

# *City Limits*

**BATTLING BUREAUCRACY  FOOD FOR THOUGHT  
STOPPING HOMELESSNESS BEFORE IT STARTS**



## Bronx on the Rebound?

**Planners and Community People  
Seek a Common Vision**



**City Limits**

Volume XVIII Number 3

*City Limits* is published ten times per year, monthly except bi-monthly issues in June/July and August/September, by the City Limits Community Information Service, Inc., a non-profit organization devoted to disseminating information concerning neighborhood revitalization.

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Subscription rates are: for individuals and community groups, \$20/One Year, \$30/Two Years; for businesses, foundations, banks, government agencies and libraries, \$35/One Year, \$50/Two Years. Low income, unemployed, \$10/One Year.

*City Limits* welcomes comments and article contributions. Please include a stamped, self-addressed envelope for return manuscripts. Material in *City Limits* does not necessarily reflect the opinion of the sponsoring organizations. Send correspondence to: *City Limits*, 40 Prince St., New York, NY 10012. Postmaster: Send address changes to *City Limits*, 40 Prince St., NYC 10012.

Second class postage paid  
New York, NY 10001  
*City Limits* (ISSN 0199-0330)  
(212) 925-9820  
FAX (212) 966-3407

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*City Limits* is indexed in the Alternative Press Index and the Avery Index to Architectural Periodicals and is available on microfilm from University Microfilms International, Ann Arbor, MI 48106.

# Good News—For A Change

**P**resident Clinton's new economic package sends a clear message to the American public: just like he said during the campaign, it's time for a change. And it looks like some of that change will benefit the people and places he failed to mention during his campaign—specifically, cities and poor people. Put plainly, this is very good news.

Among Clinton's proposals are full funding for the Head Start and Women, Infants and Children programs, spending an extra \$2.5 billion on Community Development Block Grants, boosting job training and apprenticeships, getting money out of Washington more quickly for public housing maintenance and creating a national community service program.

Doing all this—and reducing the deficit—comes with a steep political price tag: increasing taxes. We applaud Clinton for having the courage to demand more from America's wealthiest, and we hope that voices like ours will be heard among the howling and sniping that is already coming across loud and clear in the tabloids and radio talk shows. Put plainly once again, Clinton is proposing a fairer distribution of wealth—not a redistribution of wealth—and it's long overdue.

\* \* \*

This is a special hello to those of you who are receiving *City Limits* for the first time after signing up for a subscription through our recent direct mail campaign. Welcome!

And to our regular readers who may have been overwhelmed or confused by receiving one—or many—copies of our mailing, an explanation. Because we used a wide array of mailing lists from nonprofits, we weren't able to "merge and purge," which is direct mail lingo for taking out the names of current subscribers and names that occur more than once. If you still have the direct mail packet sitting on your desk, we encourage you to recycle it—offer it to a friend who should be reading *City Limits*.

The direct mail campaign was our largest ever and was made possible by a grant from the Booth Ferris Foundation. We'll keep you updated on how it turns out.

\* \* \*

Finally, news of some changes at *City Limits*. After four years here—first as associate editor, then as editor, Lisa Glazer is leaving the magazine to move to Paris. Au revoir! Senior Editor Andrew White will become the editor when she leaves. □

Cover photograph by Steven Fish.

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**BRONX INDICTMENTS**

Five years after a Bronx community group raised the alarm about wrongdoing fueled by a federally-chartered mortgage corporation, three landlords have been indicted for fraud in a case brought by the Department of Justice.

Earlier this year, Roland Conde and Oscar Santangelo of Long Island were indicted for overstating the rental income of six Bronx buildings by amounts between \$40,000 and \$365,000, and Shimon Eckstein of Brooklyn pled guilty to mail fraud in connection with inflating the price of 16 buildings in Brooklyn, Manhattan and the Bronx in order to take out high mortgages from the Federal Home Loan Mortgage Corporation (Freddie Mac).

"I would hope this would be a lesson," says Myra Goggins of the Northwest Bronx Community and Clergy Coalition (NWBCCC), the group that has maintained for years that Freddie Mac's lax oversight spurred rampant speculation and left tenants living in badly maintained buildings. "Just because you're dealing with people who are poor doesn't mean landlords can get away with anything."

But Jeff Hoffman, the attorney for Conde and Santangelo, says that all his clients did was increase the figures based on estimates of future rental income after improvements. "It's done all the time," he says. "This is a political indictment to justify the incompetence of Freddie Mac."

Eckstein's attorney, Avi Moskowitz, says only that his client "has an impeccable reputation" and that "he has not defaulted on any of his loans."

Created by Congress in 1970, Freddie Mac, a private, for-profit, stockholder-held company, buys mortgages held by lenders, repackages them and sells them as securities. It has been hugely profitable despite the current recession.

In New York City, and particularly in the Bronx, Freddie Mac's large purchases of mortgages often led to get-rich-quick schemes as landlords bought buildings at one price,

obtained mortgages of much higher value after false assessments and little oversight, and then sold the buildings, leaving new owners saddled with more debt than they could pay from the rents. This, in turn, led to neglect by landlords, according to NWBCCC. The practice also led to several defaults, causing Freddie Mac to lose money and leaving tenants in limbo. In 1990, after investing \$740 million in hundreds of Bronx properties, Freddie Mac stopped buying mortgages on apartment buildings.

One year later, an investigation by the General Accounting Office confirmed that Freddie Mac's "weak controls" led to over-assessment and fraud in several properties. But even now, Freddie Mac officials defend their agency's actions.

"You build in checks and balances," says H. L. Vanvarick, a director at Freddie Mac. "But can a company prevent fraud? No."

Freddie Mac plans to start buying apartment building mortgages again at the end of this year, and Vanvarick says it will institute tighter controls such as checking purchase prices and rental income data from public records.

Says Goggins: "If they're going to go back the right way, then that's fine. We've always been saying that. But much of what happened should never

have happened. It's directly their fault."

If convicted, Conde and Santangelo each face a maximum of 40 years in prison and a \$2 million fine; Eckstein faces a maximum of 5 years in prison and a \$250,000 fine. □ **Steve Mitra**

**WATER RATE RELIEF**

Temporary relief is on the way from Mayor Dinkins for low income buildings facing fiscal collapse because of staggering water and sewer taxes. But a permanent solution to the water tax crisis is still far away.

Last October, a *City Limits* study found that one of every four formerly city-owned buildings sold to community groups and low income tenant cooperatives was on the verge of returning to city ownership because of rapid increases in water and sewer charges. In many cases, water bills soared as much as 300 percent after the city installed water meters as part of a conservation program. Thousands of privately-owned properties are also endangered with bank foreclosure because of the increases, according to other studies.

A temporary plan recently released by the Dinkins administration offers two

immediate responses to the water and sewer debt burdens.

In buildings where the city has paid for major repairs through housing programs, the water authority will refigure bills from 1986 through 1992 based on a set fee per apartment, instead of from water costs calculated by meters. The difference between the two will be credited to buildings' accounts.

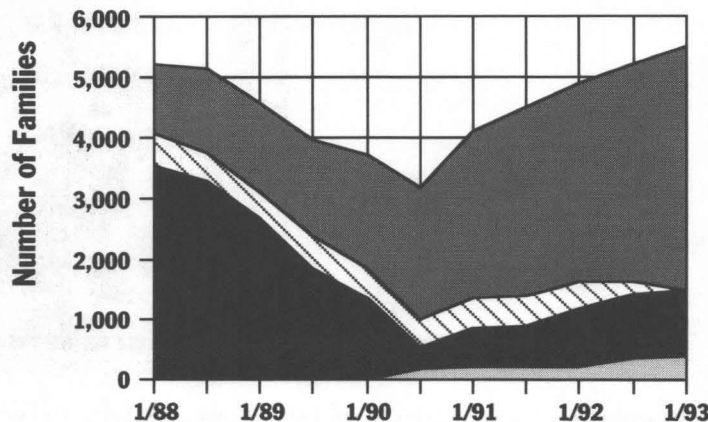
One 40-unit, low income cooperative on Creston Avenue in the Bronx had water and sewer bills totaling more than \$40,000 in 1991 after the city installed a meter. Under the new plan, the building will receive a credit for up to \$25,000 for future water bills, according to Jim Buckley of University Neighborhood Housing.

The Department of Environmental Protection estimates that the change will cost the city about \$20 million dollars in the short term. But it should prevent buildings from being seized by the city for unpaid bills, at least for now.

The other part of Dinkins' plan is to forgive "excessive" water bills where very high charges were caused by major leaks or other "extraordinary events." At press time, the two parts of the plan were being presented to the Water Board, which regulates water and sewer rates.

Community groups are

**Families in the NYC Shelter System and Where They Stay**



Source: NYC Human Resources Administration.



supportive of the changes. "It will be a huge relief to a lot of buildings," says Buckley.

But he and others say the administration is moving too slowly to put together a long term plan for cutting the cost of water and sewer services to low income residents. "We're predicting [the buildings] will go right back into the same situation unless they reduce the cost of water," says Jesse Davidson, a member of the Northwest Bronx Community and Clergy Coalition.

"It's a catastrophe that's unfolding," adds Frank Draconi of the Citizens Housing and Planning Council. "The administration has to address it. It's that simple."

The outcry has reached Albany, where Assemblyman Howard Lasher of Brooklyn is drafting a bill that would prevent increases in the New York City water rates for as much as two years while a new rate structure is worked out. "We need time to study how to do this," says Lasher. "How do we preserve a system to create conservation of water without destroying the housing stock?"

Deputy Mayor Barbara Fife, who heads a city task force on the issue, says that a long term plan could include a billing system that would combine a set fee per apartment with a separate fee for total water use. That way, one portion of a building's bill would depend on how much water residents use, and another would depend on how large the building is.

The current metering system has been criticized for discriminating against low income buildings because apartments in these buildings are often overcrowded, pipes are old and leaky and more people are home during the day—so water costs are higher. Under the two-part billing scheme, the burden on low income buildings would be reduced. But, since part of the bill would still depend on how much water tenants use, there would still be an incentive to conserve. Fife also says the city will start a program to help building owners install toilets that use less water.

Many people say the proposals don't go far enough.



DEBRA DIPESO

**Fighting Fire:** More than one thousand demonstrators recently marched across the Williamsburg Bridge to protest the proposed Brooklyn Navy Yard incinerator. The protest was organized by the Community Alliance for the Environment.

A coalition that includes bankers, advocates and landlords is proposing that the city put a cap on the cost of water. The group, organized by the Community Preservation Corporation, which finances rehabilitation work in low income buildings, also wants the government to cover the cost of replacing old plumbing systems in some low income buildings. While it would be expensive, they say it could save the city money in the long run by reducing water use.

The rapid increases in water and sewer rates were intended to raise money for the city to meet federal mandates. Hundreds of millions of dollars are needed to build a new water tunnel, upgrade sewage treatment plants and create a new system for disposing of sewage sludge. In addition, the city may soon be required to install expensive filtration equipment on the upstate water supply. To keep the cost of these projects down, conservation is essential, says James Tripp of the Environmental Defense Fund.

"Somehow there has to be the message that water costs money," says Tripp, who was recently appointed to the Water Board. "That's important to get across without making life miserable for people economically." □ **Andrew White**

## ST. ALBANS SUPERMARKET

After three years of negotiations, Pathmark and the Queens Citizens Organization (QCO) are finalizing plans to set up a new supermarket that will bring cheaper food—and 250 jobs—to the St. Albans neighborhood.

