat on their property returned it to productive uses. They were encouraged by our staff people who contacted them after every survey. As technology has given us more tools, we now post information about the properties on the city's website so that potential developers can contact the owners directly.¹² Sometimes these properties are held by an estate. People just need a little bit of push.

Collectively, these changes produced impressive results. Since 1997, the total number of abandoned buildings has decreased 66 percent. Residential abandoned buildings have fallen 77 percent, and commercial and mixed-use properties have declined by 32 percent. Our most valuable neighborhoods returned drug dens into dream homes. We have replaced blight and decay with hope and pride. The survey and the resulting efforts have helped fortify our overall housing strategy.

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You may have heard of Boston's housing strategy called Leading the Way.¹³ In the last seven years, we have produced, committed, or preserved 18,000 units of housing, and nearly a quarter of them are affordable to households with low or moderate incomes and several hundred of these are set aside for the homeless. Our work on abandoned housing is the key part of Leading the Way. The public housing piece was important also because we had about 1200 units of public housing that were completely abandoned, boarded up for years, and we sold some city property and I pledged that city property income to public housing.

So we're going to rebuild those units and put them back on line so that people of limited income can have a decent place to live. Taking the folks out of shelters and giving them a place to live is very important to us in the city. And public housing is another issue that we could discuss for hours and hours and hours. If you want to talk about something that's forgotten in America today: it's public housing. Nobody down at 1600 Pennsylvania Avenue cares about public housing. Public housing is a foreign language to them.

The impacts can't be measured in numbers alone. Walking around these neighborhoods you can feel the vitality. You can see the diversity. You can sense the renewed pride in the community. The survey is not glamorous work. The staff people work walking and driving through neighborhoods often on some hot summer day, sometimes dealing with stray dogs and sometimes people engaged in illegal activities. It can be boring and tedious, but it is important to our neighborhoods. It is necessary in order for us to make a difference in our city. That is why we continue to do it every year. Boston's neighborhoods animate our city. That is where urban life unfolds, where people live, go to school, and play. They are barometers for our city, a barometer that is really easy to read: when our neighborhoods are strong, our city is strong.

Another initiative that came out of this was the abutters program.¹⁴ You know, in every city you have property that is owned by the city. And it is under 4,000 square feet. We would sell that at a very affordable price to the property next door to it because we have to clean it, so why don't we sell it to the abutter? This would guarantee that it is not going to be built on. We would sell it for \$500 or \$1,000 and they used it for gardens or parking spaces, things like that. That is part of the abandoned housing strategy also, to get some of those vacant lots that we have in the neighborhoods and turn those over to the abutter so they can use that for their own living space, for gardens or playgrounds for the kids or a drive way, take some of the cars off the street. Because the price was so reasonable, we would not allow them to build on it.

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The abandoned housing survey is very important. We put abandoned buildings on the website. Then we have people who want to buy a piece of property look at that website. Also, people who might own a piece of property that they don't know is on the website: they see it and they will instantly call our homes center and work with a housing specialist to rehabilitate that property. I am not in the embarrassment business. But when you

have some of these property owners in our cities who just continue to suck the money out of their property, then once it is in decay and no one wants to live there, they leave it there, and they go and live in their suburban communities in luxury... That is unacceptable.

So as Mayor I really put a lot of emphasis on this. It is not a magical wand, it is just hard grunt work, folks. As Mayor, I've made housing and education my two top

¹¹ An RFP is a Request for Proposal, an invitation for suppliers to submit bids for a commodity or service. See <http://en.wikipedia.org/wiki/RFP>

¹² See <http://dndmaps.cityofboston.gov/mapserv/abandmapsurfer/>

¹³ In the spring of 2000, Mayor Menino formulated a housing strategy called Leading the Way that sought to increase and protect Boston's housing supply between 2001 and 2003. Leading the Way II was the follow-up housing strategy formulated for 2004 to 2007. See http://www.cityofboston.gov/dnd/U5_Leading_the_Way.asp

¹⁴ The abutters program allows for the purchase of city-owned lots, generally under 5,000 square feet, by a residential owner whose property abuts city land. Land use is restricted to open space.

priorities because if they both work, your city works. If kids get a good education, they don't become part of the public safety issue. You have housing, a decent place to live, you don't have the issue of homelessness. We have to continue to stay focused on this issue. It's difficult at times because we elected officials are all egomaniacs. We want to read our name in the newspaper doing something good.

I have left some information on the desk back there including the name of our researcher for the Department of Neighborhood Development, Ron Farrar. I appreciate the opportunity to be here this morning. I will take some questions from the esteemed panel you have put together this morning. We will think outside the box. And on the housing issue, you have to think outside the box because if you don't, you are not going to be able to produce housing, you are not going to deal with the abandoned property you have in the neighborhoods. Thank you very much.

[APPLAUSE]

ANDREA BATISTA SCHLESINGER: Good morning everyone! We rise early here. What a treat to have the Mayor of Boston here, thank you so much. My name is Andrea Batista Schlesinger and I work for the Drum Major Institute for Public Policy. We have a fantastic panel here, and I am going to introduce them in turn and ask them questions and then we will go back and forth and have a good discussion.

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—Boston Mayor Thomas Menino

Mr. Stringer offered landmark legislation to protect victims of domestic violence, led the fight against the repeal of the commuter tax, and, important to this conversation, voted against every attempt to weaken rent regulations. Borough President, you recently, in partnership with Picture the Homeless,¹⁵ undertook a vacant property survey¹⁶ in the Borough of Manhattan voluntarily in the absence of one by the city. Can you talk a little bit about what that process was and what you found?

BOROUGH PRESIDENT SCOTT STRINGER: Yes and let me start out by thanking the Mayor. He has given us all some new ideas. The shame idea is something I do want to talk about later today because there is a lot of shame to go around.

But, briefly, one of the things that dawned on us when I got elected Borough President was there was this incredibly wealthy borough and yet when you went around to the different communities there was anecdotal evidence of abandonment and vacant property. So we partnered with a wonderful organization, Picture the Homeless. 300 people went out into the streets to eyeball vacant lot and building count and we came up with data that was truly extraordinary. We found that there were 2,200 vacant properties in Manhattan, 71 percent of them north of 96th Street. 50 percent of the vacant property was privately owned. What a difference for those of you in the 1970s during the fiscal crisis, when we found that most of the vacant property back then was publicly owned property, city-owned property. In the 1980s under the Koch administration,¹⁷ there was a lot of vacant land and a lot of tax delinquency. We

now found, with this building count, that we have to have a strategy for privately owned development.

300 people went out into the streets to eyeball vacant lot and building count and we came up with data that was truly extraordinary. We found that there were 2,200 vacant properties in Manhattan, 71 percent of them north of 96th Street. 50 percent of the vacant property was privately owned...We now found, with this building count, that we have to have a strategy for privately owned development.

—Manhattan Borough President Scott Stringer

We also found that above 96th Street, we tax vacant property differently than we do south of 96th Street. So we do not incentivize developers who are sitting on their property to do anything about it. In fact, if we were to tax property above 110th Street and around the city at the

same rate as we do south of 96th Street, certainly in Manhattan, we would realize \$104 million in additional tax money that could be used for a whole lot of good things and probably would incentivize some of these folks to get up and start looking at their property.

ANDREA BATISTA SCHLESINGER: And we'll talk a little bit about tax incentives later in the conversation. I next want to introduce Brad Lander, who directs the Pratt Center for Community Development, which works for a more just, equitable, and sustainable city for all New Yorkers by empowering communities to plan and realize their futures. And Brad also teaches affordable housing real estate development and community planning and, for several years, was the Executive Director of the Fifth Avenue Committee.¹⁸ So, Brad, we heard a compelling presentation from the Mayor of Boston about what he has done and we have heard a little bit about the context from the Borough President. From what you can glean from this conversation, what is relevant from Boston's experience to what we are experiencing here in the five boroughs of New York City?

BRAD LANDER: Great, thank you. A couple of people, when they saw that I was doing this panel said, "But wait, didn't New York do this?" And so I just want to clarify what New York did, which is extraordinary, but also the innovation that is here because I do think there is something important that we can learn. So New

¹⁵ Picture the Homeless seeks to change laws and policies that criminalize homeless people and to challenge the root causes of homelessness through grassroots organizing, direct action, and educating homeless people about their rights.

¹⁶ The report is available at http://www.mbpo.org/uploads/NO_percent20VACANCY.pdf.

¹⁷ Edward Koch was the Mayor of New York City from 1978 to 1989.

¹⁸ See <http://www.fifthave.org>

York did execute the most remarkable renovation and redevelopment of vacant and abandoned properties in the history of the country, taking those 100,000 vacant or mostly vacant units by tax foreclosure in the 1970s and putting them back onto the market place by spending a significant amount—\$5 to \$10 billion—of its own money, in combination with federal and state resources.

