



DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
**AFFORDABLE HOUSING FOR NEW YORKERS**

**COMMUNITY DEVELOPMENT CORPORATIONS**  
cdh  
Affiliated Public Housing Authorities and Organizations, etc.

**& THE FUTURE OF NEW YORK:**  
**BUILDING FOR THE COMMUNITY, BUILDING A STRONGER CITY**





BEFORE  
AFTER



CDCs have rehabilitated tens of thousands of buildings across New York City.

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It is easy to forget the New York City of 25 years ago. Many neighborhoods suffered from disinvestment and abandonment as entire communities were written off by banks, developers, and even the government. But these neighborhoods were not written off by their residents, many of whom organized to form local groups called Community Development Corporations – or CDCs. Through these organizations, neighborhoods started on the long road back. Throughout the 1970s and 80s, CDCs served as the catalyst for neighborhood recovery – not only through rebuilding the housing stock and other local institutions, but also through delivering the comprehensive services needed by these communities.

Since CDCs are rooted in the communities they serve, these locally-focused organizations were deeply aware that each neighborhood would require its own approach to redevelopment, each part of an overall revitalization strategy. CDCs became involved with everything from organizing neighborhood watches, to tending community gardens, to setting up after school programs. Across our city, CDCs

were responsible for developing the critical infrastructure necessary for a basic economy, such as credit unions, small businesses, and job training programs. In every neighborhood, CDCs spent countless hours and resources going block-to-block and building-by-building to rehabilitate dilapidated properties into solid, safe, affordable housing for neighborhood residents.

Once these neighborhoods had been brought back from the brink, many once again became attractive investment opportunities. For-profit developers and private capital became more plentiful. By the mid-1990s, for-profit developers started speculating that the initial stability the CDCs had brought to a neighborhood would be the foundation for continuing and rapid economic growth. More and more expensive new developments began to spring up in formerly working class areas, and an increasing number of tenants faced displacement pressure to make room for new residents who would pay higher rents. Instead of an epidemic of housing disinvestment, a cycle of housing speculation was now the problem.

Just as CDCs were an invaluable counterweight during the cycle of disinvestment, they have also had success going against the grain and producing responsibly-financed, “equitable development” during the period of housing speculation – providing countless housing opportunities for low- and middle-income New Yorkers. This is because CDCs are mission-driven, not-for-profit organizations – able to work counter-cyclically to build stable, affordable housing in both cycles of disinvestment and cycles of speculation. Over the past 20 years, CDCs have been responsible for developing almost 100,000 units of affordable housing throughout the five boroughs. CDCs naturally push against the excesses of the market, countering displacement pressure when the development market is too high, and bringing public and private resources to ensure appropriate development when the market has abandoned the neighborhood. This leads to overall neighborhood stability, regardless of the current market cycle. And unlike many private-sector developers who may look to convert the property to luxury rentals or condos when the affordability restrictions expire, CDCs are committed to permanent affordability.

Today we are entering a new housing cycle with new challenges facing our neighborhoods. Instead of burnt out buildings, stalled condos developments dot neighborhoods. Instead of redlined working-class communities, many neighborhoods have been destabilized by predatory lending. We do not know where this cycle will lead us, but already CDCs are in front of the curve – addressing the foreclosure crisis that is sweeping entire neighborhoods and identifying new opportunities for keeping New York City neighborhoods dynamic and affordable.



**BRONX** //  
**Keeping Rents Affordable  
Through Efficient and  
Sustainable Management**

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Before 2005, 2285 Davidson Avenue in the Bronx was no place you wanted to live. One apartment alone had 27 different violations. Residents remember the conditions – “roaches were all over the place.” “There was rotten wood behind the walls.” “There was no safety – the main door was always broken and people were always in and out of the building.” As one resident simply put it: “it was a dump.” Because it was populated by working-class families paying reasonable rents, with little choice or ability to move, the previous owner simply saw no value to spending money to maintain the property. Without a CDC, this property would only have deteriorated further because even when there is no financial upside, **CDCs PROVIDE RESPONSIBLE OWNERSHIP AND MANAGEMENT.**



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< Leaders from Cypress Hills LDC—another Brooklyn-based member of ANHD—and community members celebrate the ribbon-cutting of 168 Hendrix Street, the largest building in their Cypress Corners project and a formerly distressed city- owned building.