"This is a community working together and taking charge. Pathmark didn't come to us—we came to them," says Rev. Ed Davis from the Presbyterian Church of St. Albans, is one of 45 Queens churches whose members belong to QCO.

Harvey Gutman, a senior vice president at Supermarket General, which owns Pathmark, agrees. "They came to us a couple of years and asked us to open up a supermarket there. We were very interested."

To the people in the community, who have had to rely on small superettes or travel 30 to 40 minutes to the nearest supermarket, the new Pathmark promises higher quality and lower prices for groceries. And Gutman says the supermarket will employ between 250 and 300 people.

A potential site for the supermarket is a privately-owned 16-acre lot at the corner of Springfield and Merrick boulevards. However, Gutman says the land is "very expen-

sive" and needs to be re-zoned so that it can be used for commercial activity. "We're looking at a number of sites," he says.

Setting up a supermarket in New York is extremely tough, explains Pamela Fairclough from the Supermarket Project of the Community Food and Resource Center. "It's very difficult to identify a site with enough space to build a supermarket that has the right zoning," she says, explaining that many large sites, like the one in Queens, are zoned for industrial rather than commercial use. Zoning can be changed through the city's land-use review process—but it's very expensive and time-consuming, she says.

Gutman cautions that no final site selection has been made and it could be at least two years before a supermarket opens.

Pathmark has a long history of working with community groups to bring supermarkets to underserved areas. In 1979, the company went into a joint venture operation with the Bedford-Stuyvesant Restoration Corporation to bring a supermarket to Central Brooklyn, and, in 1990, they set up a store in Newark with the New Community Corporation. □

**Beth Greenfield**

# Food for Thought

Pay \$13, give two hours of community service—and receive up to \$35 worth of groceries.

In Ocean Hill-Brownsville's School District 23 offices, Deborah Harris-Richardson recently explained to a dozen parents how they could become a part of SHARE-New York, a program that combines community service with discounts on food. Halfway through her presentation, Harris-Richardson interrupted herself. "Before I go any further," she said, "I just want to make sure that everyone here is qualified to participate." Two women who had been whispering stopped abruptly, their attention caught by the serious tone of her voice. "Everyone who eats," Harris-Richardson continued, "raise your hand."

SHARE is an acronym for Self Help and Resource Exchange, a private nonprofit organization that provides discounted groceries to 11,000 households in the New York area each month. The requirements for participation are straightforward: pay \$13 and give two hours of service to your community. In exchange, you'll get a package of food with a retail value of \$30 to \$35. Community service is broadly defined and can include bagging food in SHARE's Bronxdale warehouse, tutoring in a local school, or fixing a neighbor's car. And people who already volunteer can apply that time to SHARE's requirements.

## 500,000 People Nationwide

A Catholic deacon started the first SHARE in San Diego in 1983; it expanded to New York in 1985 when one of its participants moved here and started up an affiliate. Otherwise independent, SHARE-NY cooperates with other SHARE groups across the country to purchase food. The combined buying power of 500,000 people nationwide helps keep costs down; it also allows the organization to go

directly to growers and manufacturers, eliminating middlemen. To further reduce overhead, SHARE-NY employs only five staff members, relying on participants to pick up the food from its warehouse during two "Distribution Days" each month. Essentially, SHARE is responsible for getting food to the warehouse; the rest is up to its members.

This task is simplified by the assis-



**Distribution Central:** The staff of SHARE-New York in their Bronx warehouse. From left, Margie Oasio-Erazo, Shannel Myers, Doug Shulman, Joey Monfred and Deborah Harris-Richardson.

tance of some 250 groups that serve as host organizations. The host groups operate as satellite arms for SHARE, bringing hundreds of food packages back to members in their communities. Many of the host groups developed out of established networks: church groups, tenant associations or senior centers. Others formed specifically to join the program.

Staff members from SHARE train five or six people from each host group in food handling, accounting and food distribution. The result is that each host operates independently, monitoring the payments and community service of its members and orchestrating distribution from SHARE's warehouse to individuals.

Saundria Simmons-Waddell is the education case manager for Project Return, a program for teenage parents

in Harlem's James McCune Smith Community School. She started a host group in September 1992 that now orders up to 58 food packages a month. She says the benefits go beyond food. "Parents, teachers, staff and community members all participate," she says. "It has nothing to do with the amount of money you make. What's really positive is that it has forced the community and the school to share an idea. I have seen more parent and community involvement since this started, because this gets people coming into the school."

## Service and Conversation

Her group, managed primarily by Project Return parents, encourages people to do their community service as classroom helpers, hall monitors, or at SHARE bagging days. One of those parents is April Wanton, who has been involved since last October. Most recently, she has volunteered by making up flyers, and she's also gone to the Bronxdale warehouse to help repackage food for distribution. The last time, she worked with 50-pound bags of potatoes, weighing out smaller portions and re-bagging them into the red mesh bags that SHARE buys by the gross. "When you first walk in there and see 50 or 100 people you don't

know, you get kind of nervous," Wanton says. "But then it's really fun because you meet people, everybody's having a conversation about different topics. Everybody's getting into everybody's conversation."

Wanton shops for a family of five each month and says the two packages of food she regularly orders account for about a quarter of her monthly needs. "The food is absolutely great," she says. "It's just like if you went to the supermarket. This month we got chicken legs and they were no measly little legs, either."

Fredrica Lowe likes the food, too. "The merchandise is superior," says Lowe, food service director for Aging America, a senior center in the Bronx. She launched a host group in July, 1992 and now turns in 30 to 40 food orders each month. Both senior

F.M. KEARNEY



citizens and staff have signed on, many choosing to do their community service at nearby hospitals and at SHARE. Lowe has also worked at the warehouse on bagging days and says the staff members there are professional and courteous, the packages nutritionally well-balanced, and the produce fresh. "And that young man who runs it," she says, "is marvelous."

That young man is Doug Shulman, the 25-year-old executive director who has been with SHARE for a year. He manages a \$2.5 million annual budget, 90 percent of which comes from program fees, 10 percent from private donors and foundations. Before he came to SHARE, Shulman helped found Teach For America, a domestic education program modelled on the Peace Corps. "SHARE does two things," he explains. "It meets a basic need—food—and it gets people working together." Both components are essential to the program, Shulman explains, and host groups looking for a cheap food deal don't tend to thrive as much as those who capitalize on the community service opportunity. "The food is really just the carrot to get people involved. What we're really about is building community."

Shulman has spent most of this year building SHARE-NY. The first order of business was upgrading food storage facilities. These expanded from two loading docks to 10, and Shulman replaced eight refrigerated trailers parked on the street with 3,000 square feet of permanent refrigeration and 1,600 square feet of freezer space adjacent to the warehouse floor. Four thousand people have joined since last August, and Shulman hopes to get to 15,000 by next fall, then to increase membership by 5,000 a year.

As SHARE-NY expands, the organization contends with some recurring obstacles. "First of all, we meet with a lot of skepticism," Shulman says. "People don't believe a deal this good is real. Second, we have to clarify that this is not government surplus and is not a handout." Although SHARE-NY just began accepting food stamps, Shulman says a substantial segment of its members are middle class and working poor people who don't want food that has the stigma of charity or federal programs.

Another issue is transportation. "In Milwaukee, everyone has a van or a car," he says. "That's not true in New York." SHARE will arrange trucking to host sites for an additional dollar

per package, which Shulman says does not cover its actual cost. As an incentive, SHARE offers free trucking to host groups that order 350 or more packages a month.

#### Strawberries, Chicken, Beans

Shulman says that even he was initially surprised by the quality and quantity of the food. As a self-policing measure, staff members will go to supermarkets the day after each month's distribution day, checking retail prices against that month's food package. The retail cost for January 1993's food was \$33.98.

The food varies from month to month, but each package always contains six to 12 pounds of meat; three to four types of fruit such as apples, oranges and strawberries; five to eight vegetables; and two to three dry goods such as pasta, beans and grains. SHARE-NY selects from a

shopping menu each month supplied by the national buying group. Produce is seasonal, and meats (always frozen) depend on the best buys available, although there is always some chicken. No one person can make special requests, but an entire group can elect to be no-pork or no-beef. To accommodate vegetarians and picky eaters, some host groups set up trading tables at their distribution sites so that, for example, a person who doesn't like fish sticks might strike a deal with someone who doesn't like grapes.

Shulman has conducted member surveys and consulted nutritionists, but the selection process continues to evolve and still has a few glitches. A recent SHARE-NY package contained three pounds of rutabagas. Who would even know what to do with those? "No one," Shulman says, with a wry

*Continued on page 8.*

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Continued from page 7.

smile.

As host development manager, Deb Harris-Richardson spends most of her time spreading the word. As she addressed the District 23 parents, she pointed out that successful host groups sometimes have to nurture community-wide attitude adjustment. "Many of us urban folks think community service is something suburban or rich to do," she said, "and it's not." Once people appreciate the benefits of contributing to their communities, she continued, then SHARE-NY can expand with a vengeance. Her enthusiasm for the program is about more than earning her paycheck: although she's been on staff only six months, she's been a member for the last five years. "After all," she finished, "we're 11,000 families right now, but there are 10 million people in this city. We're looking to move beyond the status of being the best-kept secret in New York." □

For information on SHARE-NY, call 718-518-1513.

Lise Funderburg is a freelance writer based in Brooklyn.

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**SPECIAL REPORT**

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## An Ounce of Prevention... Stops Homelessness Before it Starts

**T**he following two articles show how rental subsidies from the government can rescue families from eviction, reduce human misery—and save the government millions of dollars in payments to welfare hotels and shelters.

The first article, “The \$207 Solution”, details how a Legal Aid Society lawsuit is forcing the state to increase the amount of rent money for people on welfare who are threatened with eviction. A state judge is still deciding the final outcome of the case, but thanks to a preliminary ruling, 5,375 families have been spared a stay in the shelters.

At the moment, a family of four on welfare gets a pitiful \$312 a month for rent—barely enough to pay for a studio apartment. And that payment has remained the same since 1984. Legal Aid’s lawsuit is forcing the state to pay an average of \$207 a month more in rent money for families facing eviction. That’s at least 10 times cheaper than the cost of housing a family in a homeless shelter for the same amount of time.

Our other article, “The Waiting Game”, chronicles the plight of the federal Section Eight rent subsidy program. Funded by the federal government, administered by the city’s housing authority and used by more than 60,000 city households, the program is under severe strain.

With 127,000 families, the Section Eight waiting list is longer than ever, meaning most eligible people wait years before getting assistance. In many cases, families have to lose their home and go into a shelter before they even get a chance at Section Eight. But even with these problems, the program can prevent homelessness and is a key component of the nation’s affordable housing strategy.

Both programs help only a fraction of the city’s poorly-housed people, and any major expansion will be costly. But that may be what it takes to keep families from eviction—and out of the homeless shelters.

# The \$207 Solution

How more than 5,000 families have been rescued from eviction and homelessness—for a fraction of the cost of welfare hotels and shelters.

BY STEVE MITRA

**O**n any normal day, hundreds of harried people linger in the dingy corridors of Bronx housing court. Tenants anxiously explain why they're behind on the rent—again. Landlords mill around with furrowed brows, barely concealing their fury. Lawyers flip through court papers, pull at their jackets, open and shut briefcases. It's a scene of overcrowded chaos.

Mercedes Rivero steers her client, a woman in her early 30s, through the confusion and towards her landlord, who is sitting on a wooden table, frowning. Rivero is an employee of the Citizens Advice Bureau; her client is a woman on welfare faced with eviction.