The big difference was, those properties were taken by tax foreclosure. Now, they had been privately owned property and they were abandoned in the 1970s when folks were fleeing the city. Folks both stopped taking care of their buildings *and* stopped paying their taxes and so the way the city kept track of those properties and knew that they were there was that. They didn't have to do a field survey. They noticed people weren't paying their taxes, put state and local legislation in place, took those properties through tax foreclosure, invested the dollars necessary, and renovated them, and that was really, as Scott says, an extraordinary success. In the last few years, the city has kept doing a bit of that because the last couple of those units are still in the process of going out into the marketplace. But in the mid-

1990s, it stopped taking buildings through tax foreclosure and shifted to two other things: trying to get some affordability out of new development as Boston does through inclusionary zoning¹⁹ and through tax incentives and preserving the existing affordable housing that we have: another very, very important issue.

But that does leave one gap in our program, which is privately owned, vacant, but tax-current properties, and we don't really have a system for dealing with them. If those landlords want to fix up their buildings, there are programs available to them if they approach the city, but if they don't want to, they are leaving them vacant: they are like some of the folks the Mayor talked about. There is no place in the system as long as they keep paying their taxes and keep their building from incurring sort of sanitation and building violations and even then it is hard to enforce because there are not enough building inspectors. Nothing happens to them. What we need to add to New York's great menu of affordable housing programs is some way of thinking about how to address these privately owned, but tax-current vacant buildings in the way that both the Mayor and the Borough President have talked about this morning.

ANDREA BATISTA SCHLESINGER: And before I introduce Carlton, I just want to tease this out. Because in the Marketplace we highlight models of policy that work, so it is a learning experience for us every time we tackle a new question. And it just boggled my mind that in New York City there are people who own property who

choose not to develop in a market as hot as Boston is hot. What is it that prevents people from putting this land to productive use when they own it, and it certainly would be valuable?

BOROUGH PRESIDENT SCOTT STRINGER: Well, unlike the Mayor of Boston, we tend to not want to talk about abandoned property and lots and abandoned buildings because we are always on the go. We are always talking about the hot real estate economy. It is time for us to stop looking at abandoned buildings as a liability, but look at it as a true New York City asset. If we did what they did in Boston and conducted a city-wide block-and-lot survey, think about what we would learn about private development. Think about surveying Queens and Staten Island, the Bronx, Brooklyn, all five boroughs, and figuring out a long-term strategy to incentivize these owners to do something with the property. Right now, we don't know who they are, there is no coherent strategy for it and we are losing hundreds of millions of dollars in taxes.

In fact, December 3rd or 4th, the annual homeless count²⁰ is going to occur in the city, which I think is fabulous, and people should participate. But what's the point of counting homeless people when you won't count vacant property so that someday we can lift people out of homelessness and into real housing, if we don't know what our stock is? It is mind boggling to me that we have not created this system and that the Picture the Homeless and hundreds of volunteers in Manhattan had to go out taking the survey tool. We didn't call City Hall. We didn't call HPD²¹ for our survey tool. You know who we called? Boston. Who wants to call Boston about things?

BRAD LANDER: Let me just answer your question a little bit: why is there vacant property in New York City at this time? One of the challenges is that I don't think there is a simple reason. In some parts of the city, especially on smaller properties, the market still is not such that it actually enables you to support an expensive renovation of the building at the rents or the sale prices you are going to get. Now I live in Park Slope²² which is a very hot place today, but it is only five or six years ago that we stopped having vacant buildings and vacant lots. And there are still an awful lot of places in the city where the market price just is not enough to command what is an expensive proposition of renovating or building if the lot is vacant.

New York did execute the most remarkable renovation and redevelopment of vacant and abandoned properties in the history of the country, taking those 100,000 vacant or mostly vacant units by tax foreclosure in the 1970s and putting them back onto the market place by spending a significant amount—\$5 to \$10 billion—of its own money, in combination with federal and state resources... But that does leave one gap in our program, which is privately owned, vacant, but tax-current properties, and we don't really have a system for dealing with them.

—Brad Lander
Pratt Center for Community Development

If we were to tax property above 110th Street and around the city at the same rate as we do south of 96th Street, certainly in Manhattan, we would realize \$104 million in additional tax money that could be used for a whole lot of good things and probably would incentivize some of these folks to get up and start looking at their property.

—Manhattan Borough President Scott Stringer

19 Inclusionary zoning requires developers to make a portion of new housing affordable to individuals with modest incomes along with those built for the market rate. See <http://www.gothamgazette.com/article/landuse/20060905/12/1962>

20 The annual Homeless Outreach Population Estimate (HOPE) was held on January 28, 2008. The 2007 HOPE count is available at http://www.nyc.gov/html/dhs/downloads/pdf/success_strategies.pdf.

21 HPD is the NYC Department of Housing Preservation and Development. See <http://www.nyc.gov/html/hpd/html/home/home.shtml>

22 Park Slope is a neighborhood in South Brooklyn. See http://en.wikipedia.org/wiki/Park_Slope,_Brooklyn

In other places, folks are warehousing property. I think a lot of the places in Manhattan that the Borough President's group found, folks are essentially using vacancy to pull their buildings out of rent regulation,²³ a more aggressive and venal form of abandonment, waiting for them essentially to disappear from the rent regulation system and then fixing them up when they think the market is much stronger. That is one thing that we have to solve. And then a lot of times, it's just individually complicated situations. The building's in an ownership dispute or an inheritance dispute, or a new owner has it who doesn't quite know what to do with it.

ANDREA BATISTA SCHLESINGER: Let me introduce Carlton Collier, who is Executive Director of the Parodneck Foundation. For over three decades the Parodneck Foundation for Self-Help Housing and Community Development has played a leading roll in providing financial, technical, and organizing assistance to New York City's self-help housing and community development efforts. And before joining CATCH, which Mr. Collier also runs, the Community Assisted Tenant Controlled Housing Inc.²⁴ (I am grateful for that acronym), he accumulated over 20 years of experience as an organizer with 1199,²⁵ the Banana Kelly Community

Improvement Association,²⁶ and other groups. Let's take a step back to the survey. These are tools that accept that there are vacant properties and recently when Mayor Bloomberg unveiled his housing plan, he said "We have reached the end of the crisis of abandonment." From your perspective, do you think that's true in New York City? Are we doing enough to stave off abandonment in the first place before we can then begin to count and rehabilitate?

It is time for us to stop looking at abandoned buildings as a liability, but look at it as a true New York City asset. If we did what they did in Boston and conducted a city-wide block-and-lot survey, think about what we would learn about private development... figuring out a long-term strategy to incentivize these owners to do something with the property. Right now, we don't know who they are, there is no coherent strategy for it, and we are losing hundreds of millions of dollars in taxes.

—Manhattan Borough President Scott Stringer

CARLTON COLLIER: No, I don't think we are doing enough. One of the other things that I have a problem sitting up here is trying to figure out what do we mean when we talk about affordable housing? Because I am not really sure what that means right now. I always have to ask myself: affordable to whom?

Prices are skyrocketing. I was up in central Harlem. The good thing about CATCH and the Parodneck Foundation is we're city wide and we have condos that are being built on 145th Street off of 8th Avenue and they say that these condos are going as low as \$300,000 for a studio and they call that affordable. So when I sit here and

listen to affordability it just bothers me because I really don't know exactly what it is we're talking about.

However, we are not doing enough with vacant lands. And I think one of the biggest problems and why we are warehousing properties has a lot to do with the money. As Brad was talking about, in the late 1970s and 1980s our city began to build itself back up and as we did that the prices of housing began to soar. Brownstones are going for over a million dollars, where twenty years ago they were only going for \$50,000 to \$100,000 tops. I cannot afford the house that I live in now so, luckily, I bought it twenty years ago.

Folks are essentially using vacancy to pull their buildings out of rent regulation, a more aggressive and venal form of abandonment, waiting for them essentially to disappear from the rent regulation system and then fixing them up when they think the market is much stronger.

—Brad Lander
Pratt Center for Community Development

The funny thing about it is that when I first bought my house I was living in Bedford-Stuyvesant,²⁷ in Brooklyn. I now live in Clinton Hill,²⁸ and I didn't move. [Laughter]

The fact of the matter is that we are not encouraging people to build on vacant land. We are encouraging people to hold on to it because the price of that property is going to double and triple and God knows what. So people are now buying properties. I have a lot of friends that, they figure: well, let's buy this property, hold on to it, flip it, and then we can make enough money to move down to Florida. And that seems to be the trend of what is going on here in the city, especially in places like—I looked at

your [the Borough President's] survey—Washington Heights, Central Harlem, where we have the largest number of vacant properties or lots.

What do we mean when we talk about affordable housing? Because I am not really sure what that means right now. I always have to ask myself: affordable to whom? Prices are skyrocketing.

