



**CENTER** for NYC  
**NEIGHBORHOODS**

# Affordable Homeownership in NYC

New York City Council Briefing

May 8, 2018



# Who We Are

At the Center for NYC Neighborhoods our mission is to **promote and protect affordable homeownership** in New York so that middle- and working-class families are able to **build strong, thriving communities.**



# Homeownership in NYC Matters

- Strategy for intergenerational wealth building
- Provides stability for **families** & for **neighborhoods**
- Anchors families in changing neighborhoods
- **Affordable homeownership is affordable housing:**  
homeowners provide NYC with affordable rental units



# Big Picture: Homeownership in NYC

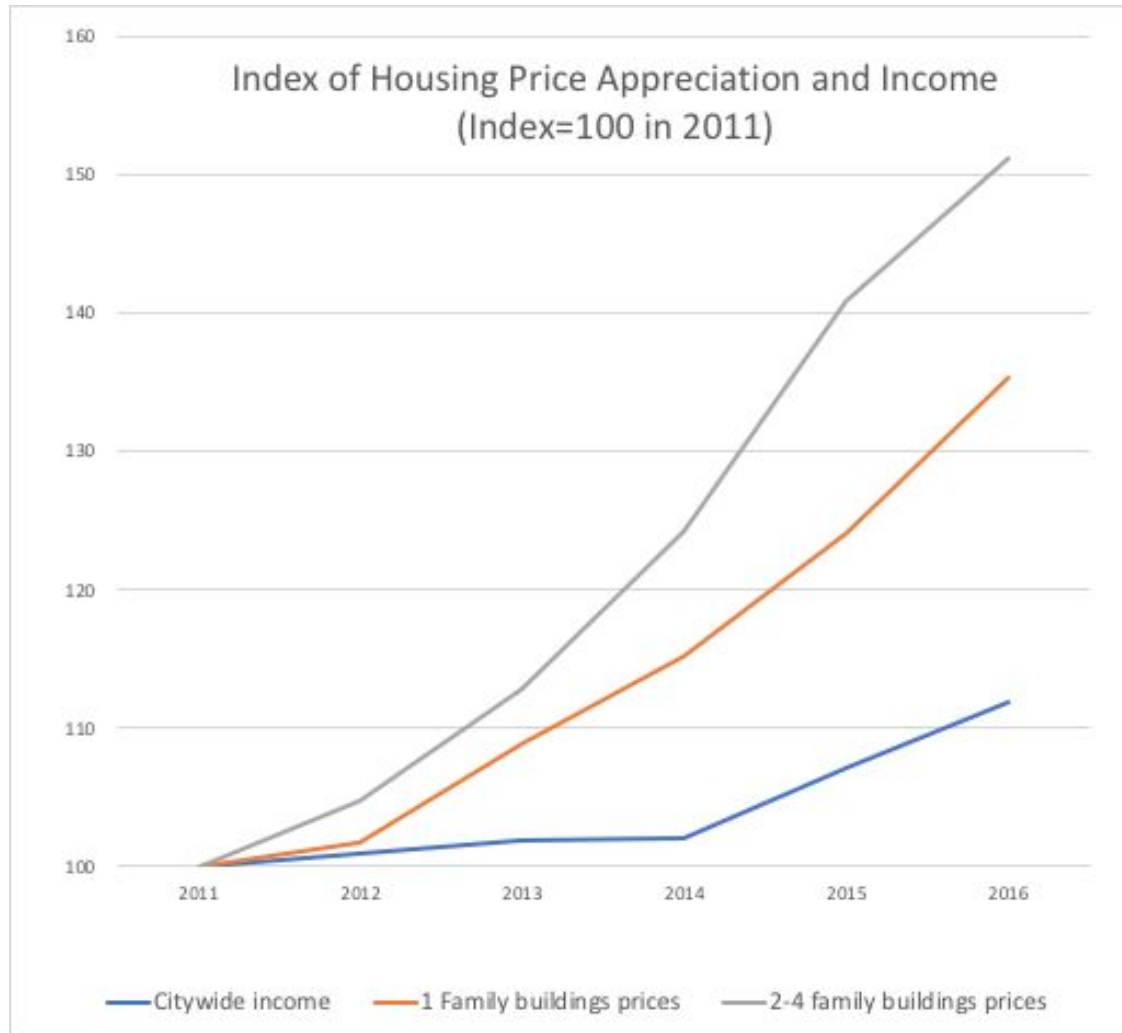
- **1 million** NYC homeowner households
- **560,000** earn less than **\$100,000**
- **270,000** earn less than **\$50,000**
- **40%** of homeowners are cost-burdened