Today the woman is nervous, constantly tugging at Rivero's arm, explaining that there's no way she can afford the \$100 a month rent hike that went into effect more than a year ago after the landlord upgraded her windows and roof.

"She owes \$1,900," insists the landlord's lawyer.

"We need it stipulated that it's part of the back rent," says Rivero.

"And...?" asks the landlord's lawyer.

Rivero releases her trump card. "We'll get it through Jiggetts," she says.

Suddenly everyone is all smiles.

Even the landlord, silent and sullen until then, says reluctantly, "Okay, if Jiggetts will pay for it, then it's cool."

In a matter of minutes, another family has been saved from homelessness by stopping the problem before it begins—thanks to Jiggetts.

**"J**iggetts" is shorthand for Jiggetts vs. Bane, a little-known lawsuit that has come to the rescue of 5,375 tenants since it was filed in 1987. By forcing the state to increase the amount of rent money provided for people on welfare who are on the brink of eviction, it has prevented many families from becoming home-

less. And it has the potential of dramatically decreasing the city's reliance on shelters and welfare hotels in the coming years.

The payments made to date are known as "Jiggetts relief" because they're the result of a preliminary ruling in the lawsuit, which was brought against the state by the Legal Aid Society on behalf of a welfare mother named Barbara Jiggetts.

It's unclear when a final decision will be handed down by State Supreme Court Judge Karla Moskowitz, but in the meantime, the consequences of her preliminary ruling are rippling throughout the city.

More than 500 families each month are getting the "shelter allowance" portion of their welfare payment increased by an average of \$207 to stave off eviction. And families are getting the rent money with relative ease because community-based organizations—not just lawyers—can advocate for them in court, sometimes bringing in the extra rent money within three weeks.

"The whole picture has changed since Jiggetts," says Chet Randall from the City-Wide Task Force on Housing Court. "The question no longer is 'Where is the rent going to come from?' Now, it's 'When is the rent going to come?'"

Nonetheless, there are drawbacks. Some housing advocates say that once landlords start getting the increased rent money, which comes to them directly from the government, their incentive to make repairs is reduced because tenants can't withhold rent. Others note that the Jiggetts money only helps families, ignoring the plight of

single individuals and couples without children. Most of all, they caution against too much enthusiasm for the temporary results of a lawsuit that hasn't been decided yet.

Officials for the state's Division of Social Services refuse to comment on the case, citing pending litigation. But if their lawyers win—and the Jiggetts advocates lose—those 5,375 families could be right back on the brink of homelessness, and thousands more will lose their chances of avoiding eviction.

## Monthly Welfare Payments: Enough for whom?

For a family of ...	The rent allowance is ...	Food and other allowances are ...	Total Payments
One	\$215	\$137	\$352
Two	\$250	\$218	\$469
Three	\$286	\$291	\$577
Four	\$312	\$375	\$688
Five	\$337	\$464	\$801
Six	\$349	\$535	\$884
Seven	\$403	\$610	\$1013
Eight	\$421	\$682	\$1183

All figures are rounded off to the nearest dollar.

Source: Human Resources Administration





REBECCA SHAVULSKY

**Safety Net:** *The Jiggetts lawsuit challenges the state to increase the welfare rent allowance. For about \$200 extra a month, this family may have avoided a stay in the homeless shelters. Instead, they spent a recent night in the Manhattan Emergency Assistance Unit.*

In the past decade, academics, politicians, pundits and ordinary people have come up with an array of explanations for the explosion of homelessness in America: the release of the mentally ill from institutions, tough economic times, the impact of crack cocaine, joblessness, gentrification, the government's withdrawal from the affordable housing business, just to name a few.

But in New York and across the country, there's an even simpler explanation that covers a large percentage of homeless families. Many people who become homeless are on welfare. And the shelter allowance that welfare provides for rent is a pittance: in New York, it's about \$300 a month for a family of four.

Make that just \$286 a month for Zulma Robles, a 22-year-old mother who is raising her daughter and son in the Morris Heights section of the Bronx. She was nearly evicted after her roommate moved out and she couldn't cover the \$525 a month rent on her two-bedroom apartment.

Jiggetts relief has covered the balance of her rent since last September. Without it, she says, "I would have been evicted. I don't know where I would have gone."

Lawyers for the state's Department of Social Services are fighting the Jiggetts lawsuit by arguing that the welfare rent allowance is adequate. But welfare advocates disagree.

"No one will tell you with a straight face that this is enough," says Liz Krueger, the associate director of the Community Food Resource Center. "It's a joke."

Statistics back her up—the latest data from the census bureau's 1991 Housing and Vacancy Survey shows that the median rent in New York City is \$509. Researchers found that the number of apartments renting for less than

\$300 a month has dropped by more than half since 1984—yet shelter allowances have remained fixed since then. For many families, getting by on welfare means scrimping on food, clothes and telephone bills to pay the rent. But sometimes even this isn't sufficient.

"Over the years, the rents have been creeping up and some families just can't deal with it any more," says Jacqueline Pitts, the coordinator of the eviction prevention program at the Community Service Society.

Jiggetts relief answers these problems by paying for rent increases up to a limit of about double the shelter allowance. It also pays all the back rent that tenants accumulate. But tacked on to these payments are several conditions. Only families with children are eligible, and then only if all other efforts to prevent eviction have been exhausted and the state deems the rent "reasonable." Finally, Jiggetts relief can be applied for only after the landlord threatens to evict the family. If all these conditions are met, welfare advocates from community-based organizations, or lawyers, can apply for Jiggetts relief with the state's Department of Social Services.

There are currently about a dozen community-based groups that can file for families; five of them, including the Citizens Advice Bureau in the Bronx, have special eviction prevention units funded by the city's Human Resources Administration.

"We're finding that we really need to keep people in their homes.... We're really trying to prevent people from going to a shelter," says Mary Nakashian, who helps oversee the city's eviction prevention programs for the Human Resources Administration (HRA).

Simple economics underscore the support for Jiggetts.

The average rent increase given to a family under the program is \$207 per month, according to Pat Smith, an HRA official. Had the same family been evicted and sought space in a city homeless shelter, that money would cover their costs for only three days. And an entire month in a shelter can run as high as \$3,000. In a welfare hotel, the price tag is at least \$2,250. The difference adds up to a potential savings for government of between \$24,000 and \$33,600 per family over a year's time.

On the other hand, if the Legal Aid lawyers win the Jiggetts case, the state might have to spend tens of millions of dollars more each month on higher shelter allowances in New York City.

**T**he case that has brought relief to so many has a long and convoluted history. It was brought by the Legal Aid Society on behalf of Barbara Jiggetts, a Queens mother on welfare whose shelter allowance didn't cover her rent, and others in similar situations.

The lawsuit charges that the welfare rent payment set by the state is "illegally inadequate" and bases this argument on a state social services law that mandates that welfare be "adequate to enable the father, mother or other relative to bring up the child properly."

State Supreme Court Justice Karla Moskowitz first heard the case in 1987, quickly making a preliminary ruling that the state would have to increase the shelter allowance for people on welfare who were threatened with eviction. The state appealed to a higher court, which overturned Moskowitz's ruling.

But it wasn't over yet. This time, the Legal Aid Society appealed to the state's highest court, the Court of Appeals, which brought the case back to life in 1990. That same year, welfare families started getting rental assistance over and above their shelter allowance from the state.

Still, at that point, families could obtain Jiggetts relief only with assistance from a lawyer. That changed in December, 1991 when Moskowitz ruled that community-based organizations trained by the Legal Aid Society could also help tenants apply. This greatly expanded the use of Jiggetts relief since very few tenants have legal representation against landlords in housing court.

"This is a very new model," says Chris Lamb from the Legal Aid Society. "Before this, a lot of families would be waiting in line for a Legal Aid attorney, getting them much later, and reducing their chances of preventing eviction."

Matthew Diller, also of Legal Aid, adds, "We've already had a substantial impact. We continue to train more and more people" on how to apply for Jiggetts relief.

Haim Deutsch at Citizens Advice Bureau is one of those people. When he set up his eviction prevention office early in 1992, he saw Jiggetts as an unusual new tool to help families in trouble. It quickly became the single most important component of his work. "Now I spend 80 percent of my time applying for Jiggetts," he says.

**A**cross the city, many people are waiting anxiously for a final decision in the Jiggetts case from Moskowitz, who will rule on whether or not the current level of shelter allowance is adequate. At this point, it's not known when this will happen and calls to her office were not returned. The groups hoping for a favorable ruling include some unusual allies: housing advocates, city officials, tenants and even landlords. As John Gilbert from the Rent Stabilization Association says, "It is essential—if we're going to hang on to housing, if we're going to allow upgrading and maintenance—that the shelter allowance be increased."

But such wholehearted support leaves some feeling uneasy. The clearest cause for concern is what will happen

to tenants who now have Jiggetts relief if the case loses. Another point of contention is that Jiggetts shouldn't be seen as a cure-all because it doesn't solve problems like poor repairs and maintenance of apartment buildings.

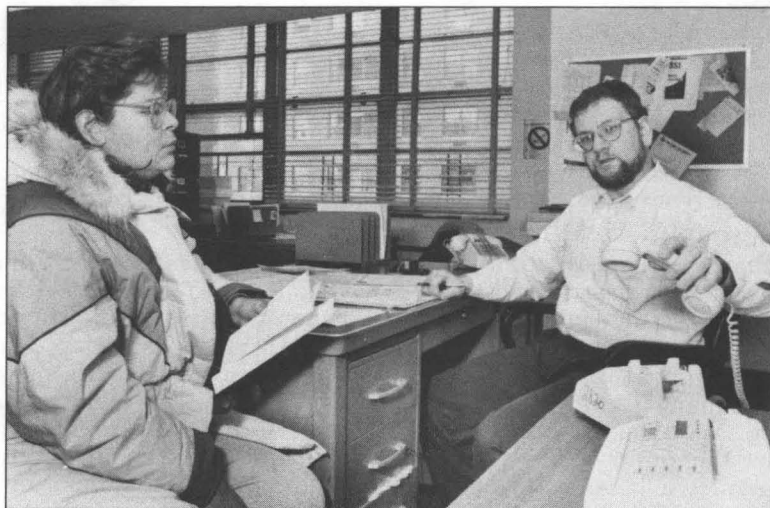
Many advocates admit this is a problem. They note that Jiggetts gives landlords an infusion of cash without any incentive to fix problems in the buildings—and tenants have no way of withholding rent payments because they're sent directly from the government to the landlord. "We can't stop

Jiggetts [payments], so the landlords never satisfy the repair parts of the stipulation," says Annette Averette of the Lower East Side Anti-Displacement Projects.

Others point out that Jiggetts doesn't help the people who are currently homeless. "You have to be in an apartment to be eligible for Jiggetts," says Lauren Steinfeld, a social worker for the Coalition for the Homeless, adding that it also doesn't help families without children, or single people. "While the idea of increasing the shelter allowance is excellent, the way it is now, it leaves out a whole lot of people."

Still, others note that even with these flaws, Jiggetts is one of the city's best chances to truly reduce homelessness. As Professor Emmanuel Tobier from New York University's School of Public Service says, a favorable outcome will have "a big impact on homelessness."