The situation at 2285 Davidson changed once a neighborhood housing company, the Fordham-Bedford Housing Corporation, took over the building and did a complete overhaul – replacing plumbing and electric systems, improving security, and even putting in a green roof. Founded in 1980, Fordham-Bedford is now one of the largest housing managers in the Bronx, currently managing over 2,600 apartments throughout nearly 100 buildings in the Fordham and Bedford Park neighborhoods. “The renovation was really good,” says a tenant who lived there through the transition. “They moved out all the troublesome tenants and the building is in great shape all the time.”

How was such a dramatic turnaround possible? “It is simple” said Heng Ly, of Fordham-Bedford. “We have thirty years of experience working with distressed buildings. We are at a point where we have built a reputation in our community and trust in our residents. Our goal

is to provide safe, sound, affordable housing that provides our tenants with the assurance that our focus is on them and their families.”

**CDCs RUN THEIR BUILDINGS EFFICIENTLY TO ENSURE RENTS REMAIN DEEPLY AFFORDABLE TO WORKING CLASS RESIDENTS.** A CDC’s first priority is to their residents and community, not their shareholders and investors. Not only is this better for the tenants, it also leads to a more efficiently run building. Indeed, FBHC has taken numerous steps to “green” their properties. While the organization believes in the importance of being green for green sake, there is a second important motivation: keeping costs low. When the residents of a building know it’s being run for their benefit, they become a key asset in making sure it’s a success. With this partnership, you can almost always turn a bad situation around - even with a building that was in as bad a condition as 2285 Davidson.



## MANHATTAN //////////////////////////////////// Building Housing That We Know Is In Demand

Harlem has changed dramatically in recent years. Not long ago, financial institutions did not want to invest in Harlem. CDCs like the Abyssinian Development Corporation (ADC) were the only ones willing to do the hard work of building housing and stabilizing the community. After this foundation for revitalization was laid, the neighborhood real estate market boomed and finding corporate financing and developers for vacant lots became easier. While many developers only saw Harlem for its profit potential, ADC re-affirmed its commit-

ment to develop stable, affordable housing that will be a permanent community resource. **CDCs CONSIDER THEMSELVES STEWARDS AND STRIVE TO MAXIMIZE PUBLIC SUBSIDY FOR PUBLIC BENEFIT.**

Currently, the Abyssinian Development Corporation is redeveloping the Ennis Francis Houses, a crumbling development neglected by its previous landlord in the heart of Harlem, through a three phase project. Already, 160 units have been rehabilitated, with another 260 new units to come. Not only is ADC building new, improved housing next door for the current residents of Ennis Francis, they are building more of the affordable housing that the neighborhood truly needs.

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**“As I see it, the accomplishments of the CDC sector are enormous. I mean, today, they are our most creative housing developer, they’re in many neighborhoods, and are often the most important civic institutions in those communities.”**

- Shaun Donovan, Secretary, US Department of Housing and Urban Development (HUD)

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“It was not easy – we really had to fight for this,” said Sheena Wright, CEO of ADC. “A lot of people wanted to see less affordable housing built, or even none at all. But we felt a responsibility not just to the community, but also to the city. We all pay taxes, and those taxes fund a lot of affordable real estate developments in New York. We are looking to leverage the most neighborhood benefit out of it. This means building as much affordable housing as we can.”

said Wright. “We had first-hand experience of that in the 1970s, and with all these luxury condos sitting empty while traditional neighborhood residents need affordable housing, we are facing it again. We think it is much better public policy to build housing that we know is in demand and going to be occupied by stable working families committed to the neighborhood. And quite frankly, we think it is a lot smarter business plan too.”

**CDCs ARE IMPORTANT COUNTER-CYCLICAL FORCES THAT PUSH BACK AGAINST THE EXCESSES OF THE MARKET.** “You only have to walk around this neighborhood, and plenty of others, to see the dangers of leaving the speculative private market as the only developers,”

**BROOKLYN** //

## Community Support Leads to Successful Projects

Who says you cannot get anything built in a recession!? True, there are countless stalled and delayed developments across the city, most notably the private Atlantic Yards development that is been in the works for 7 years. But the delays are not only due to the recession because a local CDC, the Fifth Avenue Committee, has managed to complete Atlantic Terrace, the largest affordable green building in Brooklyn, right across the street from the approved Atlantic Yards development. This is in no small part due to the way FAC approaches a development opportunity. **CDCs ARE RESPONSIVE TO LOCAL NEEDS, WHICH GOES A LONG WAY TO SECURE LOCAL SUPPORT.**

Regardless of what someone might think about the merits of any development project, the public subsidy is most efficiently invested when the community approval process is smooth – like it was for Atlantic Terrace. “We always enjoyed community support from all stakeholders because we built what the community wanted and needed,” said Michelle de la Uz, Executive Director of the Fifth Avenue Committee. “We heard a demand for homeownership, low, moderate and middle-income housing, with good retail components. We also knew from our over three decades of experience in the community, that people were very environmentally conscious. So we built a mixed-use, affordable, mixed-income cooperative that is being built to be certified LEED Gold.”