# Current Challenges

- Affordability
- Foreclosures
- Home Repair Needs
- Aging Homeowner Population
- Access to Credit
- Scams & Deed Theft

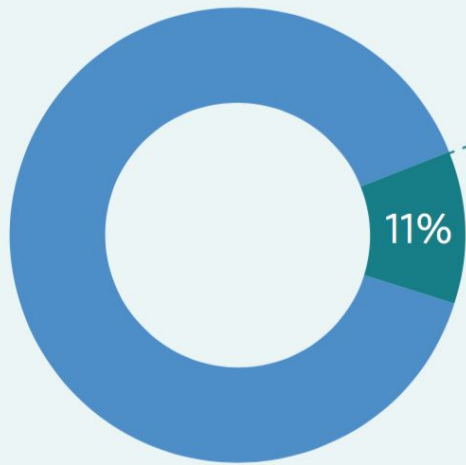


# Home Prices Outpacing Incomes



# Home Prices Outpacing Incomes

## All 2017 Small Home Sales



11% Only a fraction (11%) of small home sales in 2017 were affordable to families making 100% of the area median income.

## Home Sales Affordable to Families Making 100% AMI



Of these homes—sold at prices affordable to a median family—more than a third (38%) were picked up by flippers rather than homeowners.



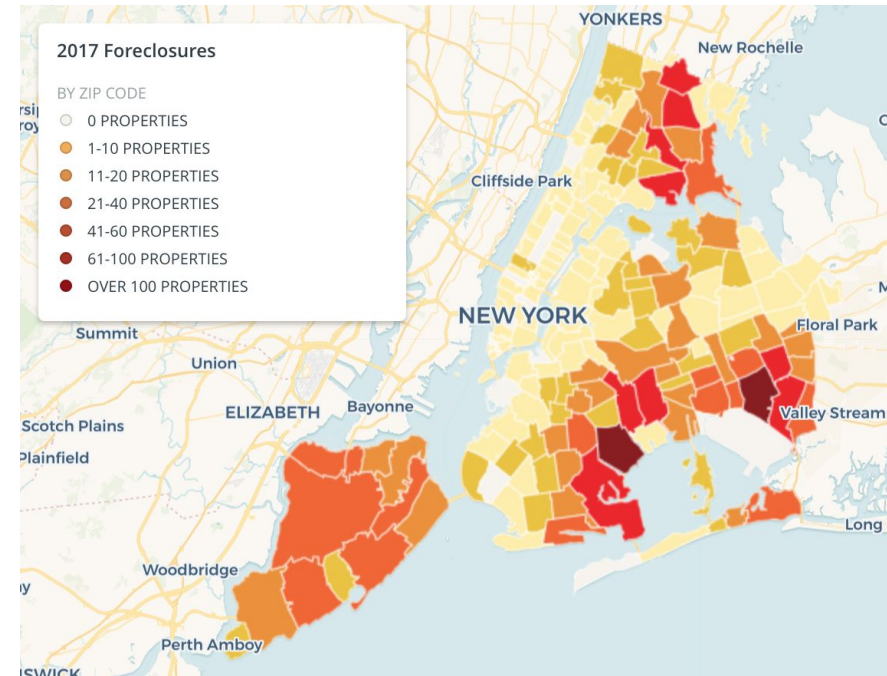
# Foreclosure Rates Still High: NYC Mortgage Distress **Twice As** **High** As Pre-Crisis Numbers