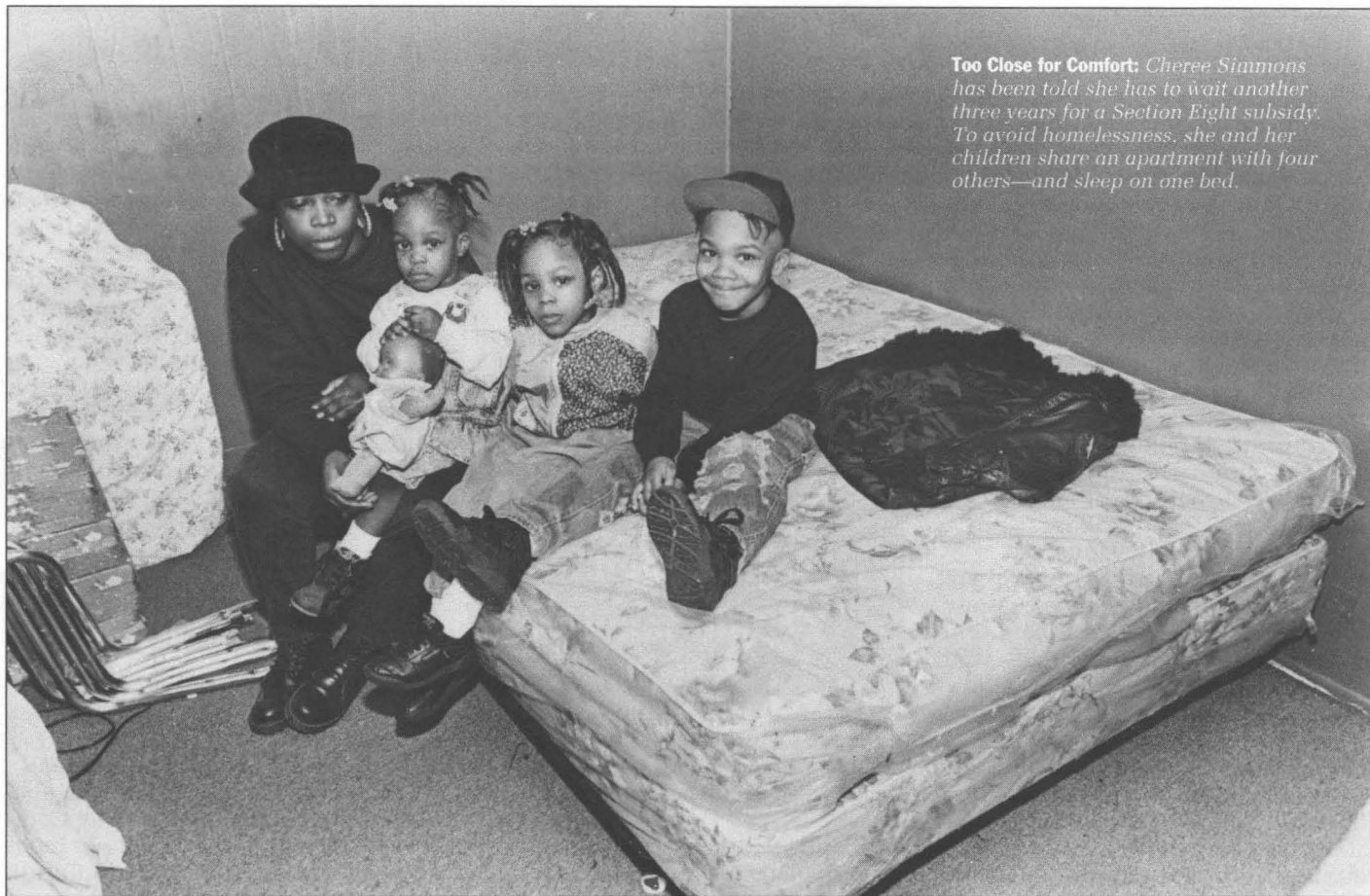
"Homeless programs haven't really worked because market rents are too high," he adds. "This would give families more buying power. Money always helps." □



**Quick Relief:** Community-based organizations like the Citizens Advice Bureau (CAB) can get Jiggetts relief rent payments in as little as three weeks. Haim Deutsch from CAB says Jiggetts work takes up 80 percent of his time.

F.M. KEARNEY





**Too Close for Comfort:** Cheree Simmons has been told she has to wait another three years for a Section Eight subsidy. To avoid homelessness, she and her children share an apartment with four others—and sleep on one bed.

GREG MANGO

# The Waiting Game

The Section Eight rent subsidy program is under severe strain from increasing homelessness and poverty.

BY ELAINE IANDOLI

It's been more than two years since Cheree Simmons applied for a rental subsidy from the New York City Housing Authority. Shortly before Christmas, the 24-year-old mother of three called the agency, hoping to hear some good news. Instead, she was told it would be another three years before her name reached the top of the waiting list for the federally-funded rental subsidy program known as Section Eight.

Now, Cheree and her children, as well as her sister and her children—eight people in all—are perilously close to being evicted from their sparsely-furnished, two-bedroom apartment in Jamaica, Queens. Their welfare checks and food stamps simply cannot cover their \$750-a-month rent.

Simmons' situation is far from unusual—but may become even more common because Congress slashed the federal allocation for new Section Eight subsidies nation-

wide from \$1.7 billion last year to \$1.2 billion for the current year. The cut is just the latest strain on a program that's under severe pressure from rollercoaster funding changes combined with increasing homelessness, joblessness and poverty.

There are 61,061 families in New York City who pay part of their rent through the program, but the waiting list has reached an all-time high of more than twice that number—127,000. That's a major increase since 1990, when the waiting list had just 80,000 families. As a result, tens of thousands of people like Cheree Simmons spend years in inadequate housing, doubled or tripled up, waiting for rental assistance.

And while the overall need for Section Eight is climbing, the number of new subsidies available for people on the general waiting list is shrinking. That's because many subsidies are now being directed to people with needs above and beyond simple poverty. More than one-fifth of the 7,891 people who were housed with Section Eight last

year were from homeless shelters, and new programs will direct some Section Eight assistance toward disabled veterans and families in danger of splitting apart because of their housing problems.

The program is so overloaded that the New York City Housing Authority, which administers Section Eight for the federal government, is currently not interviewing new applicants for the program. "It's like a choke," explains housing authority spokesperson Jeanne Nathan. From time to time, she says, "interviews are sometimes slowed down—or stopped altogether." She adds that part of the problem is insufficient staffing to cope with the number of applicants—but that new staff will be hired soon.

### Alternative to Public Housing

The Section Eight program was created in 1974, in the wake of widely-publicized scandals about the failure of federal housing programs. With high-rise public housing excoriated as a disaster, and contractor fraud making the front pages of the nation's newspapers, President Richard Nixon passed a moratorium on all programs run by the Department of Housing and Urban Development (HUD).

But people still needed affordable housing, and Section Eight was introduced to fill the need. In its early days the program subsidized rents in entire buildings put up by private developers (See *City Limits*, January 1993), but it soon changed to the system that remains in place today. Rent subsidies now go to an individual or a family, and it's up to them to find an apartment that meets federal quality standards.

The subsidies are handed out in two different forms—certificates and vouchers. The certificates enable a family to find an apartment anywhere in the city that meets rent guidelines and passes a government inspection; recipients pay 30 percent of their income for rent, and the government pays the rest. Vouchers are slightly more flexible—they enable people to find a more expensive apartment, but the amount of the rent subsidy remains fixed, so tenants often end up paying more than 30 percent of their income for rent.

In recent years, the federal government has required housing authorities across the country to give preference for the subsidies to specific groups of people, like the homeless. Since March 1989, more than 4,000 certificates and vouchers have been given to the homeless in New York City.

The changes in the program trouble some affordable housing advocates. "The Section Eight program is being seized upon by the government" as a solution to the problem of housing the homeless, explains Scott Rosenberg, assistant director of litigation for the Legal Aid Society. He says the practice may be justified, but it has a societal cost, pitting low income people against each other "for a pool of scarce resources."

"The homeless need a lot of help—but they're not the only ones," adds Yolanda Rivera from the Banana Kelly Community Improvement Association. "There are people who are struggling and are doubled up in other apartments who need help just as much."

Steven Savarese from the regional office of the Depart-

ment of Housing and Urban Development offers an explanation for the dilemma. "People in Washington want a large percentage to go to the homeless," he says. "It means the homeless have a better chance. They were not taken care of before. We never funded homeless programs in the way we should have."

The wait for some families on the general waiting list may become even longer as the result of new programs HUD has designed. Recent regulations from HUD encour-

age the housing authority to give vouchers to homeless veterans with substance abuse or psychiatric problems. Another soon-to-be-instituted program will give certificates to families who have broken up or who may break up because of poor housing.

But housing authority officials in New York insist that Section Eight is still targeted toward the general population. "There are people who come into the program in a different way than others," says Nathan, but "by no means are there only special needs

people getting apartments."

Still, community advocates say the program has nearly ground to a halt for applicants on the general waiting list. As Toni Dosik, the former director of the Gateway Community Restoration group in Queens puts it, Section Eight "was never a great solution but it was the only solution people had. It moved like molasses, but it moved. Now it has just stopped."

### Funding Peaks and Troughs

Nationwide, the funding for Section Eight vouchers and certificates has resembled a rollercoaster since the early 1980s. In 1981, for example, there were 83,000 certificates available to public housing authorities. The following year, the Reagan administration gutted the program, and the number of new certificates dropped to 23,418. After 1984, when vouchers were introduced, the number of new subsidies hovered between 50,000 and 75,000, dropping sharply last year to about 41,000.

Despite some high points during these years, Richard West from the National Low Income Housing Coalition notes that the program has never returned to its 1981 levels. In addition, he says, "all this has to be in the context of the gutting of other programs. With all the other programs gutted and these being cut, [what remains] is significantly less."

But HUD's Savarese defends the outlays. "We have literally billions of dollars given to the New York City Housing Authority," Savarese says. "The question is: how much is enough?"

While no one denies that Section Eight has enabled thousands of families to find affordable housing in New York City, there is also little argument among housing advocates that problems limit the program's effectiveness. Even when families on the waiting list do get a voucher or certificate, they face often-unsurmountable barriers if they don't already have a place to live. These problems include the short time frame that people have to find an apartment after they receive a certificate or voucher, the high cost of housing in New York City and the Section Eight inspection process.

Florida Ramirez, a proud, independent 78-year-old,

**The waiting list  
has reached an  
all-time high of  
127,000 families.**





ANA ASLAN

**Opportunity Lost:** Florida Ramirez (left) lives with three relatives in a cramped, one-bedroom apartment because her new Section Eight certificate had to be returned to the city before she could move into a renovated apartment.

provides a classic example of how Section Eight's four-month time limit for finding an apartment can backfire.

Ramirez currently lives in a cramped one-bedroom apartment in Flushing with her 76-year-old sister, her niece and her nine-year-old grandnephew. Last year, she was chosen in a lottery to become a tenant in a building being rehabilitated by a Harlem community group. But her four month search time expired before the rehabilitation was complete—and she lost her chance, despite pleas from her social worker and the Ecumenical Community Development Organization (ECDO).

"Basically, they just said, 'Tough,'" says Katie Hanner, ECDO's director of housing development. "Because she didn't have Section Eight [when the building was completed], we couldn't accept her. She really was caught in the middle. There was nothing she could do."

"It's repeatedly happening," adds Gilbert Sanchez, a technical housing coordinator with the Wilson M. Morris Community Center. "I had about 10 people last year with the same circumstances."

One of the main reasons that four months is often not enough time to find an apartment is the high cost of housing in New York. Guidelines for Section Eight certificates state that a three-bedroom apartment can't cost more than \$854 a month, including gas and electricity, and the maximum amount for a two-bedroom apartment is \$681.