—Carlton Collier
Parodneck Foundation

So why are people not building on these properties? Well, they are not building on it because they are waiting for their windfall. They are waiting for monies to come in and then they can sell it, make enough money, and move to Las Vegas, which I find is the biggest growing city in America now. So that is really what is going on.

My office is in Lower Manhattan, and we see all of these skyscrapers being built there, hotels and big buildings. They just knocked down the Moondance restaurant down there on Sixth Avenue and they're building a skyscraper. I also wonder, what about the infrastructure? In Downtown Brooklyn, they are talking about bringing in the Nets²⁹—I would love to have the Nets since somebody stole the Dodgers. But the

23 For more on New York City's rent regulations, see <http://www.housingnyc.com/html/resources/faq/rentstab.html#exactly>

24 CATCH is a not-for-profit organization that seeks to transform distressed buildings in New York City into decent, affordable, resident-controlled housing. See <http://www.catchnyc.org/>

25 1199 Service Employees International Union is a union of healthcare workers in New York, Maryland, and the District of Columbia. See <http://www.1199seiu.org/>

26 Banana Kelly is a community organization in the South Bronx. See <http://www.synergos.org/usa/banana1.html>

27 See http://en.wikipedia.org/wiki/Bedford-Stuyvesant,_Brooklyn

28 Clinton Hill is a Brooklyn neighborhood that borders Bedford-Stuyvesant. See http://en.wikipedia.org/wiki/Clinton_Hill,_Brooklyn

29 New Jersey Nets basketball team.

fact of the matter is that when you build this large stadium, and you build all of this office space, what about the infrastructure? I have not heard anybody talk about the sewer system. What about congestion?

So New York is a lot different than Boston. In the last ten years, more people have moved into New York than the entire population of Boston, so we have some difficult problems here in this city and we need to look at a different approach. In terms of taxing people for having vacant property, we need to look at it and approach it as to what incentives we can give folks so that they can build housing. And we need to look at things like tax credits because we need to build affordable housing.

We are not encouraging people to build on vacant land. We are encouraging people to hold on to it because the price of that property is going to double and triple and God knows what.

—Carlton Collier
Parodneck Foundation

I need to say that we need to build affordable housing for *lower-income people* because that's not what we're doing. We're not building housing for people whose income is 60 percent below median. We are building housing for people who are at median income or above.

ANDREA BATISTA SCHLESINGER: Borough President, you look like you have a response.

BOROUGH PRESIDENT SCOTT STRINGER: Actually, I think that he's made some very interesting points. One of the things that I find amazing about what's happening above 125th, above 96th Street, is you go down Adam Clayton Powell Boulevard and on these big luxury buildings now—and it is really a site to see—there are these Madison Avenue-type advertisements—and this is in South Harlem—that say “Welcome to SoHa.” And then Central Harlem is now “C-Ha”. And when I was running for Borough President, I went back to my old neighborhood in Washington Heights and they didn't call it Washington Heights anymore, it was called Hudson Heights and that meant that they were now million-dollar apartments. And part of what we have seen among community members is this feeling that all this is happening in the neighborhood I have lived in thirty years and I am not a part of this.

Part of what we have to do as a city, and I think it does relate to abandonment and count, is, one, we have got to put the word planning back into community boards.³⁰ We changed the mission of community boards in the 1950s: we got rid of the name in the 1970s because they became service delivery vehicles. Now we have to go back and say: how are we going to plan our neighborhoods? We have got to have local planning vehicles so that when the developer comes in with the \$700-an-hour lawyer, the community is able to negotiate this relatively new paradigm for development, which is zoning and rezoning, and it is land-use based.³¹ We have got

to become as smart as everybody else in terms of what gets built. People reference the 1970s and the 1980s under the Koch administration: the \$5 billion investment, the vacant land, the tax delinquency. It is a new day now and the way we negotiate as a community is through this land-use process, and we have got to beef the grassroots up to understand this paradigm if we are going to be able to get what we want.

I also wonder, what about the infrastructure? In Downtown Brooklyn, they are talking about bringing in the Nets... The fact of the matter is that when you build this large stadium, and you build all of this office space, what about the infrastructure? I have not heard anybody talk about the sewer system. What about congestion?

—Carlton Collier
Parodneck Foundation

ANDREA BATISTA SCHLESINGER: Mayor Menino?

MAYOR THOMAS MENINO: I was sitting here listening to this conversation. Sometimes it is important that we get the community involved in the planning process. The issue I have heard is: what about affordability? In our city we created these community groups. The developer must meet with them when they have a major project to get community approval. It isn't just my boss the Redevelopment Authority,³² which is the planning agency of the city. They must work through the IAGs,³³ as we call them. The community gives me names, I pick from those names who go out there and go to these hundreds of meetings that go on in the neighborhoods every night because I want the community to get benefits: the mitigation,³⁴ the housing units. And in the major developments in our city, even if there are \$1 million

We have got to have local planning vehicles so that when the developer comes in with the \$700-an-hour lawyer, the community is able to negotiate this relatively new paradigm for development, which is zoning and rezoning, and it is land-use based... It is a new day now and the way we negotiate as a community is through this land-use process, and we have got to beef the grassroots up to understand this paradigm if we're going to be able to get what we want.

—Scott Stringer
Manhattan Borough President

units, 10 percent of those units have to be affordable. Affordable to me is 60 percent of the median income. The other issue is if you don't build the affordable units on-site—you do it off-site—it is 20 percent.³⁵ You have to pay for a \$96,000 subsidy per unit, which is a pretty good number.

Why developers are stockpiling, I can't understand that. We don't have rent regulations in Boston. Five years ago, the State of Massachusetts voted down rent regulations. The only one who voted for it

was Boston. So we don't have them. So people don't think someday rent regulations are coming off. It is the incentives you give these folks and the programs you have in place that make it work. We have a very community-centered development process in

30 For more about New York City's community boards, see <http://www.nyc.gov/html/cau/html/cb/main.shtml>

31 For more about New York City's land use regulations, see <http://www.nyc.gov/html/dcp/html/luproc/ulpro.shtml>

32 The Boston Redevelopment Authority. See http://www.cityofboston.gov/bra/HomePageUtils/about_us.asp

33 For more on Boston's Impact Advisory Groups (IAGs), see http://www.cityofboston.gov/bra/econdev/Impact_percent20Advisory_percent20Groups.htm

34 With respect to urban planning, mitigation refers to efforts to minimize the negative environmental and social impacts of development. See http://www.cityofboston.gov/bra/econdev/Impact_percent20Advisory_percent20Groups.htm

35 For more on Boston's Inclusionary Development Policy, see http://www.cityofboston.gov/dnd/pdfs/LTW_II_Pre-Completion_Report.pdf

our city. Because if you are going to have a developer that comes into a neighborhood, the neighborhood has to accept it. It can't be some rich developer who wants to build all this stuff and forget all about the people who lived there for forty years. It is people working together, and how do you do this affordably? It's affordable through HOME funds,³⁶ through CDBG funds,³⁷ through linkage money.³⁸ Also the State. Some projects we have in the city have eight or nine different funding mechanisms. The Federal Home Bank³⁹ is very helpful to us in the City of Boston to build these affordable units and we are very successful working in our community development corporations.⁴⁰

ANDREA BATISTA SCHLESINGER: Just one quick question. You brought down vacancy among residential properties by 77 percent, a very impressive percentage. Do you have a sense of how those units were then put to use in terms of the percentage that were affordable?

MAYOR THOMAS MENINO: No, honestly I don't. I could make up numbers.

ANDREA BATISTA SCHLESINGER: We're trying to discourage that kind of behavior in the Marketplace of Ideas.

BRAD LANDER: I would like to pick up on two things that actually a few people have talked about. First, I think we should do another panel, or you could get folks from Portland⁴¹ or elsewhere, in to talk about how we plan for growth in ways that preserve livable neighborhoods. It is true that Scott has done some great work really putting energy back into the community planning boards, but the system in New York City is broken for proactive planning: how to think about growth, how to enable neighborhoods to shape it, but also shape it as it happens. We have got a system now where, unfortunately, developers come in and there is, in many cases, token participation from communities. As a result they are very oppositional because they don't wind up with much opportunity to really get out there and shape what might make growth work *for* their neighborhoods. And so people wind up opposed. We get a polarized situation. We need to reform that system so it's proactive. We plan

for growth in ways that put communities in the front and generally balance where we are going to put a million people with how the infrastructure—the traffic, the schools—are going to rise to meet it.