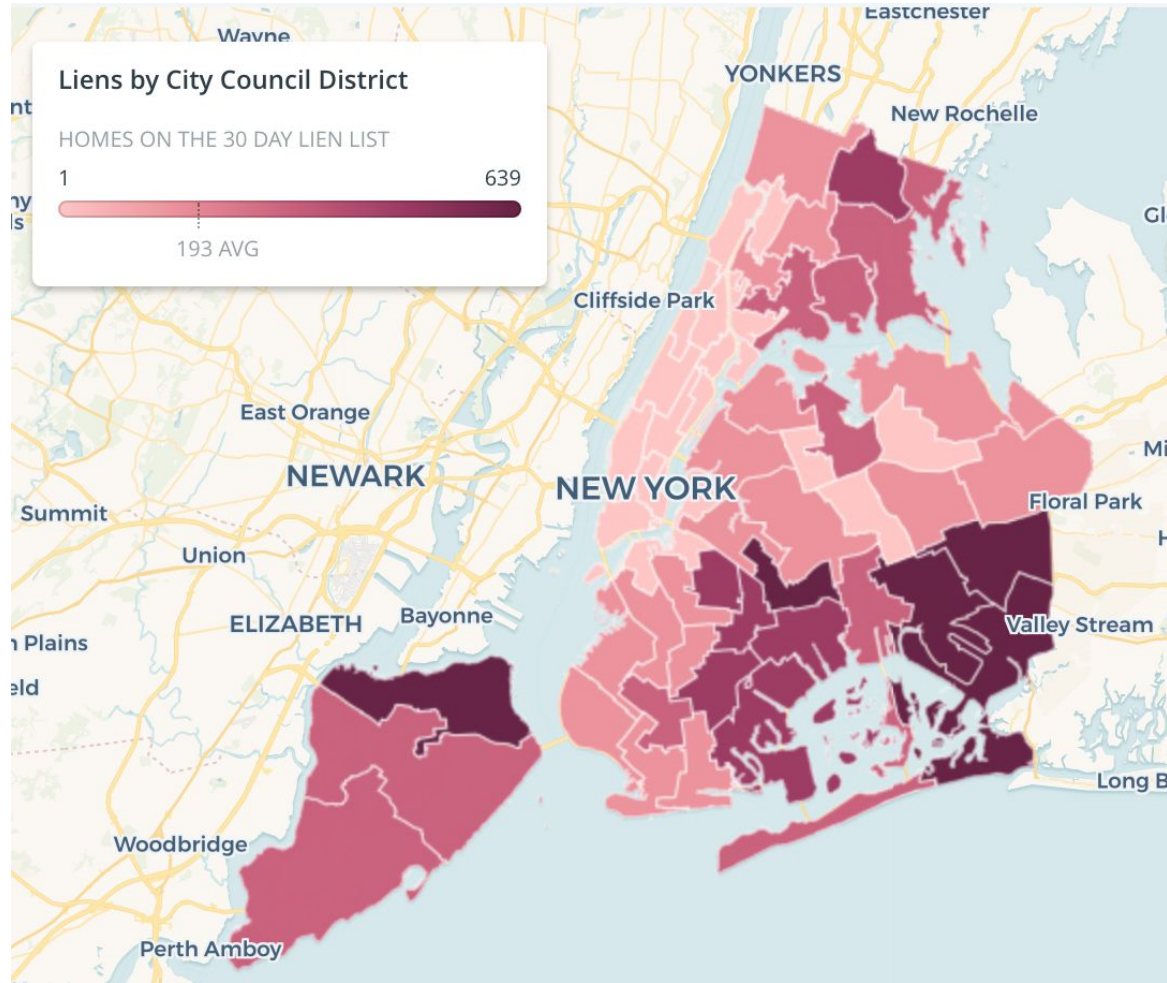
Sources: NY Federal Reserve, Property Shark

# Big Increase in Foreclosure Auctions

- In 2017, auctions increased **58%** over the previous year.
- **3,306** homes were scheduled for auction in 2017.