**"Section Eight  
moved like molasses  
but it moved. Now it  
has just stopped."**

"There's not enough affordable housing within the Section Eight maximum fair market rent levels that is in decent enough condition," says Victor Bach, a housing expert from the Community Service Society.

Harold Sole, who runs the Section Eight program at the housing authority, says HUD is "playing with the idea" of leaving it up to local housing authorities to extend the time limit. Still, he adds, "If a family's going to find an apartment they usually do it within four months." While extra time may help some families, he says, it has a clear drawback: the longer one family has to find an apartment, the longer another family must stay on the waiting list.

#### **Tenants Take the Fall**

Even when an apartment can be found, it may not pass a standard government inspection required by federal law. In these cases, apartments can't be rented until the landlord makes repairs. If a tenant is already in an apartment that doesn't pass the inspection, the housing authority will stop paying the subsidy. "The tenant takes the fall," says Lorraine Liriano, a caseworker at the Forest Hills Community House in Queens. "It can become a difficult situation."

Housing advocates also note that some landlords refuse to participate in the program because they don't want to get involved with the housing authority, while others simply don't want to accept poor, minority tenants.

### Getting Better

Despite these problems, Sole says Section Eight is operating well and "getting better all the time."

In 1991, he says, 10,400 new families came into the program using new subsidies or subsidies turned over from tenants who had died or no longer needed them. However, the number fell to 7,800 last year, and housing authority officials are unable to explain the reason for the drop.

Asked about the turnback rate—those that have to return their certificates or vouchers because they could not find an apartment within four months—Sole prefers to stress the positive.

"So far, the success rate is in the low 60 percent range," he says. "Sixty-two or 63 percent is terrific. It's better than what we had in the past. There was a time it was as low as 29 percent."

Yet the success rate can be deceiving, because it includes families that already have a decent place to live when they first get rental assistance. Those families simply use the subsidy to stay in their current homes. In past interviews with *City Limits*, Sole has conceded that people who have to find a new apartment that passes a government inspection have much lower success rates, but the housing authority keeps no statistics on that group alone. In any case, even a 63 percent success rate means approximately one in three families do not find housing through the program.

Moreover, the expanded use of Section Eight for housing the homeless boosts the success rate, because the city offers thousands of dollars in incentives to landlords who accept families from the shelter system in addition to the rent subsidies—an offer that's hard to refuse in tough economic times.



**Trying Again:** Staffers at the Forest Hills Community House help tenants like Cheree Simmons get rent assistance—when it's available.

GREG MANGO

Many advocates say the program could be reformed if the authority communicated more openly with community groups and their clients who struggle with the complexities of Section Eight. They also suggest creating a clearinghouse to link landlords and prospective tenants. Housing authority officials are not enthusiastic about these ideas. Still, there's at least one point of very clear consensus.

As Nathan says, "The federal provi-

sion for Section Eight must go up!"

### Four to a Room

Meanwhile, Cheree Simmons and her sister, Monica Alston, continue to wait. "We have to stretch it," Simmons says. She sleeps with her three children in one small bedroom while Alston and her kids sleep in another. For several months, another sister and her three children slept on the floor in the unfurnished living room.

Liriano, who is working with the family, says that if the sisters' landlord moves to evict them, she will apply for a court-ordered increase in the families' welfare rent allowance (see "The \$207 Solution" on page 10). That way, they can at least stay where they are.

"I'm not taking my kids in a shelter," Simmons says firmly. She shrugs sadly at the thought of having to move out if all else fails.

"Some people are lucky and some people are not," she says. "Right now I'm trying my best." □

*Elaine Iandoli is a freelance writer who specializes in housing issues.*

**One in three families  
has to return their  
Section Eight vouchers  
and certificates  
without finding an  
apartment.**

**To advertise in City Limits, call Faith Wiggins  
at (212) 925-9820.**



# Housing Department Slow to Issue Checks

**H**eriberto Penn knows the folly of believing the promise that "the check is in the mail." For him and other managers of low income cooperatives, the promise is often broken, especially when it comes to payment of the Section Eight housing subsidy.

In Penn's case, he is waiting for about \$3,000 from the city's Department of Housing Preservation and Development (HPD). The check represents a large chunk of the rent for three tenants in his 29-unit building on West 156th Street in Harlem. The tenants are in the Section Eight program and are meant to receive rent subsidies from the federal government through HPD. But as of early February, Penn still hadn't received the subsidy checks—even though the tenants were approved for Section Eight in November.

"I haven't received a penny from Section Eight," he says, adding that he was recently advised that it may be another three months before he sees the money.

The long wait for Section Eight payments is a common complaint of landlords and building managers. In dozens of interviews, they say they often wait months before they see any money from HPD, and the delays seriously threaten the tenuous budgets of some community-based housing management organizations and tenant-owned cooperatives.

HPD administers only a small portion of the federal Section Eight program in New York, largely in conjunction with rehabilitation projects funded by the city. HPD's part of the program is independent of the New York City Housing Authority, and tenants who participate in it circumvent the years-long waiting list that most housing authority applicants must endure.

Yolanda Rivera, the director of the Banana Kelly Community Improvement Association in the Bronx, says the delayed Section Eight money is a burden for struggling nonprofits. "If it was a few hundred dollars, nobody would blink, but when it gets to the hundreds and thousands, it gets to be something else," she says.

Adds Bill Lipton, a housing coordinator at the Urban Homesteading Assistance Board, which provides technical assistance for tenant-owned buildings, "Repairs are put off. There's a considerable strain on the operating budget."

Faith Williams has felt that strain. The manager of a 12-unit low income cooperative on 148th Street, Williams says she waited eight months before she received Section Eight payments for seven of the building's 12 tenants. "The money was spent before we got it," she says of the \$7,300 check that finally arrived in August.

Williams says HPD officials told her that paperwork was holding up the processing. But she thinks that excuse is inadequate, noting that many tenants completed the Section Eight forms when the building was still owned by the city, long before it was sold to the tenants. Why was a new round of the same paperwork required later on? she asks. "There should just be a transfer of documents within the system," she says. "The city is computerized. This is ridiculous."

Frank Spain, director of operations for HPD's Division of Rehabilitation Finance, acknowledges that the initial Section Eight payment can be delayed anywhere from four weeks to four months or more, "depending on how shorthanded we are at the time and how much cooperation we're getting from all of the people participating in the process."

That participation is crucial, says Julio Torres, director of housing management for the East New York Urban Youth Corps. Torres says that tenants sometimes fail to apply for Section Eight or don't submit the correct information that HPD needs.

Jose Acuna, the director of the housing division for Promesa, a drug rehabilitation and housing agency in the Bronx, says he expects a six-month wait before Section Eight kicks in for about half of the tenants in three buildings turned over to his agency by the city last December. Ideally, he says, Section Eight should be available when the tenants move in. "Why not have the Section Eight already in place?" he asks, voicing a common refrain.

Additional delays may be caused by a cumbersome inspection process that critics say often duplicates work already done by other employees of the housing department. Officials at the Ecumenical Community Development Organization in Harlem says they have had Section Eight payments held up while waiting for HPD inspectors to look at newly rehabilitated units. Yet, they note, other HPD officials had inspected and approved the same units months before. "It's sort of crazy that I have to wait for another inspector," says Katie Hanner from ECDO.

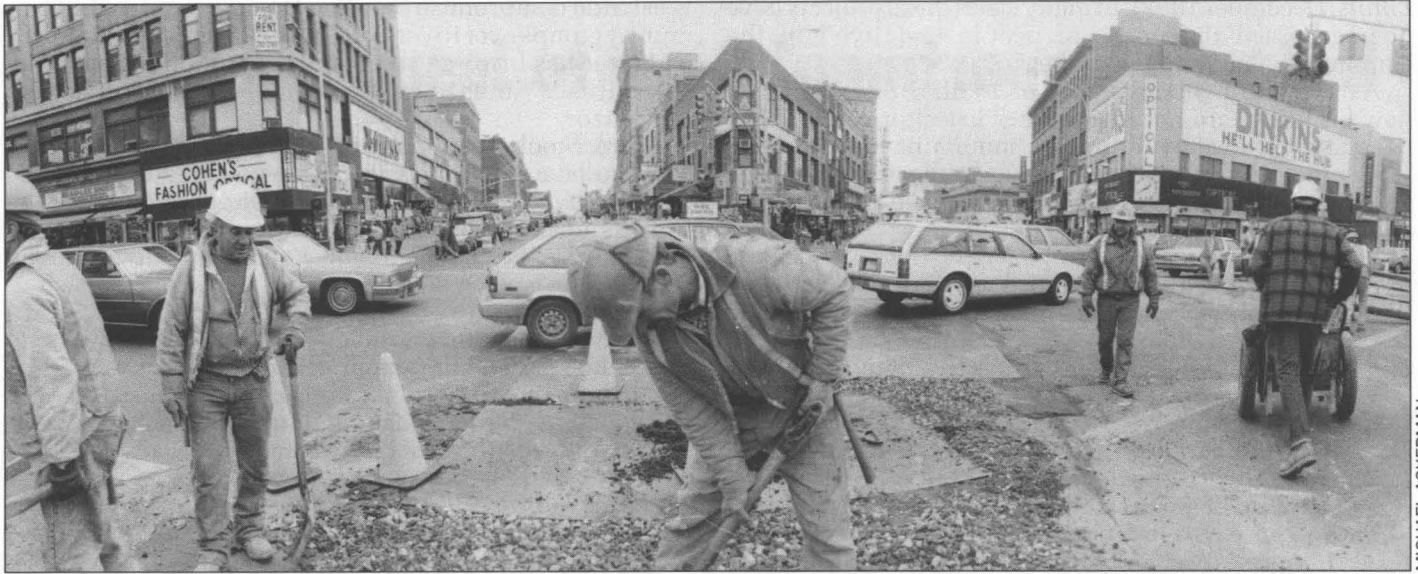
Some attribute the problems to staff shortages at the housing department. "There's a human factor in all of this," says Rivera from Banana Kelly. "With cutbacks, everyone's affected. Everybody's doing three, four, five jobs." The housing department's staff has been reduced by 16 percent, from 4,358 in June 1991 to 3,679 in November 1992, according to spokesperson Cassandra Vernon.

But others say the problems run deeper. One non-profit housing manager who requested anonymity noted that HPD should really stand for Hundreds of People Disoriented. "There are too many chiefs and not enough Indians," says the manager.

Not surprisingly, Spain from HPD refutes this charge, and explains that building managers should not expect to get their Section Eight money until all the appropriate documents are submitted and approved.

As for duplication, Spain says federal laws require inspectors to ensure housing quality standards are maintained. And even if an HPD inspector signs off on an apartment rehabilitation before tenants move in, a second inspection for those housing standards must occur before Section Eight payments can be authorized. "You can't base a certification on an inspection that took place six months ago," he says. "It may seem frustrating to owners, but there are very good reasons."

□ Elaine Iandoli



MICHAEL ACKERMAN

# Downtown Bronx, USA

**Planners and politicians are seeking community input  
on a South Bronx development plan.  
Are they sincere or is it just public relations?**

BY MARGARET MITTELBACH

**O**n Third Avenue, the people that city planners are now calling the “retail power of the South Bronx” carry shopping bags heavy with new sneakers, Walkmen radios and fresh linens. Though “The Hub’s” flagship retailer, Alexander’s department store, closed down last June, dozens of other businesses vie on what may be one of the city’s most competitive streets. Here, even the hot dogs sell at a discount, going for 95 cents each, a nickel below the standard Manhattan price tag.