There are really intriguing links between vacant and abandoned property and rent regulations for two different reasons. In both cases, in Boston and in Manhattan, they had to go out and physically count—send people out to count—the vacant buildings. And you certainly will have to do some of that. But in New York City, as a result of rent regulations, we have a remarkable system: the multiple dwelling registration system that the State keeps on rent-regulated property.⁴²

Now, unfortunately, during the twelve years of the Pataki Administration⁴³ that system was so badly undermined by administrative contempt and neglect that it has been rendered almost, I don't want to say useless, but not nearly what it needs to be. Now some folks in the room like State Senator Liz Krueger⁴⁴ have been working with the Division of Housing and Community Renewal⁴⁵ to put it back

We have a very community-centered development process in our city. Because if you're going to have a developer that comes into a neighborhood, the neighborhood has to accept it. It can't be some rich developer who wants to build all this stuff and forget all about the people who lived there for forty years. It is people working together...

—Boston Mayor Thomas Menino

in place, but if we linked vacant residential property and the multiple dwelling registration system and tried to see that system as the Mayor's done so well here (and I know Mayor Menino has in Boston) as a real data resource. We have got this extraordinary data resource about property and we could use it to keep track of vacant properties as well. We would have to reinvest in rent regulations. We would have to stop vacancy decontrol.⁴⁶ We would have to prevent people from being able to pull their buildings out of the rent regulation system through warehousing as we now are. But I think if we linked those two things, it might be an opportunity not only to confront vacancy and abandonment, but to make sure when they come back into the market place that, if they are rentals, they are rent-regulated and therefore continue to provide some amount of affordability.

MAYOR THOMAS MENINO: One of the things that was just spoken about was getting the community back into the process. You have got to have the community in the process from the beginning. It has to be part of the approval process by the Redevelopment Authority, the Department of Neighborhood Development, in our city. They have to be there from day one. Without the community being involved, they will not get approval. So that is where we get over the "Not in my backyard." Sometimes we go beyond the community because if you want to build housing

36 The HOME Investment Partnerships Program, administered by the federal Department of Housing and Urban Development (HUD), provides grants to states and localities to fund affordable housing and to provide direct rental assistance to low-income individuals. See <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>

37 The Community Development Block Grant Program (CDBG), administered by the federal Department of Housing and Urban Development (HUD), provides funds to states and localities to develop sustainable communities by ensuring affordable housing, providing services to the most vulnerable community members, and creating jobs through the expansion and retention of businesses. See <http://170.97.67.13/offices/cpd/communitydevelopment/programs/index.cfm>

38 See Footnote 4.

39 The Federal Home Loan Bank (FHLBank) system provides credit liquidity to member banks for use in housing, community, and economic development; in regional affordable housing programs; and in housing finance through mortgage programs. See <http://www.fhlbanks.com/index.html>

40 See Footnote 5.

41 Portland is generally regarded as a pioneer of "smart growth" urban planning that seeks to limit sprawl while supporting livable urban neighborhoods. The Portland metropolitan area's regional elected government, the Metro Council, maintains an Urban Growth Boundary (UGB) to limit urban expansion onto farm and forest lands and manages the city's infrastructure to preserve and enhance the metropolitan region's quality of life. Its responsibilities include waste disposal planning and management, recycling, preservation of natural areas, long-range planning, habitat restoration, and venues for conventions, exhibits, and performing arts. See <http://www.metro-region.org/>

42 In New York City, buildings with three or more dwelling units must be registered with the Department of Housing Preservation and Development's Property Registration Unit.

43 George Pataki served as governor of New York from 1995 until 2006. See http://en.wikipedia.org/wiki/George_Pataki

44 State Senator Liz Krueger represents the 26th District in Manhattan. See <http://www.lizkrueger.com/>

45 The Division of Housing and Community Renewal is a New York State agency responsible for the supervision, maintenance, and development of affordable low- and moderate-income housing. See <http://www.dhcr.state.ny.us/>

46 See <http://www.dhcr.state.ny.us/ora/pubs/html/orafac36.htm>

for the mentally ill, 99 percent of the time the community will not accept it. So you don't pay attention to them because it is housing for mentally ill people or handicapped people. It should be a no-brainer to me. But 99 percent of the time that

community process works. The developer buys the process. They have to be at the table from day one. That is the key to this whole thing.

ANDREA BATISTA SCHLESINGER: Carlton?

CARLTON COLLIER: One of the things that we have in the City of New York is Local 197-A,⁴⁷ which requires that community boards get involved in development within that community. So we have a structure in

place. I think the difficulty when we talk about some of the neighborhoods where abandonment is very, very high is: why is it? And the reality of it is jobs. You know, I just left Cleveland, Ohio last week, and I was just looking at all the abandoned buildings in downtown Cleveland. Well, why is it? Years ago, they relied on U.S. Steel as a major employer. It's no longer: U.S. Steel is gone.

The fact of the matter is that employment is also a major part of abandonment. We can build all the homes that we want, but unless we are able to put together some sort of economic development to go along with that, what we are doing? We need to

put together some sort of economic base to go along with this revitalization of vacant properties. Because what is happening is that we are changing the dynamics. We are changing the complexion of neighborhoods when we begin to go into these vacant lands. I am really concerned about what is going on in New Orleans with the Ninth Ward. Are we going to build the same type of homes that were there before and bring in the same people that had to leave? Or do we want to do something a little different? Do we want to change the dynamics? Do we want to do some gentrification? And we need to be really, really careful when we start putting together a plan of vacant units, of vacant properties. If we don't have economic feasibility involved in this so that the people who live in those communities are able to stay in those communities, we are going to be changing the way the city looks.

[I]f we linked vacant residential property and the multiple dwelling registration system it might be an opportunity not only to confront vacancy and abandonment, but to make sure when they come back into the market place that, if they are rentals, they are rent-regulated and therefore continue to provide some amount of affordability.

—Brad Lander
Pratt Center for Community Development

47 197-A is a section of the New York City Charter that permits a community board or a local community group to create an officially recognized, but non-binding, plan for community growth, improvement, and future development. The City Planning Commission and City Council must approve the plan before it "serves as a policy to guide subsequent actions by city agencies." See <http://www.prattcenter.net/advocacy/mluzi/06-GLOSSARY-REC.PDF>

ANDREA BATISTA SCHLESINGER: Borough President?

BOROUGH PRESIDENT SCOTT STRINGER: You know, it is interesting listening to the mayor and to my colleagues. New York is so schizophrenic because on the one hand the mayor rightly boasts about his ability to create a community infrastructure

You have got to have the community in the process from the beginning...99 percent of the time that community process works. The developer buys the process. They have to be at the table from day one. That is the key to this whole thing.

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during his tenure as mayor and making sure the community participates in development. Here in New York, we have had a community board system set up since 1950.⁴⁸ We did this mayors ago under Wagner⁴⁹ and yet we have not empowered these communities and given them the resources to do what the mayor

from Boston has done basically in the modern age. So, on the one hand, we have this structure in place and we ignore it at our own peril. And so I disagree a little bit with Brad. It is not that the system is broken: we have set up this model, we just don't take it seriously.

And one of the things that I learned during the Columbia expansion process⁵⁰—whether you are for the Columbia expansion or not—one thing that we were able to do with the community board was campaign in the neighborhoods in West Harlem.

And the hardest campaign was how to create a West Harlem special district from 125th Street to 145th Street to preserve the neighborhood beyond the Columbia footprint. And this is one of the interesting things, a sign of how sophisticated the community has become: they said, "You know, Borough President, 125 to 145 is not enough. We've got to preserve the community up to 155th Street." And I said, "We are never going to get City Planning⁵¹ to do that. Let's do this politically." And they won that battle. They were able to get it to 155th Street because the community now understands that in order to preserve itself, they would have to use land use and zoning. So one thing that I just want to suggest for the people here today is this isn't pie in the sky stuff.

The fact of the matter is that employment is also a major part of abandonment. We can build all the homes that we want, but unless we are able to put together some sort of economic development to go along with that, what we are doing? ...If we don't have economic feasibility involved in this, so that the people who live in those communities are able to stay in those communities, we are going to be changing the way the city looks.

—Carlton Collier
Parodneck Foundation

48 See footnote 30.

49 Mayor Robert Wagner was the 102nd Mayor of New York City from 1954 until 1965. See http://www.nyc.gov/html/nyc100/html/classroom/hist_info/mayors.html#wagner

50 Columbia University has proposed a plan for "a mixed-use academic center" in the Manhattanville manufacturing zone of West Harlem in Manhattan. The plan was approved by the New York City Council in December 2007. See <http://cityroom.blogs.nytimes.com/2007/12/19/city-council-approves-columbia-expansion-plan/>

51 The NYC Department of City Planning, which is responsible for the city's physical and socioeconomic planning.

Hundreds of millions of dollars city-wide would be realized if we just changed the tax structure, not to punish people but also to recognize that land is what is valuable here. That is our precious commodity... Imagine putting that into a lock box to do the things Carlton's talking about in terms of affordable housing.