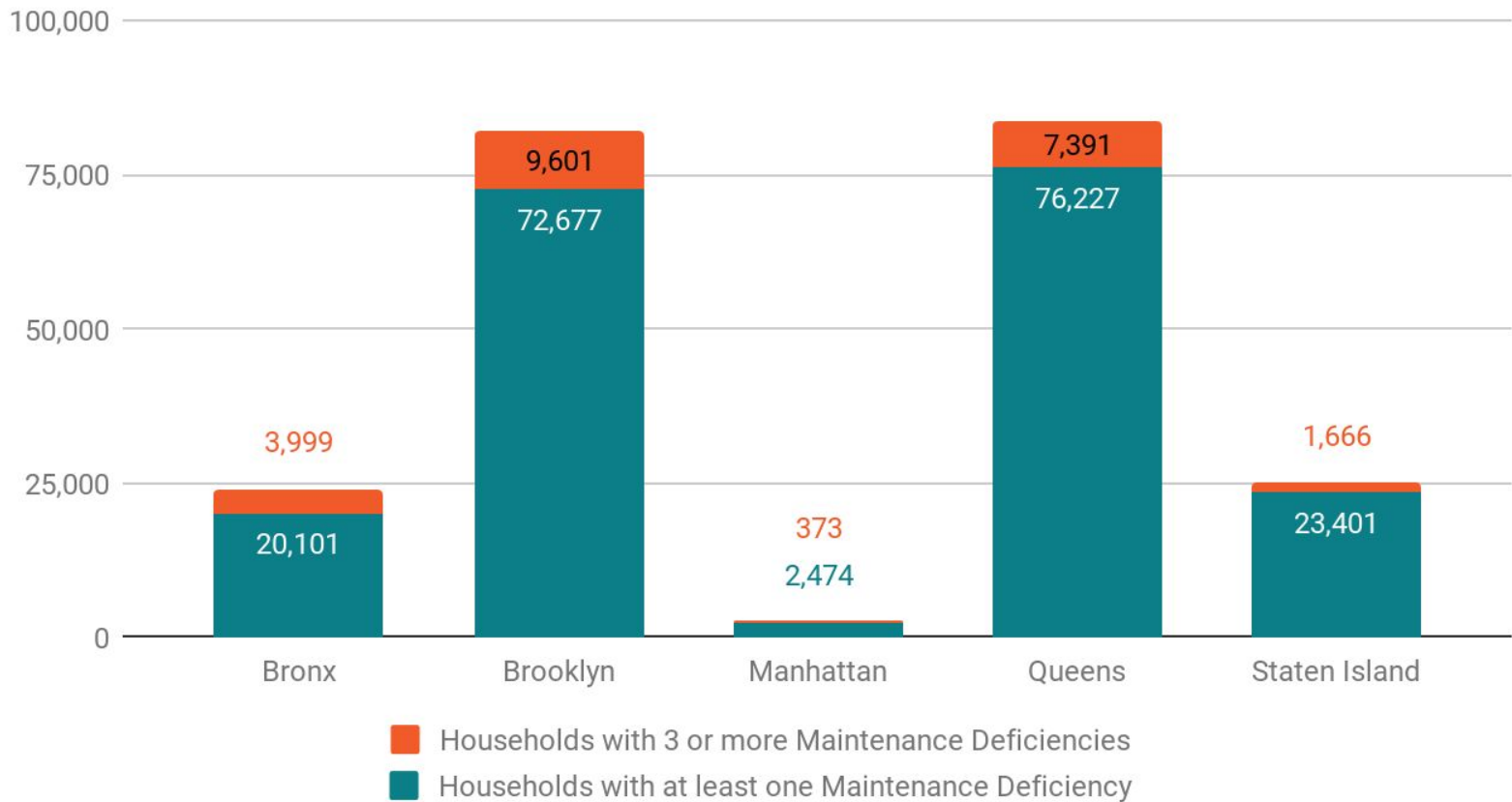


# Homeowners Affected By The Tax Lien Sale



# Home Repair Needs

## 1-4 Family Maintenance