Just one block east, however, the parade of material wealth comes to a jarring halt. Giving way to the flat dreariness of abandoned lots, the South Bronx transforms into exactly what outsiders expect—an almost-horizonless sea of urban decay. Though progress has been made since Jimmy Carter declared the South Bronx an urban war zone in the 1970s, this once-prosperous area remains a disturbing mixture of strengths and weaknesses, beauty and blight.

Plans for a South Bronx renaissance—one that would reach far beyond the massive, city-subsidized rehabilitation of low income housing that has taken place during the last five years—have floated around development circles for years. But now those plans have a forum where

local people, including community advocates, educators and business owners, can meet with citywide civic groups, politicians and planners in an attempt to fuse old development plans with the interests of the people who live and work in the community.

That forum is being provided by the Bronx Center Steering Committee, appointed last spring by Borough President Fernando Ferrer. It’s a diverse group of movers and shakers that has been holding public hearings and writing advisory reports for the borough president, who is set to publish a full-fledged development plan for a downtown business district known as “Bronx Center.” The first official report on the plan is due out this month.

“Bronx Center will be a social service, educational, cultural, and economic core,” says Richard Kahan, the chair of the steering committee and president of the Urban Assembly. “We’re thinking of this almost as a state of mind.”

But some local residents are wary. The Bronx is not the first urban area to embrace such a “state of mind” to lure investment and foster growth. Other downtown revitalizations, relying heavily on publicly-subsidized real estate investment, have been tried with varying degrees of success in cities ranging from Los Angeles to Pittsburgh and in New York City neighborhoods like downtown Brooklyn, Long Island City and Jamaica, Queens (see *City*



*Limits*, December 1992). In many cases these projects have not addressed the needs of people that lived in the community before the work began.

As Mary Brown, a resident of 165th Street, explains, new buildings are not high on her list of priorities. "We need to see the safety improved, something for the homeless, something done about the drugs, and something done for the youth," she argues. "There's no place for them to go and nothing for them to do."

### Fury to Skepticism to Hope

It's been the job of the steering committee to win over skeptics like Brown and gain local support for development. To this end, the committee has organized dozens of community hearings in the area since last spring, with responses ranging from fury to skepticism to hope.

The committee brings together a mixture of people. Members include Bruce Ratner of Forest City Ratner Companies, the developer of downtown Brooklyn's Metrotech and Atlantic Center; Doreen Frasca, a managing director of Merrill-Lynch, and Harry DeRienzo, a local resident and veteran housing activist who heads the Consumer Farmer Foundation. Other participants come from good-government groups like the Natural Resources Defense Council and the Parks Council, and there are also executives from Hostos Community College, the New York Yankees, the Regional Plan Association and Sloan's Supermarkets.

H. Claude Shostol of the Regional Plan Association describes the committee's mission like this: "Development projects in the Bronx are scattered, they're uncoordinated, they haven't moved forward. The idea is to get a critical mass of people to knit them together, to get people excited, so that each budget battle doesn't have to be fought by itself."

Overseeing the committee is Kahan, a Municipal Arts Society board member who has achieved renown—respect from some, derision from others—for brokering the Upper

West Side compromise between Donald Trump and community groups over Riverside South. Kahan's appointment by Ferrer has inspired some optimism about the steering committee's intentions from one-time skeptics like DeRienzo.

"Ferrer took a real political risk appointing this body because he said, 'Here's the concept—take it out to the community,'" says DeRienzo. "He's got to respect the process and the process says, real jobs for real people, real job training, inclusion in the housing process and no wholesale displacement just because it makes development easier."

But when DeRienzo went out into the neighborhood to moderate many of the community meetings, he ended up being the lightning rod for bitterness and mistrust. "My job was to stimulate discussion," says DeRienzo. "If people got angry, good. They should be angry."

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"It's easy to build  
on a vacant lot.  
What can you do  
for a family on  
poverty?"

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### International Metaphor

Like it or not, the South Bronx is an international metaphor for urban decay. In France they have a phrase, *C'est quoi, ce Bronx?* Literally, it means, "What is this Bronx?" Figuratively, it means "What a mess!"

The decline of the area is a familiar story, the result of arson, abandonment, white flight, the construction of expressways and the dynamics of real estate speculation. Yet the South Bronx has retained a vibrancy and diversity often rendered invisible by its bad reputation.

The ravaged lots that drew politicians and international journalists to the South Bronx now house everything from single-family homes to shanties, from shopping malls to chicken coops.

More and more, politicians and planners recognize the untapped economic strengths of the South Bronx, most notably the buying power of its half-million residents, the value of land perched just above Manhattan, and the area's historical value and potential for tourism.

The area includes an array of venerable institutions:



MICHAEL ACKERMAN

Yankee Stadium, Lincoln Hospital, Hostos College, the once-grand Criminal Courts Building and the now-defunct Bronx Opera Company house. On the map, it is bounded by East 147th Street, the Harlem River, East 165th Street and St. Ann's Avenue.

At the heart of the new development plan are a number of smaller projects that already have won investment commitments of more than \$1 billion. Bronx Center planners say that the trickle-down from these publicly financed real estate projects will bring jobs, business, and a wide array of social services into the community. Construction projects already in the pipeline include:

- A one-million-square-foot, \$122 million Supreme Court building planned for Sheridan Avenue and East 161st Street.
- A \$240 million police academy that will become the city's central training facility, replacing the existing Gramercy Park academy.
- A \$30 million makeover for The Hub retail district's main subway station at 149th Street.
- The controversial \$200 million Melrose Commons housing redevelopment project for mostly middle income families. (See *City Limits*, January 1991 and February 1992).

In concept—and that is what Bronx Center primarily is at this point—the planning project is nothing new. The idea for a downtown Bronx was first conceived eight years ago by the Bronx office of the Department of City Planning, headed by Bernd Zimmermann, who is now Ferrer's chief planner. The concept was also endorsed in 1990 in "New Directions for the Bronx," a report issued jointly by Ferrer's office and the Regional Plan Association.

Zimmermann's emphasis at the time was on importing middle income residents to the community. As he explained to *City Limits* in 1989, Melrose Commons would be "catalytic" because it "would bring in a better income group, a better socio-economic balance. We'll be building from strength," he said.

Not surprisingly, the emphasis on a "better income group" did not go down too well when the Bronx Center Steering Committee took the idea to current South Bronx residents. But whether community concerns can change the plan remains to be seen.

### Sharing the Wealth?

Clearly, the people of the South Bronx bear heavy



**Commons Concerns:** Plans for Melrose Commons call for mostly middle income housing, which will displace current residents.

STEVEN FISH

burdens. The neighborhood is very poor—more than one-third of its half million residents are on public assistance. And it is dangerous—local people are almost twice as likely to die of AIDS, three times as likely to die of drug dependency, and more than twice as likely to be murdered as the average New York City resident. What is not clear is whether real estate development will attract the social services or economic injection the area so desperately requires.

During the community hearings, people

produced a laundry list of services they would like to see more of in the South Bronx—including health care, housing, more police protection, better schools, job development and youth programs. They also asked the steering committee whether the "downtown" would be built over the community or into it. While architects and planners say that "downtown revitalizations" are good for "urban places," South Bronx residents wanted to know whether Bronx Center would be good for people.

The planners insist that it will be. "We are now asking how the local community can share the wealth," says Zimmermann. "We want to make sure that if we develop physically that the design will support the community, that these are not just introverted buildings."

But some residents wonder whether an emphasis on "design" should be a top priority for the South Bronx.

"These people coming in, the architects and planners, have never worked in a low-income community before. They have no idea what they're dealing with," says Bronx housing and homesteading advocate Matthew Lee. "It's easy to build on a vacant lot. What can you do for a family living in poverty?"

## Planners recognize the untapped economic strength of the South Bronx.

### Melrose Commons

The proposal for Melrose Commons is a case in point, critics say. The site is 36 acres stretching from 156th to 163rd streets between Park and St. Ann's avenues, just north of The Hub and just west of a new moderate-income townhouse development called Melrose Court.

Though this blighted area is 60 percent abandoned, it is otherwise dotted with churches, vegetable gardens, scores of small businesses, and hundreds of homes. For years now, Melrose residents have faced the threat of displacement to make room for homes they could never themselves afford.

The Melrose Commons plan calls for 3,000 new condominiums and 750 rehabilitated apartments in city-owned



buildings. Seventy-eight households with more than 350 residents and 80 businesses with nearly 500 employees are slated to be displaced. Even more galling, a minimum of 80 percent of all the new housing was planned for middle-income households making three to five times the average income of South Bronx community residents.

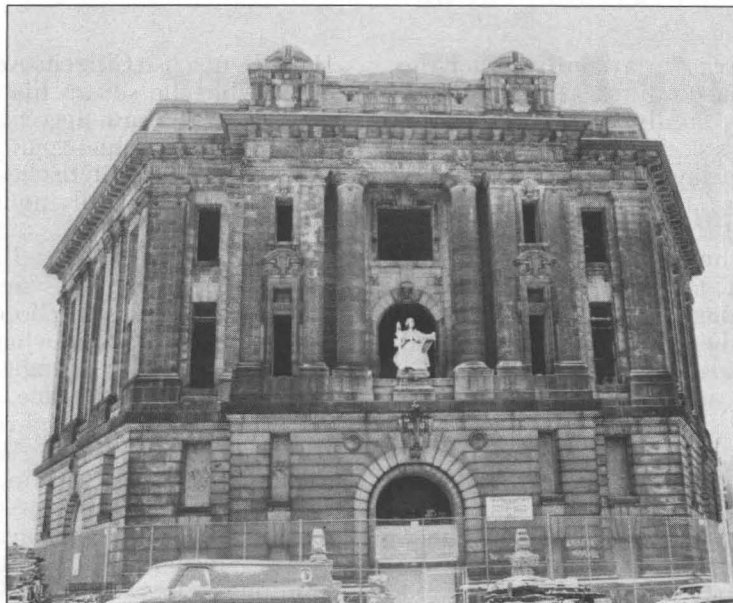
"We don't need housing that's going to move us out and other folks in," says Melrose resident Marty Rogers. "We have been destabilized by fire, not enough police protection, drugs, and loss of businesses. The people who are still here are the ones who have stuck it out, and we can't afford to lose those people."

The Melrose Commons plan is part of a broader urban renewal plan that is already awaiting certification at the Department of City Planning. Once that happens, it will travel through the city's marathon, seven-month Uniform Land Use Review Process, commonly known as ULURP, before construction work can begin. ULURP includes review by the community board, then the borough-wide planning board, the borough president's office, the City Planning Commission and finally the City Council.

But community residents aren't awaiting certification before demanding participation in the development plan. The Consumer Farmer Foundation and the Banana Kelly community group have assigned two organizers to inform local people about the plan. And a community meeting in February brought together more than 70 angry residents demanding changes.

Some steering committee members say they've heard the criticisms, and that they would like the development plan revised to include more low income people and to prevent displacement of current residents. Kahan says: "We are very anxious that Melrose Commons go ahead as quickly as possible—provided it is of a reasonable density and displacement is limited or eliminated. We want to end up with the type of community that people want, and to make sure that the economic benefits flow directly into the people of the Bronx."

If the borough president's preliminary Bronx Center report incorporates these concerns, it will be a clear sign that community input, via the steering committee, is having an impact. If not, Ferrer will be open to charges that the steering committee is merely providing window dressing for done deals.