—Manhattan Borough President Scott Stringer

Boston is not the only vacant buildings counter. Philadelphia, through a whole set of reforms, actually has a system in place.⁵² They are discussing things like land value taxation.⁵³ They are so far ahead in terms of how to use the tax system to spur development and growth. And could you imagine if we did what Philadelphia and Boston did? The Farrell-Serrano bill⁵⁴ is now pending in Albany, which would end

this while notion of not taxing these properties above 110th Street. Hundreds of millions of dollars city-wide would be realized if we just changed the tax structure, not to punish people but also to recognize that land is what is valuable here. That is our precious commodity. And if you hold onto it, you can own it, but you have to pay a fair share of taxes on it. Imagine putting that into a lock box to do the things Carlton's talking about in terms of affordable housing.

ANDREA BATISTA SCHLESINGER: You mentioned other cities. And, in fact, in learning about this, we thought we were doing this event on this micro-topic that we would be blazing a trail to bring people together. In fact, there is a campaign that is just the reclaiming vacant buildings campaign.⁵⁵ There are resource guides, of which I have read several of over the past week, with exciting names like the Mayors' Resource Guide on Vacant and Abandoned Properties.⁵⁶ And there is a real movement, but there are definitely different kinds of cities engaged in that movement. This leads me to my question: to what extent is your effort here in Manhattan applicable to the other boroughs where the market isn't the same?

BOROUGH PRESIDENT SCOTT STRINGER: I have actually grappled with this with Ryan Galvin who is the housing analyst in our office. If you identify 2,200 properties and you put it out there, there is Donald Trump to step in and say "Hey, thanks for doing my dirty work." My counter-argument to that was that this is a growing movement and that the developers already know what is vacant. When they go into a community they can snap it up and figure out in twenty minutes. That's what they do for a living. We have got to put out these vacant properties and abandoned buildings and then build a political movement. And the way to do that is, one, to get HPD to commit to do a city-wide block and lot count of private abandoned property and vacant property and then use the power of zoning and land use and community boards to play a role in the disposition of this. And what is amazing to me is we

met with HPD. They were excited, they were going to have their Manhattan person follow-up—we never heard from them again. They wanted our data, but they did not want to take it to the next level. So if HPD is listening today, I want to talk to you about this. Let's set up a way to do a vacant building count.

MAYOR THOMAS MENINO: Carlton talked about economic opportunity also, jobs. That is an important component of this. How do we invigorate small retail shopping areas? How do you get incentives to create jobs in cities or America? And that is a conversation that will go on for the next several years because nobody wants to deal with that issue. How do we get people to open businesses in urban areas? That is a *big* piece.

And how do we deal with the diverse populations that we have in our cities? How do we get those people who might be from Haiti or Somalia or wherever they may be, how do we get them part of our mainstream? That is an issue that everybody is going around, but nobody wants to deal with. That is another issue when you think about abandoned property. Why is abandoned property there? Because people don't see any hope in that neighborhood. How do you get all those folks in those neighborhoods involved in the process? That is the real challenge we have here today, as well. How do you get those abandoned properties back on line?

CARLTON COLLIER: In New York the other thing we need to look at when we talk about the outer boroughs is the fact that when you look at a place like Manhattan, especially below 125th Street, development is a lot easier to do because there is a

lot of economic viability there and people want to do something in those vacant properties very, very quickly.

The problems with properties above 125th Street or 98th Street and in the outer boroughs is that you have to deal with the cost of rehab. It costs over \$200 a square foot to rehab these buildings. And that is an awful lot of money when you start looking at the costs. So how do you get

that money back? And it's very easy to charge very high rents below 98th Street, but when you are looking at places like Brooklyn and Staten Island and parts of Queens and Upper Manhattan, we have to come up with really innovative ways in which to do this type of construction and still preserve some type of affordability. So this is why things like tax credits and subsidies play a very, very big part in our development here in the city. I'd like to know, what is the average rent in Boston?

MAYOR THOMAS MENINO: Well, all depends what neighborhood you live in. I live in Hyde Park. There's a Hyde Park in Boston, too. I have a six room Cape. It rents for maybe \$1,000 to \$1,200.

[We need to] get HPD [Department of Housing Preservation and Development] to commit to do a city-wide block and lot count of private abandoned property and vacant property and then use the power of zoning and land use and community boards to play a role in the disposition...So if HPD is listening today, I want to talk to you about this. Let's set up a way to do a vacant building count.

—Manhattan Borough President Scott Stringer

52 As part of Mayor John Street's Neighborhood Transformation Initiative (NIT), Philadelphia conducted a vacant lot survey. See http://www.mayors.org/uscm/us_mayor_newspaper/documents/04_15_02/philadelphia.asp

53 Land Value Taxation (LVT) generally seeks to tax land at higher rates than the improvements made on that land (e.g. buildings). LVTs encourage landowners to build on and improve their property rather than leaving it vacant.

54 In the 2007 New York State Senator Jose M. Serrano and Assemblyman Herman D. Farrell proposed legislation to tax vacant land above 110th Street in Manhattan the same as vacant land elsewhere in Manhattan. See http://www.mbpo.org/newsroom_details.asp?id=1129

55 See Footnote 1.

56 Available at http://www.vacantproperties.org/resources/Mayor's%20Guide_FINAL.pdf

BOROUGH PRESIDENT SCOTT STRINGER: For how many rooms?

MAYOR THOMAS MENINO: Two bedrooms.

ANDREA BATISTA SCHLESINGER: I think you have a lot of people who are going to be moving to Boston at the end of this conversation.

MAYOR THOMAS MENINO: I have a house right next door to me for sale.

BOROUGH PRESIDENT SCOTT STRINGER: Do you have any Borough President jobs in Boston?

BRAD LANDER: But see, when you do comparisons and you have homes in places like Bedford-Stuyvesant and Central Harlem and brownstones are over a million dollars, It just costs so much to rehab and to develop in the city, and then to make them affordable is almost an impossible task.

BOROUGH PRESIDENT SCOTT STRINGER: This gets down to the notion that we are going to get a subsidy right now from the federal government or from the state government. We have not motivated our elected officials to create the same kind

of credits and finances for affordable housing. I think you were the one who started today saying: on a federal level during the campaign, people mentioned housing three times. Every election, housing is mentioned as an afterthought and it is usually in the most parochial terms: I am for rent stabilization, keep moving. In New York State, we have had an Environmental Bond Act for \$3 billion, a Transportation Bond Act—we are doing all of this great infrastructure in the state.⁵⁷ Voters passed it. Do you know we have never had a housing bond act in this state? Why don't we pass a referendum,

The problems with properties above 125th Street or 98th Street and in the outer boroughs is that you have to deal with the cost of rehab...it's very easy to charge very high rents below 98th Street, but when you are looking at places like Brooklyn and Staten Island and parts of Queens and Upper Manhattan, we have to come up with really innovative ways in which to do this type of construction and still preserve some type of affordability. So this is why things like tax credits and subsidies play a very, very big part in our development here in the city.

—Carlton Collier
Parodneck Foundation

leave it to the voters, create a multi-billion dollar fund to do everything that Carlton's talking about? Voters have to decide, not politicians. No one has ever introduced that in the state legislature, or passed it. It's mind boggling.

ANDREA BATISTA SCHLESINGER: Brad?

BRAD LANDER: I am optimistic that this year we will get some significant new state resources for affordable housing, although it is certainly going to be a fight. But back to your question about the challenge of approaching vacant buildings in different

markets and different contexts. It is certainly *one* of the challenges, and you wind up needing elected officials who can build the political coalitions quickly, but also adapt to really changing markets.

In New York City, the policies we adopted to address abandonment—tax incentives that let you build new buildings or rehab buildings—we adopted in the 1970s to encourage redevelopment and we weren't worried about affordability. So our J-51 program for existing structures and our 421-A program for new construction on vacant land⁵⁸ basically said, "You don't have to pay your taxes if you will fix up your building or build a new one. We don't care at what price." We have only in the last few days (basically the new rules don't even go into effect until July 1st) fixed that on new construction.⁵⁹ We have not yet really fixed it on occupied and vacant residential buildings. We need to take our J-51 program and try to make *it* encourage affordability. That probably doesn't make sense in Buffalo, right? In Buffalo or Detroit, it is right that they need to use their tax incentive structure to encourage any kind of development and bring more middle-income people in and encourage the market. *Here*, we have got to use our subsidies, our zoning, our regulation *today* to make sure that what we are doing is guaranteeing affordability and not just any development.

ANDREA BATISTA SCHLESINGER: So I wanted to introduce Chuck Lesnick⁶⁰ who is beginning his third year as Yonkers City Council President. He has worked to revitalize downtown Yonkers with a \$3.1 billion development project.⁶¹ As Co-Chair of the Council's Real Estate Committee, he has required that 10 to 20 percent of all newly constructed housing units be affordable.