Deficiencies by Boro



# Aging Homeowner Population

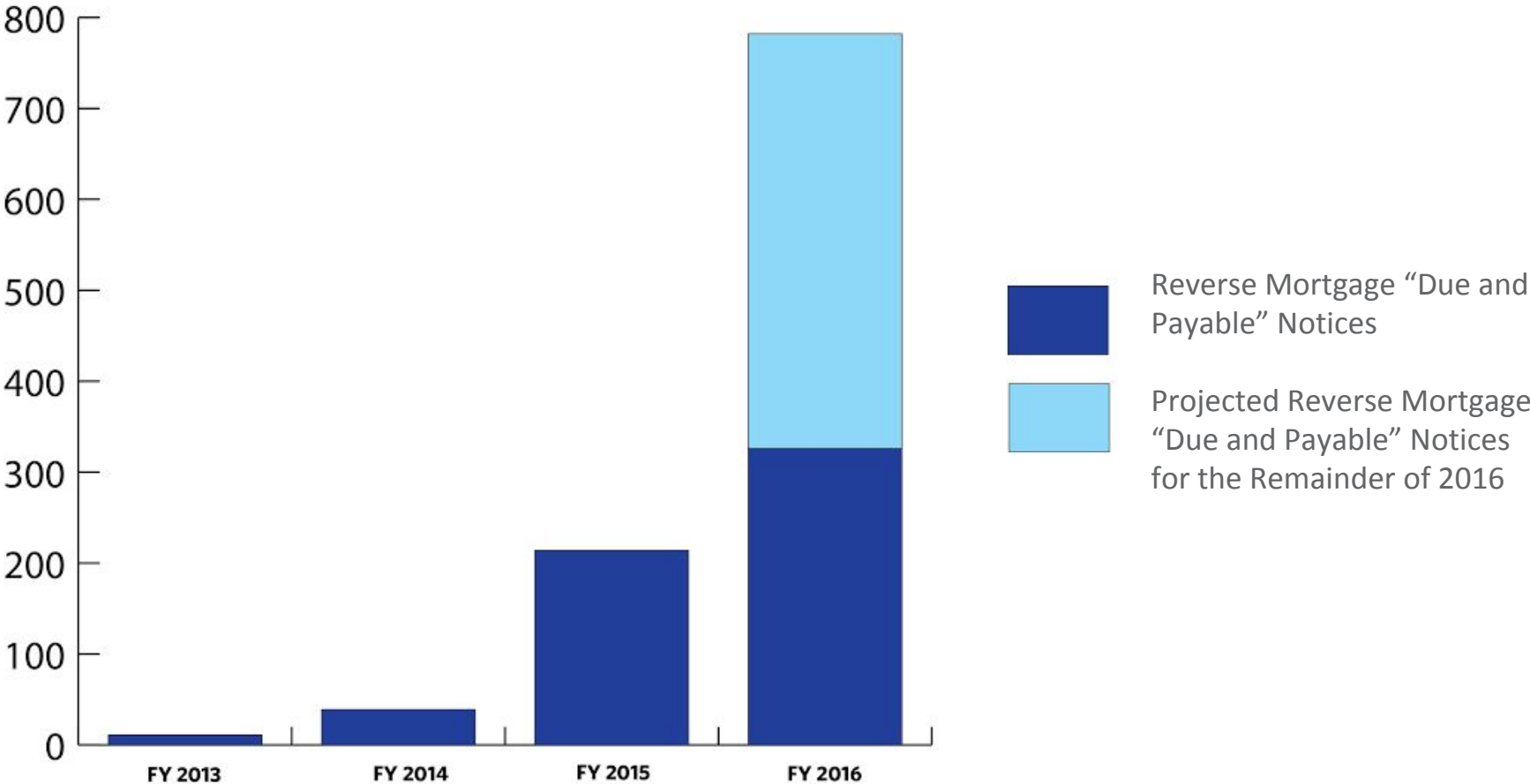
**400,000** NYC  
Seniors are  
homeowners