**Old and New:** The old Bronx court house is still derelict, but funds have been allocated for a new \$122 million state Supreme Court building.

STEVEN FISH

### Criticism—And Hope

Despite such efforts to forge consensus, Bronx Center still faces serious hurdles, one being that the South Bronx is still a dumping ground for not-in-my-backyard projects that more affluent communities won't accept. Most recently, the city broke ground on a new juvenile detention facility to replace the beleaguered Spofford Juvenile Center in Hunts Point. The new youth jail is in the center of the historic Hub shopping district, despite the protests of local business owners and the Bronx Borough President's office.

And while critics are focusing on Melrose Commons, many community residents have put forward all kinds of proposals they would like incorporated in the Bronx Center plan—everything from a public law and science library housed in the police academy, to "the artful use of street lights" and the hiring of local construction workers for any major developments.

Though they hope to be proven wrong, some say they've heard these requests for years and haven't seen results.

"I've been here for 14 years, and we're still trying to demolish the same bridge," says Community Board Four District Manager, Herbert Samuels who helped organize the Bronx Center forum in his district. "There's no doubt in my mind that the Bronx Center planning process is a good faith effort. Will it happen the way we want? No. I have to say I'm a cynic."

Others disagree. Bronx business leaders remain especially optimistic and are among Bronx Center's greatest boosters. "The Bronx went to the edge. It even went over the edge, but it didn't go into the pit—despite what people think," says Ed Birdie, the public affairs and government relations advisor to the Bronx Chamber of Commerce. "And that's because

the people of the Bronx wouldn't let it happen. If renewal succeeds here, it can succeed anywhere."

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"The people who are still here are the ones who have stuck it out, and we can't afford to lose those people."

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### The Jewel

The Hub was once the Bronx's shining jewel, and old timers wistfully remember when black and white movies played in its theaters and the Third Avenue El rattled overhead. The difference between the memories and the current reality is as jarring as the split between the interests of some community residents and those of the development advocates. Reconciliation of the differences is the professed goal of Bronx Center. Its proof will be in the plan. □

# Getting Their ACT Together

Agenda for Children Tomorrow is trying to tame the city's monstrous social service bureaucracy.

**A**n adolescent boy tries to enroll in an after-school program—but gets turned away because he has high grades and the program accepts only “low achieving” students.

A woman leaves her abusive husband—but she has to quit her low-paying but steady job because most battered women's shelters can only house women on welfare.

A mother and her four children shuttle between scores of social services offices, most of them far away from their neighborhood, visiting as many as 60 social workers a week—but none have enough time to really help the family.

New York's labyrinthine network of social services—known to many as simply “the system”—is notorious for creating as many problems as it solves. But a new initiative known as Agenda for Children Tomorrow (ACT) is trying to tame the bureaucratic behemoth by coordinating services within neighborhoods and boosting community involvement in planning.

“We want to simplify the system, to make government more responsive, more accessible and easier to use,” says Eric Brettschneider, the director of the project, which is backed by foundations and operates from the Mayor's Office of Children and Families.

ACT is the fulfillment of a pledge by Mayor David Dinkins, who vowed in 1990 to make social service reform a priority. Ever-cautious, the mayor followed his promise with a prediction: that lasting change was not likely during his administration.

But some skeptics wonder if lasting change will ever result from “service coordination.” As one Brooklyn-based children's advocate puts it, “The real issue is not better coordination of services—it's getting more money for more services.”

Still, more money is hard to find in a cash-strapped city, and ACT is now up and running and making some progress. The project has published voluminous profiles of 10 low income communities, with a complete listing of each area's social service organiza-

tions, as well as economic development and housing opportunities. The profiles are meant to help residents and community leaders identify where services are needed—and illuminate ways to bring them to the community.

## New Neighborhood Planners

To speed that process, ACT now has two neighborhood-based planners, one for Bushwick in Brooklyn and another for Mott Haven in the South Bronx, and funding is available for

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“We want to simplify the system.”

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one more. Brettschneider hopes to eventually get enough funds to hire planners in each of the 10 communities.

Decision-making for ACT comes from a six-member board of directors that includes city officials and representatives of nonprofit groups like Alianza Dominicana and the Foundation for Child Development. There's also a larger, 60-member oversight group. The project's \$400,000 start-up budget comes from the New York Community Trust, the United Way and a raft of other foundations and corporations. The city is chipping in with an office and technical support.

Dale Joseph, a recent graduate from Columbia University's planning school, is the new neighborhood planner in Bushwick. She ticks off her plans: “ACT can provide data to the community organizations, help them to identify the gaps, and start the process of getting more of whatever is necessary.” What that is, exactly, “will depend on what the community wants.”

Joseph and the second planner,

Ellen Goolsby, plan to develop collectives that include community residents and members of social service groups. The idea, explains Brettschneider, is that the planners will provide a liaison to City Hall that small community groups don't have. “This will not be advocating against the tide just to get attention,” he says. “It will be strategic planning that is connected to the sources of power.”

Bringing planners into the community to implement reform distinguishes ACT from earlier city-sponsored efforts at reform, which merely plopped down an additional city office into low income communities. And the planners are meant to serve as catalysts for community involvement. “ACT is inclusive and participatory—and really focuses on the families,” stresses Gale Nayowith, a member of the ACT advisory board who heads the Citizens Committee for Children.

Working from this perspective, Brettschneider keeps a framed print of the Golden Rule—“Do unto others as you would have done unto you”—above his desk. “In the name of helping,” he says, “social service providers have instead intruded in people's lives.” ACT hopes to change that.

## A Major Obstacle: Skepticism

But it will take more than community cooperation to make the project work. The ACT collaborative has to overcome obstacles like funding shortages and pervasive skepticism about the possibilities for bureaucratic reform.

Some of the hurdles ACT faces are already clear because there's a similar service coordination project, the Bushwick Geographic Targeting Task Force, already operating in the neighborhood.

The task force was funded by the New York Community Trust to bring together elected officials, community organizers, staff from social service groups and local people to coordinate planning and maximize available funding dollars. Says John Alvarez, the task force director, “The idea was to avoid having a lot of different groups applying for direct-line funding, which can create a situation where nonprofits are competing with each other to the possible detriment of the community.”

The difficulty, Alvarez says, is making the coalition work. “People perceive you as an outsider, it's diffi-



cult to get people to trust you. Often [the task force] feels like Park Avenue meets Knickerbocker Avenue," he says, referring to a Bushwick thoroughfare.

Sister Betty Nickels, who provides room and board for homeless young women in a ramshackle converted bar and grill on Cornelia Street, says she believes the idea behind the task force is good, but she, for one, "hasn't seen any new money. No one has—except perhaps the professional consultants."

Nickels runs a program known as TOPS for You, which stands for Time, Opportunity, Peace and Service. Women pay \$45 per week for room and board and the program also provides counseling and referrals. With only one government grant, Nickels deals with a minimum of red tape—but she fears the new coordination programs could mean that "public funding may get further bogged down in a new bureaucracy. Funding shouldn't be held back from the agencies doing the work," she says.

#### Poor Coordination?

This concern raises the question of how two coordinating projects, managed to set up shop in the exact same neighborhood. Isn't this a classic example of poor coordination? "It's not duplication," responds Ani Hurwitz of the New York Community Trust. "In a community as needy as Bushwick, it would be hard for there to be too many people working on a problem."

Brettschneider agrees. "It's only a reflection of how little has happened locally that one could think two coordinating projects is too many for one community." Besides, he emphasizes, "Dale is in Bushwick because groups there saw a need for a planner. ACT is supposed to support existing networks, as well as convene new ones."

Besides supporting the planners, ACT is also concentrating on making their community profiles available to as many groups as possible. Very long and detailed, with accompanying software and transparencies, the profiles can be intimidating at first. Recogniz-



GREG MANGO

**Well Connected:** Dale Joseph aims to strengthen ties between agencies and programs serving Bushwick and to link them with City Hall.

ing this, ACT recently received a training grant from the state to assist groups who want to use the data for their long-range strategic planning.

In mid-January, more than 50 people from Bushwick and Mott Haven gathered in Glen Cove, New York along with ACT staffers and foundation representatives for a two-day re-

meet to start collaborative planning, which included training on how to use the profiles.

#### Bold Enough?

At this point, the groundwork has been laid and the ACT staff seems well-intentioned, democratically inclined, and City Hall-connected. Yet questions remain about whether ACT is big enough or bold enough to really change "the system."

Many people wonder whether ACT isn't just a sophisticated smoke-screen that may obscure the lack of money available for low income communities. And a related concern is whether ACT will have the clout to bring new services into the area. "Does ACT have the authority to really operationalize their findings?" asks Liz Krueger from the Community Food and Resource Center. "Can they, for example, advise a foundation to

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fund a particular service?"

Brettschneider says the city's Human Resources Administration (HRA) recently hired two people to consider the "implications" of ACT for the agency. However, over the years, HRA has often responded more quickly to unwarranted deaths, publicized accounts of corruption or noisy protests than to well-meaning studies, even from insiders. Nonetheless, Josephine Panphile from the Mayor's Office on Children and Families says ACT is "trying not to be confrontational but collaborative. ACT is not about finding blame, but working together to find solutions."

This tentativeness could reflect the city's previously unsuccessful experiments with ACT-like entities. There's been the Office of Case Management and Intake, then General Social Services, and finally the Office of Family Services, all variations on the theme of coordinated, neighborhood-based social services, the last of which was shut down in 1990. This spotty history undoubtedly also explains why the city hasn't contributed financially to the project, except for its in-kind donations.

That worries Norman Consentino, the director of the Bushwick Community Service Society. "The question we're asking is whether there will be follow-up. It's clear the policy people in the mayor's office are committed to

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## Earlier attempts at governmental coordination have faltered.

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this, but there has to be public funding."

Why didn't the previous experiments last? Because changing the nature of government is extremely tough, says Jack Krauskopf, who ran HRA in the early 1980s and is now dean of the Graduate School of Management and Urban Policy at the

New School for Social Research. "Coordination between programs is difficult because each program has its own narrow, specialized set of requirements and their accountability is always vertical," he says. This means that a particular program only has to answer to the agency or foundation funding it—and not to other programs that may be serving the same families and community. Still needed, says Krauskopf, is reform at all levels of government, so that contracts of individual social service agencies mandate cooperation with other agencies. And that isn't coming any time soon.

Others are less pessimistic. Mitchell Moss, the director of the Urban Research Center at New York University, says ACT is much better than previous efforts. "This one has the mayor's imprimatur, and it's really engaging both the people who provide services and those who receive services in the process," he notes.