“We also heard that the project and the jobs it brings should be rooted in the community. So, for instance, we ensured that the money in the project budget that was to go towards the kitchen and bathroom cabinets was invested in Brooklyn Woods, our green cabinet making workforce training program so that individuals from the community could gain access to sector based job training and employment in the green and cabinet making industries. We took the multi-million dollar investment in our Atlantic Terrace project and ensured there were multiple benefits for the local community - affordable housing, job training and placement in green jobs and access to retail spaces for locally owned small businesses. It’s like we spent each dollar invested in the project three times – and each time in the neighborhood.”

**CDCs ARE COMMITTED TO INVESTING PUBLIC AND PRIVATE RESOURCES IN LOCAL RESIDENTS AND NEIGHBORHOODS.** CDCs do not need to negotiate these kind of things as part of a ‘community benefit agreement’ in return for more city dollars – benefiting the community is simply what CDCs do. And building locally popular, needed projects in neighborhoods means a smoother and shorter development process. This leads to a more efficient use of public subsidy and ultimately a bigger saving in taxpayer dollars. What community leader or elected official would be opposed to that?





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**QUEENS** //////////////////////////////////////  
**Deep Ties With Communities Put CDCs Ahead Of The Curve**

New York City real estate is a difficult game. Developers need to know what they are doing. CDCs have a rich history of developing in good times and bad times, working with banks, government agencies, foundations, and

other stakeholders to put together deals that work – not just for developer, but for the community also. Over the past four decades, CDCs have grown and evolved; yet never lost sight of their core mission. **CDCs DRAW ON THEIR WEALTH OF EXPERIENCE TO CRAFT INNOVATIVE SOLUTIONS TO COMPLEX PROBLEMS.**

Founded in 1974, Asian Americans for Equality (AAFE) has been a large-scale affordable hous-

ing developer and manager since the 1980s, building dozens of developments, managing hundreds of units, and leveraging over \$88 million dollars for low-income housing.

Christopher Kui, Executive Director of AAFE, explains some of their early successes. “Back in the mid-1980s, there was a brand new tool for financing affordable housing – Low Income Housing Tax Credits. It was all new and unknown at the time, so a lot of developers did not want to try it. But we decided to make it happen, and did the very first tax-credit project in New York City: Equality Houses. Since then, there have been about 75,000 more LIHTC units developed in New York City alone. I always point this out when people ask about CDC capacity. When you are the innovator, it is pretty hard for anyone else to argue that they can do it better. Since that deal, we have done it all from the Lower East Side to Eastern Queens - homeownership, rental, high-rise, low-rise, rehabilitation, and new construction.”

“Now we are coming up with new innovations to address the diverse needs in our community today. We understand that if we want to truly transform our neighborhoods, we have to go beyond the traditional model of community development – we need to actively make our neighborhoods good places to live, work, do business, and raise a family. As an agency, we see the connection between affordable housing and access to a quality education. For instance, in 2009, we launched a comprehensive college readiness program at two schools in Flushing, Queens, designed to organize immigrant

students and their families to create a college-going school culture. Community engagement is the critical ingredient to strengthening our neighborhoods.”

**CDCs DEEP CONNECTION TO THEIR COMMUNITIES ENSURE THEY ARE AHEAD OF THE CURVE IN LEARNING ABOUT NEW AREAS OF NEED.**

AAFE was one of the first organizations to recognize the looming foreclosure crisis. “Because we are the point-of-contact for a lot of newer immigrants and non-English speakers, we received the message about how dire the situation was getting before anyone else,” said Flora Ferng, AAFE CDF’s Director of Programs. In response, AAFE proactively launched a foreclosure prevention initiative back in 2008 through their Community Development Fund (AAFE CDF). “AAFE CDF has helped close to 2,000 new homeowners secure mortgage financing,” said Ferng. “We realized early on we could put our expertise to work keeping people in their homes as well.”

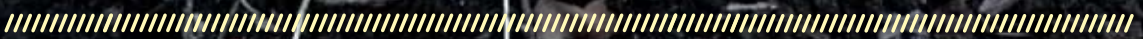
CDCs have the experience and scale to be key catalysts for neighborhood stabilization and revitalization. Indeed, whatever the state of New York City’s economy and housing, CDCs will be there – as always – building the same thing: a home, a community, a thriving city.