Their median  
income is **\$44,000**



# Rise in Reverse Mortgage Foreclosures

## “Due and Payable” Notices in New York State



# Renters Vulnerable to Displacement

- **550,000** renter households live in small, 1-4 family, buildings
- That's **1.5 million** New Yorkers
- **200,000** renter households live in the same small home as a landlord-homeowner

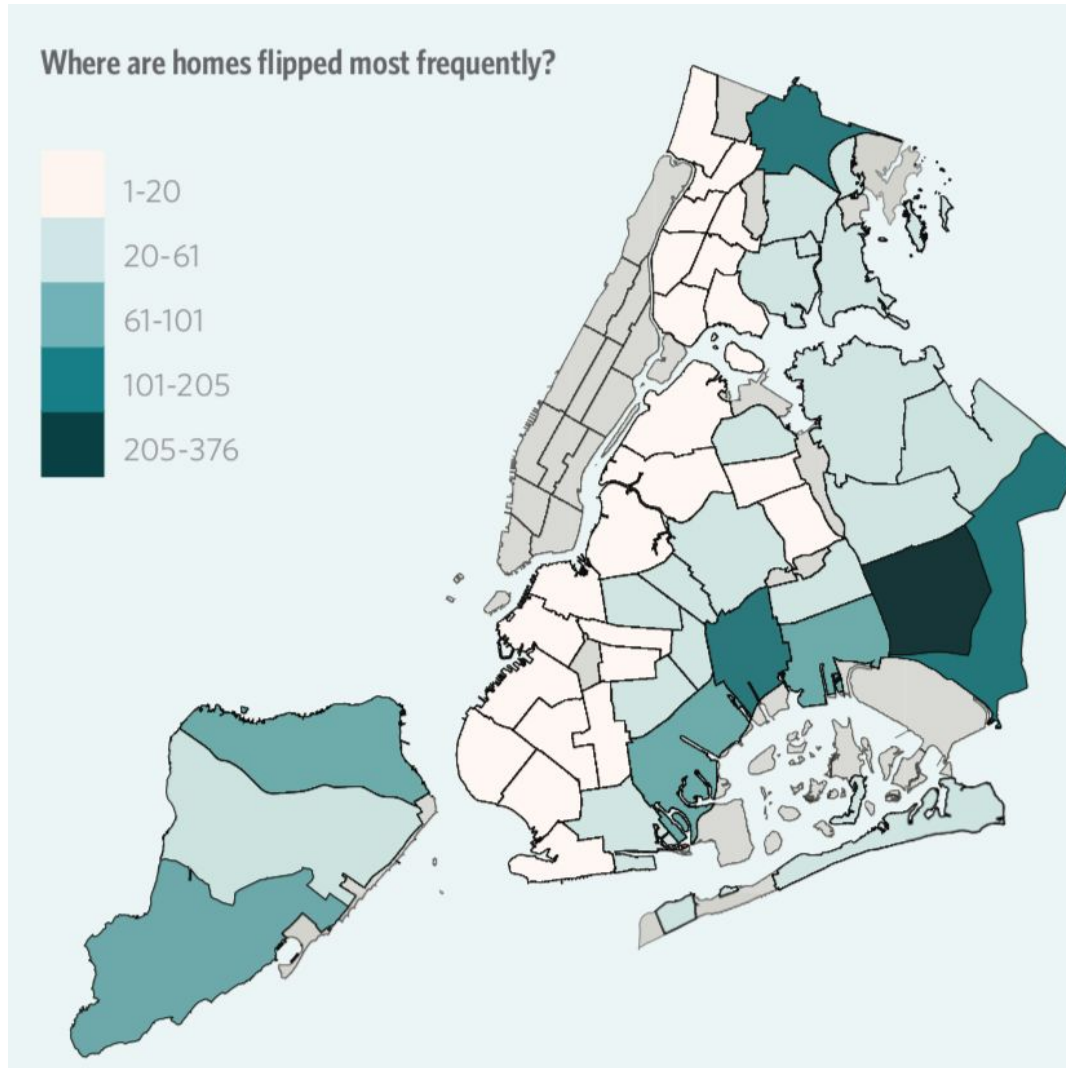
# Vulnerable Homeowners Targeted By Scams