CHUCK LESNICK: Thank you. When you talk about abandoned buildings, I didn't hear the word "historic properties" at all. And ultimately my question is going to be on historic tax credits. But just a little bit of context. Yonkers is really at a crossroads. We are just next to the Bronx. And as Brad said, New York City is going to increase by a million people over the next few decades. Yonkers is probably going to increase from 200 to 250,000 people. And there are a lot of pressures on our downtown. In the suburban sections of Yonkers, we are trying to fight the tear-down trend where these old Victorian houses are being torn down.

Scott talks a lot about energy efficiency. Our green policy task force in Yonkers pointed out that if you have a two-story brick masonry structure in downtown Yonkers, and you are debating whether to adaptively reuse it or tear it down and put up a new building, energy-efficient as that may be, it is the functional equivalent of

58 The J-51 Program grants tax breaks for the rehabilitation and improvement of multiple dwellings and the conversion of lofts and other non-residential buildings into multiple dwellings. The 421-A Program grants tax breaks for the construction of new housing.

59 In late August 2007, New York State adopted reformed 421-A Program rules that expand the areas in which affordable housing is required in order for a developer to receive a tax abatement. See <http://www.ny.gov/governor/press/0824072.html>

60 See <http://www.chucklesnick.net/>

61 See <http://www.yonkersdowntown.com/about.shtml>

57 New York passed an Environmental Bond Act in 1996 and a Transportation Bond Act in 2005. Such bond acts authorize the issuance of debt (bonds) by the state government to pay for large-scale projects.

recycling 1,344,000 cans to actually recycle a building. So from a green perspective, it is good to reuse these buildings.

Yonkers is at the crossroads. We just got rid of the federal judge's 27-year housing integration lawsuit⁶² so we can now build affordable housing throughout the city, but we are grappling with things like the demolition review ordinance that now we have proposed so that any building 75 years or older will need a review by the landlords board before a demo permit can be issued. We have got great groups in Yonkers like the Greyston Foundation⁶³ that have proposed workforce housing⁶⁴ in Yonkers, but it requires taking down a whole historic block, so it puts the historic preservation advocates and the housing advocates at loggerheads, and I am wondering how you do this in Boston with all the history that you have?

In New York City, the policies we adopted to address abandonment—tax incentives that let you build new buildings or rehab buildings—we adopted in the 1970s to encourage redevelopment and we weren't worried about affordability...We have got to use our subsidies, our zoning, our regulation today to make sure that what we are doing is guaranteeing affordability and not just any development.

—Brad Lander
Pratt Center for Community Development

So my two questions are: in Boston, Mayor Menino, you have a State Historic Tax Credit⁶⁵ that supplements the Federal Historic Tax Credit.⁶⁶ We don't have a

very good one in New York State. The Senate has actually just approved a better one, the Assembly has not acted on it. So how has this State Historic Tax Credit in Boston and Massachusetts helped you? The other thing to ask Brad and Scott: in a previous life I worked in the NEP Program⁶⁷ and the TIL Program,⁶⁸ and a lot of that stuff was funded with low-income housing tax credits, but no one ever talked about the historic tax credit. Why doesn't HPD throw that in as an incentive? It would just make the buildings more appropriately historic.

MAYOR THOMAS MENINO: First of all, we have a 90-day delay on demolishing historical property in the City of Boston. If you want to destroy a historical building, you have to file with the Landmarks Commission and wait 90 days, going through a process of review on that. And it has worked out pretty well. Historic tax credits go through the

State of Massachusetts, the Secretary of State's Office. We go hat in hand up there to get historical tax credits because the State makes those decisions on the properties.

ANDREA BATISTA SCHLESINGER: Brad?

BRAD LANDER: First, I think pointing out that much of the argument for attending to vacant buildings is both preservation and environmental. Sustainability is a great addition to the things we have been talking about, so I want to thank you for that point.

By volume the greatest preservationists in New York City are the community development corporations and the affordable housing developers. That is a community that doesn't think of themselves as preservationist and probably cringes when they hear themselves described as preservationists. And yet there they are preserving so many of the historic buildings in our city. Not "historic" in quotes necessarily, but those buildings that keep the neighborhood strong.

Partly, we didn't develop a system of using historic tax credits and New Market Tax Credits⁶⁹ because the \$5 billion system that got put in place, just couldn't stop in some cases and work with all the restrictions on historic tax credits. I do think it is time to take a further look. A lot of the buildings in Scott's survey were commercial buildings where the New Market Tax Credit program is probably needed in a way that will work for small businesses and ground-floor retail. Now that we are in this more challenging time with less federal subsidy and more expensive prices, we probably have to do even more subsidy layering and trying to come up with some new models that integrate historic tax credits and New Market Tax Credits.

I think the one place where, for sure, preservationists and affordable housing advocates can come together is in renovation: preventing the demolition of buildings, especially if they are multi-family or rent-stabilized. In my neighborhood we are seeing rent-stabilized, multi-family buildings being demolished on 4th Avenue to be replaced by condos twice as high. Nobody in my neighborhood wants that: the preservationists don't want it; the affordable housing advocates don't want it. So, I do think this is an opportunity to come together and we probably should sit down and look at some of the numbers and try to figure out what is it that will make those work.

ANDREA BATISTA SCHLESINGER: Who is it that wants it?

BRAD LANDER: Well, if your goal is the most units possible without as much concern for affordability or neighborhood quality of life, then you are indifferent to whether that structure continues to exist, continues to offer rent-stabilized housing or whether it is demolished and replaced with more luxury condo units.

62 In 1980, the N.A.A.C.P. filed suit against the City of Yonkers for segregationist public housing policies. In 1985, a federal judge ordered the city to integrate public housing, a process that has been ongoing ever since. The case was settled on May 1, 2007 in a settlement between the N.A.A.C.P. and Yonkers.

63 The Greyston Foundation is a Yonkers-based network of for-profit and not-for-profit entities that provides jobs, workforce development, low-income housing, and support services to help individuals and families achieve self-sufficiency. See <http://www.greyston.org/>

64 See http://en.wikipedia.org/wiki/Workforce_housing

65 The Massachusetts Historic Rehabilitation Tax Credit grants state tax credits worth up to 20 percent of the cost of certain rehabilitation expenditures for rehabilitation projects on income-producing property. See <http://www.sec.state.ma.us/MHC/mhctax/taxidx.htm>

66 The Federal Historic Preservation Tax Incentives program grants a 20 percent tax credit for the rehabilitation of income-producing historic structures. See <http://www.nps.gov/history/tax.htm>

67 The Neighborhood Entrepreneurs Program (NEP) is administered by the NYC Department of Housing Preservation and Development and enables neighborhood-based private property managers to own and manage clusters of occupied and vacant City-owned buildings. See <http://www.nyc.gov/html/hpd/html/developers/nep.shtml>

68 The Tenant Interim Lease (TIL) Program allows tenants living in City-owned buildings to manage and eventually buy their buildings from the City as a low-income cooperative. See <http://www.nyc.gov/html/hpd/html/developers/til.shtml>

69 The New Markets Tax Credit (NMTC) Program allows taxpayers to receive a credit against federal income taxes for investing in low-income communities through designated Community Development Entities. See http://www.cdfifund.gov/what_we_do/programs_id.asp?programID=5

MAYOR THOMAS MENINO: Who wants it? The developer wants it. Bottom line.

ANDREA BATISTA SCHLESINGER: I want to introduce Sam Miller who organizes the housing campaign at Picture the Homeless.⁷⁰ It was Picture the Homeless that teamed up with the Borough President. You issued two different reports and the feeling of them is captured by the titles. Borough President, yours was called “No Vacancy?—The Role of Underutilized Properties in Meeting Manhattan’s Affordable Housing Needs”⁷¹ and theirs was “Homeless People Count.”⁷² I want to ask Sam if he has a question or anything that he wants to ask the panel based on your work.

SAM MILLER: I do. Manhattan is real estate ground zero and yet we found 24,000 potential apartments in vacant buildings and lots. At the time when there are 9,000 families in homeless shelters, 7,000 singles in homeless shelters, and the city estimates three or four thousand homeless people living on the street,⁷³ so that’s under 24,000. You could house every homeless person in the city in Manhattan alone. So given that that is Manhattan and that we also have four other boroughs, what does anyone on the panel think the people in this room need to do to make a city-wide count happen? To make sure that the Mayor, that HPD, as a matter of public housing policy, count vacant properties on a yearly basis throughout the five boroughs.

BOROUGH PRESIDENT SCOTT STRINGER: What I would recommend is that we introduce legislation to create an office within HPD to do a yearly count. In Boston, I believe that it’s one-and-a-half employees that manages the count, according to our research. We probably would need somewhat more, but it would probably be the best bang for the buck, too. We need, as Brad talked about earlier, to create a registration and fee program for vacant residential buildings. We are in the process of coming up with a legislative initiative that we are going to ask the City Council to consider. Because once we do that, we are going to know where we stand and we don’t have to do eyeball counts that Picture the Homeless did with our office. And recommendation three, as I mentioned many times today, tax policy must motivate developers on these issues. So step one is, let’s do a vacancy count. Let’s campaign for it, let’s demand it.