The real test for ACT will ultimately be whether it helps women get into shelters without losing their jobs, kids gain admission to after-school programs even if they are top students, and families find social workers with enough time to really help. Even the skeptics agree that a small step in this direction is important progress. □

*ACT has published extensive profiles of East Harlem, Central Harlem, Washington Heights, Jamaica, Staten Island's Community District One, Bushwick, Bedford-Stuyvesant, East New York, Mott Haven and East Tremont. To obtain copies of the profiles, call (212) 788-6757.*

*Barbara Fedders is a frequent contributor to City Limits magazine.*

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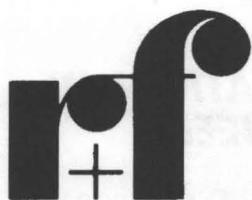
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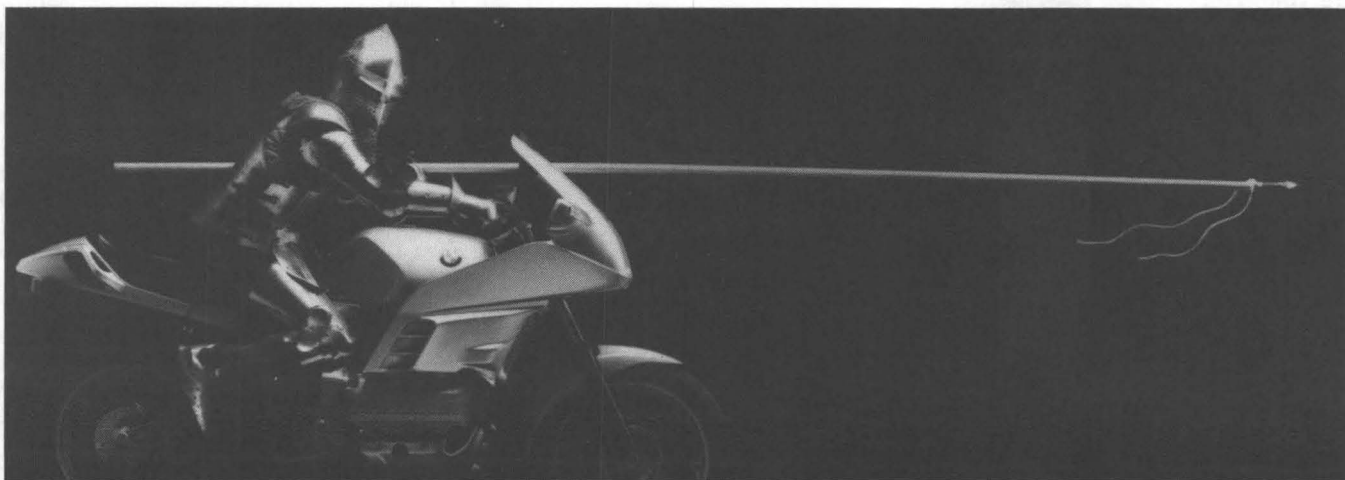




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# Pass the Pain Around!

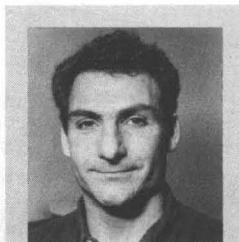
This year, low-income New Yorkers and their advocates braced themselves for a fresh round of attacks in the governor's new budget. Even as the number of people on welfare in the city crossed the one million mark, the pundits in Albany were predicting that Governor Cuomo was about to slash funds slated for the neediest. The prime targets of the budget ax were expected to be Medicaid—the government-backed health-care program for poor

people—and Home Relief—a welfare program primarily for single adults.

However, a funny thing happened the day the governor's budget was released. It wasn't as bad as we all expected. Cuomo, living up to the image of the caring yet stalwart "moderate-liberal," failed to confirm people's worst fears. There was no attempt to completely scrap the Home Relief program. The fingerprinting of welfare recipients, instituted in two counties upstate last year, wasn't expanded. And, while the governor proposed major cuts in Medicaid, people on Home Relief remain eligible for medical care.

## Slow, Insidious Bleed

But that does not mean the plan is acceptable. What the governor *did* was to continue chipping away at services provided for poor people. He proposed making it more difficult to apply for some benefits, tightening restrictions on local districts, and eliminating some—but not all—services. It is this process of slow dismantling—without attacking programs head-on—that shows the



Paul Getsos is the Downstate Director of the Hunger Action Network of New York State.

governor's brilliance: His strategy is to balance the budget on the backs of the poor. Had he made outright, severe cuts, a lot of advocates and legislators would have been outraged, raising a potentially embarrassing outcry of opposition. But with this budget, Cuomo can claim that he is trying to protect basic services for the poor while "trimming the fat" and cracking down on welfare fraud and cheats. It fits into his budget rhetoric that the pain must be shared all around.

But the budget does in fact make life much more difficult for the poorest New Yorkers. Specifically, it cuts \$30 million from Home Relief and \$800 million from Medicaid—two programs that are a lifeline for people in emergencies.

## Reality Check Please!

Supposed "savings" in Home Relief will come from efforts to reduce costs by forcing local districts to document the eligibility of people for public assistance more frequently than they do today. People for whom this can't

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Governor  
Cuomo's strategy  
is to balance the  
budget on the  
backs of the poor.

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be done will have their cases closed. No case, no money. Period.

But this doesn't take into account the circumstances real people face: Sometimes people don't receive notices on time telling them to report for an eligibility check—perhaps the mail was delivered late, or perhaps they were in the hospital when the notice arrived. Sometimes, even when they show up, there is no case worker to speak to, or they are sent to the wrong person. Extra administrative requirements *can* save the state money—when people inadvertently

get dropped from welfare roles because of bureaucratic glitches.

The governor has also proposed eliminating payments for people under 21 who don't reside with their parents. This will "save" \$2 million—but deny assistance to minors who leave home because of physical, emotional or mental abuse. Children or adolescents shouldn't have to live in dangerous situations at home. These cuts will force them to tolerate abuse, live out in the streets or enter the city's shelter system for the homeless.

## Doctor vs. Dinner

Restrictions on Medicaid include extending the "co-payment" requirement. This is a fee, usually small, that an individual pays each time he or she visits a doctor, gets a prescription filled or uses any other health service. Last year, the Governor proposed—and the legislature passed—a bill requiring people on Medicaid to pay this fee up to 32 times a year. This year, Cuomo proposes to eliminate that cap and extend co-payments for other services like home care.

The problem with co-payments is that while \$1 to \$2 doesn't seem like a lot of money—even to progressive legislators—it is to a person on Home Relief. When the most a person gets from the program is \$352 a month, the choice of going to a doctor may have to be weighed against eating dinner. It forces people with serious medical conditions to ration their health care—a decision that could end up leading to their death.

With the emphasis on "shared sacrifice" on the state and national level, we need to ask: Where is the pain for big business and the wealthy? The rich are not forced to forego a meal, or sleep in the streets or leave home knowing the state will not provide the bare sustenance they are entitled to. They do not have to cut down on their health care or live in a substandard apartment. For the pain to be truly shared, we must make income taxes more progressive and raise the statewide tax rate on people who make over \$150,000 a year.

Cuomo's budget will cause more homelessness and hunger. We must fight to ensure that the meager programs for the poor not only stay intact, but expand. This is the only way to construct a true safety net that will help people rise up and out of poverty. □

*City View is a forum for opinion and does not necessarily reflect the views of City Limits.*



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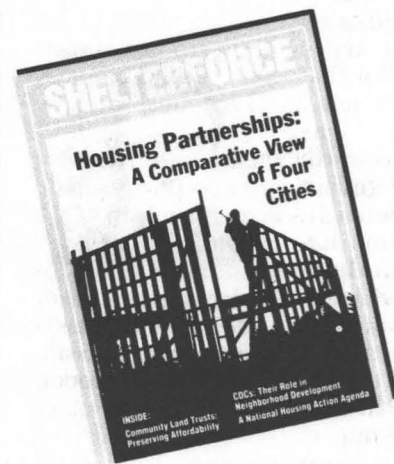
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# Phoenix or Dead Parrot?

*"A Phoenix In The Ashes: The Rise and Fall of the Koch Coalition in New York City Politics,"* By John Hull Mollenkopf, Princeton University Press, 1992, 285 pages, \$35.00, hard-cover.

There are numerous reasons why the letters Ph.D. do not appear after my name. Books like "A Phoenix In The Ashes," are one of them.

Far from the slash-and-burn tales told by investigative reporters Jack Newfield and Wayne Barrett in "City For Sale," John Hull Mollenkopf gives us the academic version of the downfall of Ed Koch. But to put the former mayor and the lunacy of the 1980s into a political science framework, much of the vitality has been removed from what was actually an extremely colorful era.

Mollenkopf examines New York City politics, city budgets and the economic interests that shape the city's government, and then dissects ethnic voting patterns district by district to explain Koch's rise and fall from power. He seeks to explain why, with a growing population of people of color and a long liberal tradition, New York City elected a conservative mayor who favored business interests and was openly critical of minority leaders. Then he details how Koch managed to lose the Democratic primary to David Dinkins in 1989 despite his huge reelection margin four years earlier.

Mollenkopf describes his mission in rather academic language. He writes that he wants to understand why "Koch's strategy for building electoral dominance as a step to achieving a strong position with respect to both public sector producer interests and private market interest seemed virtually unassailable in 1985, yet it lay in ruins in 1989."

Mollenkopf's answer is that Koch's election was an anomaly in "liberal" New York and that Dinkins' victory represents a return to the city's liberal ways. I find his premise inaccurate and his analysis as close to reality as a parrot is to a phoenix.

## No Liberal Mayors Need Apply

First off, Mollenkopf's description of New York as a liberal bastion is wrong—he assumes the city has a real

liberal tradition at the city government level but fails to prove this. New York has really not had liberal leadership since the days of Mayor LaGuardia in the 1930s and 1940s. After all, Koch was preceded by Abraham Beame—hardly a liberal figure. Mayor John Lindsay was elected as a Republican. When Lindsay ran for re-election in 1969 as a liberal, he won with less than half the total vote. That year, the Democrats nominated that paragon of liberalism, Mario Proccacino—who was somewhat to the right of Spiro Agnew.

Besides, what really needs explanation is not the downfall of Koch, but the fact that after the largest and longest series of municipal scandals in recent

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## Exploring the forces behind the downfall of Ed Koch.

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history, Koch still managed to get 40 percent of the vote in the primary against Dinkins. And what needs emphasis is not that David Dinkins, a Democrat, was elected in an overwhelmingly Democratic city, but that racism—admittedly mixed with concern about corruption—led so-called "liberal" New York to nearly elect a Republican prosecuting attorney, Rudolph Giuliani, as Mayor.

## Spending to Hold Office

Mollenkopf's description of Koch as a conservative is inadequate. Koch's election formula was to take conservative stances on social issues, make pacts with the clubhouses, give tax breaks to the wealthy to ensure campaign contributions, and spend liberally to expand the municipal work force. He extracted freely from both liberal and conservative traditions—whatever was convenient—to help keep himself in office.

In addition to taking New York's

liberal tradition for granted, Mollenkopf also assumes that Dinkins represents a real political change from his predecessor. Although the people voting for Dinkins came from different ethnic backgrounds than those who voted for Koch, a political shift did not necessarily occur.

David Dinkins was, and is, an establishment politician. Unlike Koch, Dinkins is a force for racial unity, but he has never expressed the slightest interest in transforming city spending to a truly progressive basis.

## Racist Double Standard

Perhaps Mollenkopf is led astray by the tremendous double standard in judging the performance of the two mayors: When Koch spent every nickel that came in because of the 1980s economic recovery, expanded the municipal workforce and gave large wage settlements to the city's unions, Wall Street and *The New York Times* cheered. Now that Dinkins is mayor, the city's budget is described as structurally imbalanced, the bond rating agencies are poised to downgrade the city's debt ratings at a moment's notice, and the *Times* calls any wage increase irresponsible. The only explanation I have for these contradictions is racism.

In the upcoming mayoral election, New York's politics will be put to the test again. In a liberal city, the popularity of David Dinkins should be far greater than his challengers, Andrew Stein and Rudolph Giuliani. But that doesn't seem to be the case—and the election may once again prove that New York is not as liberal as some consider it to be. □

*Eric Weinstock is an economist and former city housing official.*

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