- **Deed theft** and **short sale** scams remain prevalent
- Scammers target **vulnerable homeowners**, including those in foreclosure and seniors



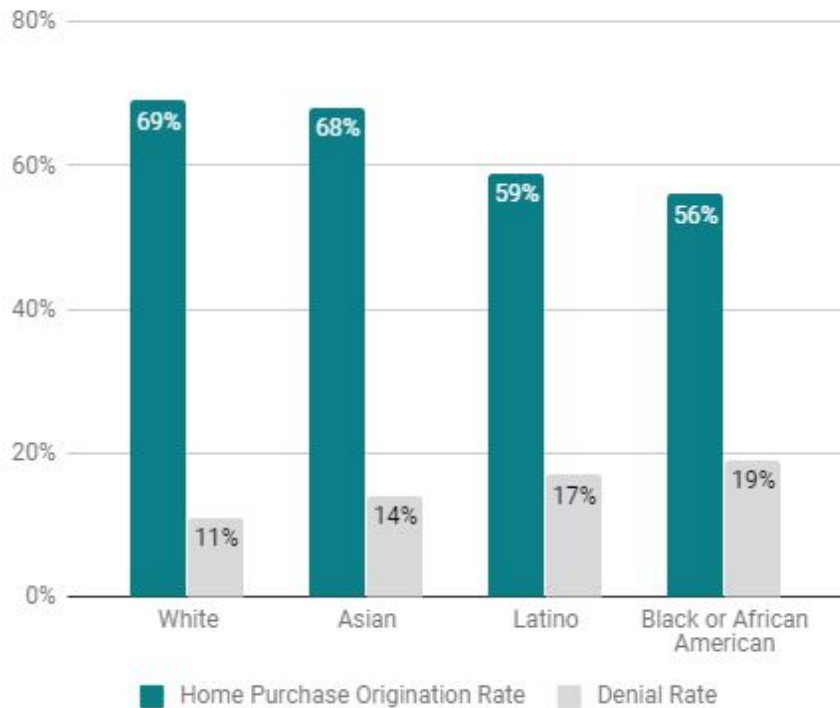


# Home Flipping At Highest Level Since 2006

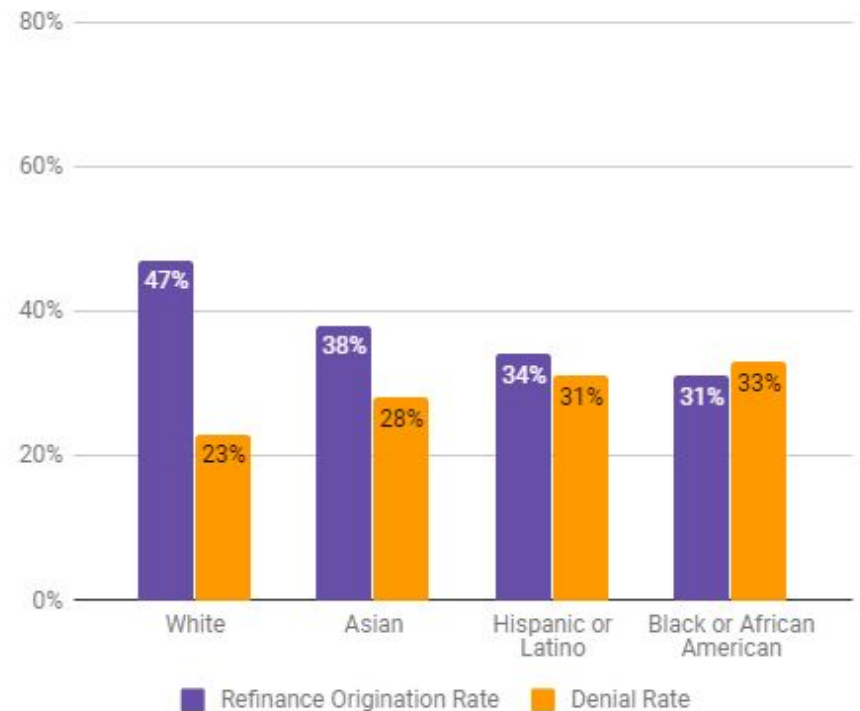


# Credit Tight For Families Of Color

## Home Purchase Origination and Denial Rates

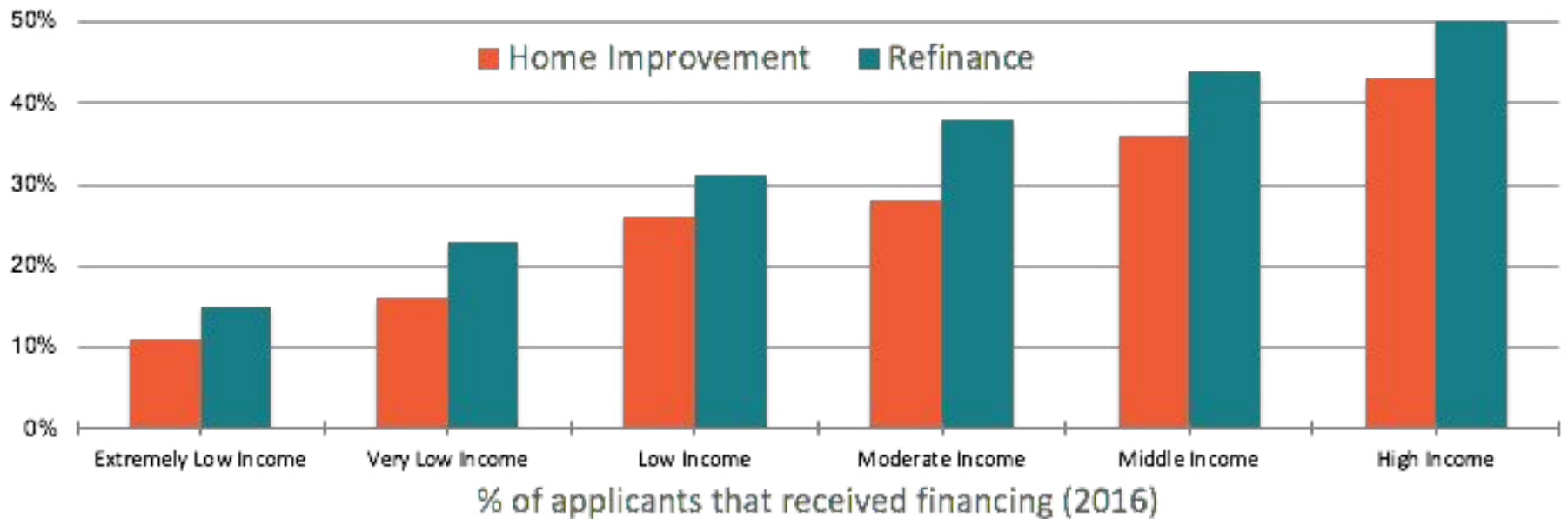


## Refinance Origination and Denial Rates



# Credit Tight for Homeowners With Low And Moderate Incomes

Lower Income Loan Homeowners are Unlikely to Receive Financing





# How To Support Affordable Homeownership In NYC?

- Continue to fund **foreclosure prevention** and **homeowner stabilization** assistance
- Promote **Community Land Trusts**
- Streamline and expand **home repair** resources
- Reform City **tax and water delinquency policy**
- Provide **financial incentives** for homeowner/landlords who rent to ELI or formerly-homeless households
- Implement a **Flip Tax** (state initiative, needs home rule authorization)

# The Center's Impact

Since 2008, we have helped  
**74,000** homeowners across  
New York.