By volume the greatest preservationists in New York City are the community development corporations and the affordable housing developers. That is a community that doesn’t think of themselves as preservationist and probably cringes when they hear themselves described as preservationists. And yet there they are preserving so many of the historic buildings in our city...buildings that keep the neighborhood strong.

—Brad Lander
Pratt Center for Community Development

Chuck Lesnick actually mentioned something that we really didn’t discuss yet: sustainability and green buildings. We did a green building conference for northern Manhattan from 96th Street above. 450 people showed up because with the building boom, whatever gets built, we have got to do it green and it has to be sustainable. The technology is there. As PlaNYC⁷⁴ points out, it would be malpractice among elected officials to not incorporate green building standards whether you build million-dollar apartments or apartments for people making under \$30,000 a year.

BRAD LANDER: I think getting to a count is important, but I don’t want to lose the ending homelessness aspect of your question either. And while I think you guys did a fantastic job bringing attention to both issues together, obviously we need to do a lot of other things besides fix up the vacant buildings in order to solve homelessness.

The city recently put in a request for proposals to architects: imagine that there is a catastrophe here, some kind of environmental or security crisis and 35,000 people

So step one is, let’s do a vacancy count. Let’s campaign for it, let’s demand it.

—Manhattan Borough President Scott Stringer

are homeless, temporarily, as a result of this emergency; please come up with a creative architectural solution to figure out how to resolve this problem. While we should certainly be planning for disasters,

I thought, wait a minute. Thirty-five thousand people *are* homeless. Where is the mobilization of emergency response to solve that problem?

So we have to have pressure on our elected officials to do both things. We want to take advantage of the vacant building opportunity, but I think bringing more attention to the moral crisis of homelessness in our city is probably *more* urgent because that is a problem that we *absolutely* could solve if we had the moral will to do so.

[APPLAUSE]

CARLTON COLLIER: The other thing is to look at prevention. And that is something that we are doing at the Parodneck Foundation. We have built over 700 units of housing city-wide. The highest rent, a 3-bedroom apartment, is \$800. That is top rent. This allows a person to live in their home. Also, in the Parodneck Foundation we are doing something called the Senior Citizen Homeowner Assistance Program⁷⁵ where we are giving out grants or low-income loans to senior citizens to do home improvements. This allows seniors to stay in their homes. Then, we are also working with the City of New York and the City Council to put together the Mortgage

70 Picture the Homeless is a non-profit organization in New York City founded on the principle that in order to end homelessness, people who are homeless must become an organized, effective voice for systemic change.
<http://www.picturethehomeless.org/>

71 See http://www.mbpo.org/uploads/NO_percent20VACANCY.pdf

72 See http://www.picturethehomeless.org/files/pdf/Homeless_People_Count.pdf

73 For more on the city’s count of the street homeless population, see http://www.nyc.gov/html/dhs/downloads/pdf/hope08_results.pdf

74 PlaNYC is Mayor Bloomberg’s sustainable development plan for New York City through 2030.

See <http://www.nyc.gov/html/planyc2030/html/home/home.shtml>

75 The Senior Citizen Homeowner Assistance Program (SCHAP) provides no- and low-interest loans to senior citizens who are living in physically deteriorated housing or who are in danger of losing their homes to foreclosure.

See <http://www.parodneckfoundation.org/schap.html>

Foreclosure Emergency Prevention Program.⁷⁶ Again, working with lower-income families and helping them with predatory lending, which is something that Brad and I talked about over fifteen years ago before it became the flavor of the month, how predators are going into neighborhoods and...

[It] would be malpractice among elected officials to not incorporate green building standards whether you build million-dollar apartments or apartments for people making under \$30,000 a year.

—Manhattan Borough President Scott Stringer

ANDREA BATISTA SCHLESINGER: But the banks said they didn't see it coming.

CARLTON COLLIER: They didn't see it coming. The banks don't see anything coming and every time I get my statement for my credit card, there's checks involved.... What we realize is that even with predatory lending, a lot of these homeowners had to refinance their homes because of consumer debt and the banks are really responsible for that. But what we are doing at the Parodneck Foundation is working with people who are living in homes or trying to give low-income people apartments to live in, and trying to prevent abandonment and homelessness at the same time. So there has to be a balance: how do you prevent this from happening and then what do you do once it happens?

While we should certainly be planning for disasters, I thought, wait a minute. Thirty-five thousand people are homeless. Where is the mobilization of emergency response to solve that problem?...We want to take advantage of the vacant building opportunity, but I think bringing more attention to the moral crisis of homelessness in our city is probably more urgent because that's a problem that we absolutely could solve if we had the moral will to do so.

—Brad Lander
Pratt Center for Community Development

ANDREA BATISTA SCHLESINGER: Mayor Menino?

MAYOR THOMAS MENINO: When you talk about homelessness, it is not just people losing their jobs and losing their homes. There are many other factors in homelessness: addiction, reentry.⁷⁷ All those are part of the issue that we have to deal with homelessness. And we have so many programs. I created a clearinghouse for all those non-profits to work through so homeless individuals could be directed

to that clearinghouse⁷⁸ and get the services they need. But the real issue that is happening with us and the homeless is that the family numbers are growing every day and that is really bad for the child's education, it is bad for the family.

BOROUGH PRESIDENT SCOTT STRINGER: One of the things that we have to consider as we build new affordable housing—and I agree there are slices of what affordable is depending upon community—but on the one hand, we champion,

⁷⁶ The Mortgage Foreclosure Emergency Prevention Program is a \$750,000 grant program funded by the New York City Council and managed by the Parodneck Foundation. The program educates homeowners about the dangers of exotic mortgage products. See <http://www.parodneckfoundation.org/documents/06AnnualReport1.pdf>

⁷⁷ "Reentry" refers to people rejoining communities after their release from prison.

⁷⁸ The Emergency Shelter Commission coordinates Boston's efforts to prevent and end homelessness and hunger. See <http://www.cityofboston.gov/shelter/>

we talk a lot about constructing new affordable housing or rehab housing. On the other hand, we are watching our existing housing stock get depleted. So when you look at the Mitchell-Lama buyouts,⁷⁹ when you look at rent stabilization, vacancy decontrol, when you add up the zero-sum game, it's still a net loss. I worry that even with all our great not-for-profit organizations—and we have so many who are in this business—they can't catch up to what the demand is. It is going to take more intervention to do something big and bold if we are going to get ahead of this curve. Right now, if you look statistically at how much we are losing on the back end, do you really think we are making it in the front end? That's why when you look at abandonment and you look at real value of land out there in the city right now, this may be our best opportunity to look at this in a holistic way to solve a very huge problem. We can't do it piecemeal anymore.

ANDREA BATISTA SCHLESINGER: I want to ask just one closing question since I know that everybody also has to get back to their important work. I was reading this report with the exciting title "Mayors' Resource Guide on Vacant and Abandoned Properties" and the ending was actually quite powerful. The author wrote, "Every decision made today has ramifications for the future. The Olmsted parks that grace many of America's older cities today are the legacy of mayors and civic leaders at the end of the 19th century. How today's mayors address their city's abandoned properties and the larger issues of neighborhood and community revitalization will determine whether future generations will look back at them with the same gratitude with which we think of our predecessors 100 and more years ago." So as you close, the question for you is: when it comes to affordable housing, when it comes to what we do with our abandoned properties, how will today's mayors be looked upon a hundred years from now?

The other thing is to look at prevention. And that is something that we are doing at the Parodneck Foundation. We have built over 700 units of housing city-wide. The highest rent, a 3-bedroom apartment, is \$800. That is top rent. This allows a person to live in their home.

—Carlton Collier
Parodneck Foundation

MAYOR THOMAS MENINO: Great.

ANDREA BATISTA SCHLESINGER: OK. Done. That was the fastest close in Marketplace history. Brad?

BRAD LANDER: I think Mayor Bloomberg will get credit for helping us wake to the challenge of sustainability and that his PlaNYC effort to help think about what growth will mean from a sustainability point of view is important. But that if we don't come up with a new set of policies to promote affordability and livability in our neighborhoods, we won't look back well on this time.

⁷⁹ Mitchell-Lama housing was developed under New York's Limited Profit Housing Companies Act, which encouraged affordable housing construction for middle-income residents. After twenty years from initial occupancy, housing companies are permitted to buyout of the program and, thus, are no longer subject to state regulation and affordable housing restrictions. See <http://www.dhcr.state.ny.us/ohm/progs/mitchlam/ohmprgm.htm>

ANDREA BATISTA SCHLESINGER: Carlton?