**It’s My Park Day, Queens >**



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**- Chris Kui, Executive Director, Asian Americans for Equality**



# MEMBER ORGANIZATIONS

## THE BRONX

Alliance For Progress, Inc.  
Banana Kelly Community Improvement Association, Inc.  
Belmont Arthur Avenue Local Development Corporation  
Beulah HDFC Inc.  
Fordham Bedford Housing Corporation  
Mid Bronx Senior Citizens Council  
Mothers on the Move  
Neighborhood Housing Services of North Bronx, Inc  
Neighborhood Housing Services of South Bronx.  
Neighborhood Initiatives Development Corporation (NIDC)  
New Settlement Apartments (NSA)  
Northwest Bronx Community and Clergy Coalition  
Promesa Systems, Inc.  
University Neighborhood Housing Program  
West Bronx Housing and Neighborhood Resource Center  
Women's Housing & Economic Development Corporation (WHEDCO)

## BROOKLYN

Astella Development Corporation  
Bedford Stuyvesant Restoration Corporation  
Bridge Street Development Corporation  
Brooklyn Congregations United  
Brooklyn Neighborhood Improvement Association  
Cypress Hills Local Development Corporation  
East New York Urban Youth Corps  
Erasmus Neighborhood Federation  
Fifth Avenue Committee  
Flatbush Development Corporation  
Greater Sheepshead Bay Development Corporation  
Housing Works, Inc.  
Los Sures (Southside United)  
Make The Road New York  
Neighborhood Housing Services of Bedford Stuyvesant  
Neighborhood Housing Services of East Flatbush  
Neighbors Helping Neighbors  
New York Acorn Housing Co. & Mutual Housing Association of NY  
Northeast Brooklyn Housing Development Corporation  
People's Firehouse, Inc.  
Pratt Area Community Council  
Ridgewood Bushwick Senior Citizens Council, Inc.  
Southern Brooklyn Community Organization  
St. Nicholas Neighborhood Preservation Corporation  
Turning Point/Discipleship Outreach Ministries, Inc.  
UPROSE

## STATEN ISLAND

Neighborhood Housing Services of Staten Island  
Northfield Community Local Development Corporation of Staten Island  
Project Hospitality  
Senior Housing Resource Corporation And  
The Community Agency For Senior Citizens, Inc.

## MANHATTAN

Abyssinian Development Corporation  
Asian Americans for Equality (AAFE)  
Audubon Partnership for Economic Development LDC  
Clinton Housing Development Company  
Community Access  
Community Assisted Tenant Controlled Housing, Inc. (CATCH)  
Community League of the Heights  
Community Pride  
Cooper Square Committee  
Cooper Square Mutual Housing Association  
Cornell Urban Scholars Program  
Ecumenical Community Development Organization (ECDO)  
Goddard-Riverside Community Center  
Good Old Lower East Side  
Harlem Congregations for Community Improvement (HCCI)  
Hope Community Inc.  
Housing Conservation Coordinators  
Housing Court Answers  
Hudson Planning Group  
Lower Eastside Coalition Housing Development, Inc.  
Lower Eastside Peoples Mutual Housing Association (LESPMHA)  
Manhattan Valley Development Corporation  
Mirabal Sisters Cultural and Community Center, Inc.  
Neighborhood Housing Services of New York City  
New Destiny Housing Corporation  
NHS Homeownership Center  
Northern Manhattan Improvement Corporation  
Palladia, Inc.  
Phipps Houses  
SFDS Development Corporation  
University Settlement Society of New York  
Urban Justice Center - Community Development Project  
Urban Pathways  
Washington Heights-Inwood Coalition  
West Harlem Group Assistance, Inc.  
West Side Federation for Senior and Supportive Housing, Inc. (WSFSSH)

## QUEENS

Alexandre Foundation  
Central Astoria LDC  
Centro Hispano "Cuzcatlan"  
Chhaya Community Development Corporation  
Immigrant Tenant Advocacy Project - Catholic Migration Office  
Margert Community Corporation  
Neighborhood Housing Services of Jamaica  
Neighborhood Housing Services of Northern Queens  
Northwest Queens Housing Corporation  
Ocean Bay Community Development Corporation  
Queens Community House, Inc.  
Woodside on the Move, Inc.  
YKSEC - Empowering the Korean American Community

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