In 2017:

- We served **17,980** clients.
- We saved **634** homes.
- Annual savings to homeowners: **\$15,000,000**



# FY 2018 City Budget Asks:

## Mortgage Foreclosure Prevention: **\$1.25 Million**

- Serve 2,000 homeowners
- Conduct outreach to 10,000
- Increase of \$250,000 from FY '18

## Homeowner Tax Help Initiative: **\$500,000**

- Prepare NYC homeowners for new federal tax code
- Keep NYC homeowners off the lien sale list
- Reach 5,000 homeowners

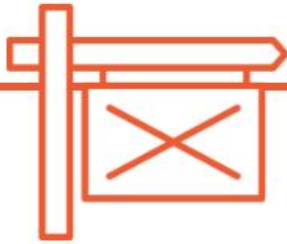
# We're Here For NYC Homeowners At Every Step Of Their Journey

## Mortgage Help



We assist homeowners who are at risk of missing mortgage payments.

## Foreclosure



We've helped thousands of people get out of foreclosure.

## Coastal Communities



Learn how rising sea levels and flood insurance costs can affect homeownership.

## Scam Prevention



We work to protect homeowners from common scams.

## Rehabs and Retrofits



The costs can be a burden — but there are programs that can help.



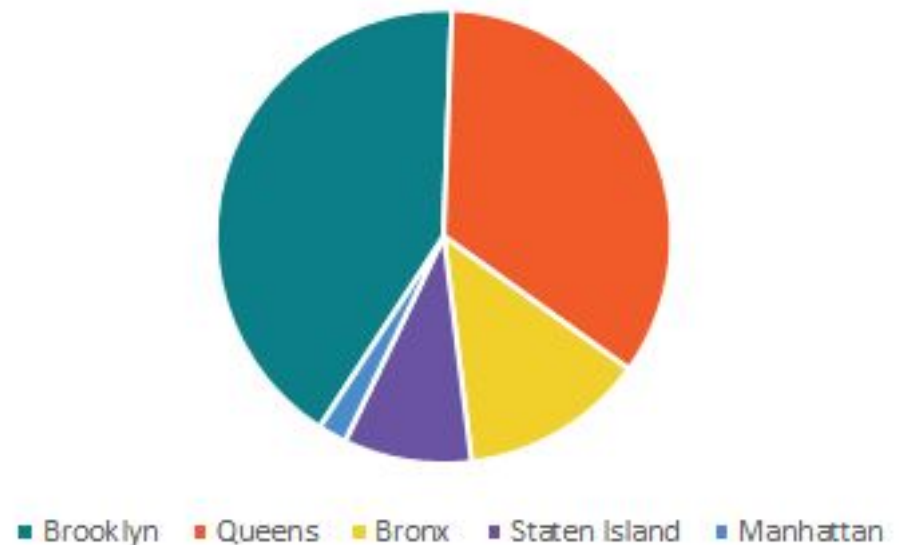
# Serving New York's Diverse Working- And Middle-Class Families Throughout The City

Our clients are:

- **52%** African-American
- **19%** Hispanic
- **6%** Asian
- **23%** White

Their median income is  
**\$46,600**

**Service Breakdown by Borough**  
(July 2017 - Jan 2018)





# Homeowner HELP DESK

*Now Available in East New York*

Stop by to learn how to

- ✓ **Apply for homeowner benefits**
- ✓ **Get financial help for home repairs**
- ✓ **Manage your home as a small landlord**
- ✓ **Avoid contractor and mortgage scams**
- ✓ **Bring mortgage payments under control**

# Interboro Community Land Trust:

## A New Model for Homeownership in NYC

- **Permanent affordability:** CLT properties remain affordable across resales
- **Subsidies go further:** CLT resale restrictions and stewardship recycle subsidy
- CLTs **protect their homeowners** from fluctuations in the housing market and diminish the risk of foreclosure



A Partnership between the Center for NYC Neighborhoods, Habitat for Humanity New York City, Mutual Housing Association of NY, Urban Homesteading Assistance Board

# Community Restoration Fund

- Allows NYC to acquire distressed mortgages to create **affordable homeownership** and **rental opportunities** for low-to-middle income families.
- Acquired **24 mortgages** in 2016; another **38 homes** purchased in 2018.
- **Main goal:** Keep homeowners in their homes through modifications.



Contact Info:

**Caroline Nagy,**

*Deputy Director for Policy and Research*

caroline.nagy@cnycn.org

646.237.5921