CARLTON COLLIER: We still haven't resolved the issue of what is affordability? And I think that if we continue the trend that we are on right now, we are going to

We are watching our existing housing stock get depleted.... I worry that even with all our great not-for-profit organizations... they can't catch up to what the demand is. It is going to take more intervention to do something big and bold if we are going to get ahead of this curve... That's why when you look at abandonment and you look at real value of land out there in the city right now, this may be our best opportunity to look at this in a holistic way to solve a very huge problem. We can't do it piecemeal anymore.

—Manhattan Borough President Scott Stringer

do a great injustice for those whose salaries are below \$30,000: we are not building homes for them, I don't see any plan to build homes for them, and we are cutting back on subsidies and tax credits. And in the meantime, I am watching a lot of communities, historic communities like Harlem, like Bedford-Stuyvesant, that are now being gentrified because of the fact that the folks who live in those communities can no longer afford to stay in those communities. So we

need to take a step back and try to figure out, well, what are we doing? We do need to have mixed income in communities, but we have to continue to build homes for those people who need our assistance.

ANDREA BATISTA SCHLESINGER: Borough President?

BOROUGH PRESIDENT SCOTT STRINGER: I think Mayor Menino started off by telling us that it is very difficult to do something that is forward-thinking that you cannot use for your re-election. And part of what we have got to do, and why I like PlaNYC 2030 with Mayor Bloomberg, is because it is something that is beyond his mayoralty. And I think what Mayor Menino is doing and what we all have to do is not to think in 2- and 4-year election cycles. To come to terms with this crisis, we are going to have to put systems in place that elected officials will not get benefit from in their political lifetime. It is very difficult to do, but that is going to be the real test of whether you have a legacy at the end of it. I think Mayor Menino is going to have that legacy. I think Mayor Bloomberg on Plan 2030 will have that legacy. And maybe this has raised the bar among elected officials to think beyond their own political viability.

MAYOR THOMAS MENINO: Well, thank you. How will mayors be looked at in the future? Well, by what they have done presently. The difficulty today is that you don't have the partnerships you had with the federal government in the past. They have just walked away from cities. But it can't be just cities alone who deal with this issue of housing. The suburban communities have to be involved in providing some of the affordable units. Because I could tell you in Boston I created thousands of affordable units and the 27 cities and towns around me created 473 units. Give me a break. They don't want affordable housing. They will take elderly housing, but they won't take affordable housing because it brings kids and it brings schools and all those other attributes that come.

To do affordable housing you have to be creative. And how do you be creative? What kind of funding do you use? I sold city property off. Some of the property we had for development, I sold it off and committed all that money to public housing developments. Nobody even talked about public housing. That is a wealth of housing out there that could be affordable for the folks that Carlton talks about. You got to continue to be creative as you do this housing issue. It is not easy. And we can do the abandoned housing piece, you could do the surveys, but how do you turn those abandoned properties into places people are going to live? And that is really the challenge. But you have to be able to stand up and say, "I'm going to do it, I don't care what the political ramifications." And like was said earlier by Scott, most administrations only last eight years. In Boston, we don't have term limitations so I could be there till God knows when.

The difficulty today is that you don't have the partnerships you had with the federal government in the past. They have just walked away from cities. But it can't be just cities alone who deal with this issue of housing.

—Boston Mayor Thomas Menino

ANDREA BATISTA SCHLESINGER: Thank you, everyone. This event underscored three things that the Drum Major Institute believes in, if I may. One, that reality is the best place from which to make public policy. So the first thing you do is you count what is there. And, two, you change the conversation by changing who participates in it. And it couldn't be emphasized enough the role of communities in formulating a new vision for their neighborhoods. And, three, it's about leadership. And disconnected agencies are not going to make it happen: you need a leader who is willing to. And that is what Mayor Menino talked about and is. So thank you all for coming. Clips of the event, video, will be posted on DMIBlog.com where we will continue the conversation. Thank you.

[END]

WHO IS THE DRUM MAJOR INSTITUTE FOR PUBLIC POLICY?



The Drum Major Institute for Public Policy is a non-partisan, non-profit think tank generating the ideas that fuel the progressive movement. From releasing nationally recognized studies of our increasingly fragile middle class to showcasing progressive policies that have worked to advance social and economic justice, DMI has been on the leading edge of the public policy debate. Founded during the civil rights movement, DMI equips those on the frontlines with the tools to more effectively advance an agenda of social and economic justice, including research, model policies, policy-driven Web sites, and even young talent. For more information, please visit www.drummajorinstitute.org

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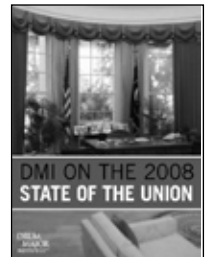
THEMIDDLECLASS.ORG 2007 CONGRESSIONAL SCORECARD

March 2008 / Did your representative make the middle-class grade? DMI takes a closer look at the decisions made by Congress in 2007, from the one-year freeze to prevent the Alternative Minimum Tax from hitting middle-income families to the filibuster that originally torpedoed a minimum wage increase, and the trade bill that put the interests of multinational corporations before the concerns of middle-class Americans. Examining 13 bills in detail, this report assigns a grade to each Member of Congress based on his or her votes for or against the middle class.



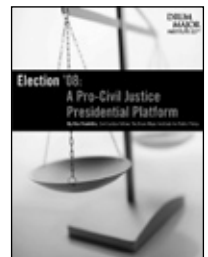
DMI ON THE 2008 STATE OF THE UNION

January 2008 / The more Americans demand change, the more President Bush's State of the Union address stays the same. DMI examines the President's domestic policy agenda in-depth and finds the same worn out ideology that has repeatedly failed America's middle class, from inadequate proposals to address the home mortgage crisis to a stimulus package that favors pet projects over proven methods of generating economic growth. Future leaders will determine whether the President's distorted worldview lives on and continues to afflict the nation.



ELECTION '08: A PRO-CIVIL JUSTICE PRESIDENTIAL PLATFORM

January 2008 / Our civil justice system empowers citizens to advocate for their rights and protect themselves against undue harm, ensuring that everyone, even powerful corporations and our government, abides by the rule of law. The report outlines common-sense steps the next president can take to improve access to the civil court system, from establishing a right to civil counsel in certain critical cases to creating a presumption that federal laws will not preempt state regulations that protect public health and safety, economic fairness, and social justice.



THE 2007 DMI YEAR IN REVIEW

December 2007 / It's hard to turn a big ship. Many of the worst shocks of 2007 were the continued fallout of years of wrong-headed right-wing policy to deregulate, starve the public sector, and privatize at every opportunity. But the minimum wage hike, increased aid to students, and green initiatives at the state and local level provided new hope. DMI 2007 Year In Review explores the year's best and worst public policy, looks at six snapshots of the nation and provides a recommended reading list for progressives. Also included: a hawk's eye view of what the think tanks on the conservative right are up to, and, as always, the 2007 Injustice Index.



LESSONS FROM THE MARKETPLACE: FOUR PROVEN PROGRESSIVE POLICIES FROM DMI'S MARKETPLACE OF IDEAS

May 2007 / In Maine, moderate-income residents buy prescription drugs for as little as half the retail price. In San Francisco, some violent criminals are 82 percent less likely to commit new crimes after their release from prison. In Minnesota, the public can reclaim subsidies when economic development incentives don't produce the promised results. In Oklahoma, 92 percent of four-year-olds attend a high-quality public preschool. This report recounts how these successful policies got started, and how they can



Marketplace of Ideas

In the Marketplace of Ideas, we don't just talk about problems, we highlight policies to address them and the policymakers that made them work.

"The Drum Major Institute's recent forum on increasing accountability and developing better uses for economic development subsidies with Minnesota State Senator John Hottinger was both informative and enlightening. I found it so useful to hear about the ideas of both colleagues in government and well-informed advocates about effective legislation in other states, particularly Minnesota's progressive and far reaching bill."

—NEW YORK STATE SENATOR LIZ KRUEGER

Ideas We've Brought to Market

For more information, please visit
<http://www.drummajorinstitute.org/events/marketplaceofideas.php>

- **Preventing Predatory Mortgage Lending**
with Minnesota Attorney General
Lori Swanson
- **Combating Global Warming through Congestion Pricing**
with London Deputy Mayor
Nicky Gavron
- **Getting Special Interest Money Out of State Elections**
with Arizona Activist
Dennis Burke
- **The Power of Restorative Justice**
with San Francisco Sheriff
Michael Hennessey
- **Making Prescription Drugs More Affordable**
with Maine State Senator
Sharon Treat
- **Holding Corporations Accountable for Their Fair Share of Employee Health Costs**
with Maryland State Senator
Gloria Gary Lawlah
- **Rehabilitating Vacant Buildings Into Affordable Housing**
with Boston Mayor
Thomas Menino
- **Lowering the Cost of Insurance**
with California Activist
Harvey Rosenfield
- **Preventing Wrongful Convictions and Exonerating the Innocent**
with Dallas District Attorney
Craig Watkins
- **Making Health Care Universal**
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