



HOUSING & COMMUNITIES

THE ANNUAL PUBLICATION OF THE PARODNECK FOUNDATION

WORKING WITH PEOPLE TO BUILD BETTER HOUSING FOR BETTER COMMUNITIES

A Message from the Board Chair



Irma Rodriguez

It was 60 years ago that Meyer Parodneck and a group of other consumer advocates started an initiative that was seen as a small but significant part of a more just, equitable and cooperative society. In 1937, our predecessor corporation, the Consumer-Farmer Milk Cooperative, Inc. was born.

Now, in 2006, we continue to carry on that tradition, albeit by assistance to, and through the sponsorship and development of, affordable, resident-controlled housing.

Since 1970, we have assisted thousands of families retain and attain their dreams of affordable and resident-controlled housing. We have done this primarily through providing financial assistance to emerging and already established, but struggling, resident-controlled entities. But our past success is no assurance for adequately meeting the challenges that lie ahead. So, in the past two years we have instituted internal changes and developed additional resources in order to meet these challenges.

Included among those challenges we have been and are preparing to address head on, are:

- We are in the midst of an affordability crisis. For most of us, and particularly for those we serve, incomes have not kept pace with housing costs. As a result, the challenges are greater than ever for those we seek to assist in the redevelopment of their homes -- whether the small home of the many seniors we work with or the homes of members of low and moderate income cooperatives in larger, multiple dwelling buildings.
- Many of the affordable housing projects developed in the past 30 years, from Michel-Lama to Section 8, to tax credit projects, are coming towards the end of their initial contract terms. If these projects are lost to the affordable housing market, projects that number in the hundreds of thousands of units in New York City alone, it will take decades to recover, at a real cost to lower income New Yorkers in the interim.
- As hard as it is to help preserve housing, it is even harder to produce new housing that is affordable without substantial government subsidy.
- Beyond problems of affordability, many resident-controlled properties developed in the seventies and eighties, and never having received adequate capital investments, need major systems upgrades.
- As the financial circumstances of the average New York homeowner become more strained, there are more opportunities for exploitation by predators. Having helped pioneer anti-predatory remediation work in New York City (and used as a model in other cities as well), we continue to work with seniors and others victimized by predators engaged in predatory lending, deed theft and other forms of predation.
- And with regard to our senior homeowners applying for loans, we are finding that the needs of these seniors both in terms of renovation and refinancing grows over time, straining our available resources.

These are just some of the challenges we and others in the affordable housing sector face. As you read through this newsletter, you will be informed of what changes we have made and are making to meet the challenges ahead. We invite your comments and your support and thank you for the opportunity to work with you.

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CATCH Takes Over Logan Gardens in Harlem....

In early 2005, CATCH purchased Logan Gardens, a foreclosed property on 131st Street in Central Harlem from the federal Department of Housing and Urban Development (HUD), thus saving 104 units of this “202” project benefiting seniors, the disabled and the homeless. Later in the year we successfully completed title transfer and bond financing. Since January we have been rapidly transforming the buildings in this exciting project.

When Carlton Collier, the former COO of the CATCH program and now Executive Director of the Foundation, was asked, he said that he felt that the transformation of Logan Gardens was the achievement of last several months of which he was the most proud. “CATCH had never worked with a project focusing exclusively on seniors and the disabled, and we were very anxious to make this project a success”. It was also the first CATCH project



Hon. Sen. Chuck Schumer and Hon. Keith Wright with residents of Logan Gardens.



Carlton Collier, Executive Director and James Lewis, Resident Specialist.

involving a federal “section 8” project-based initiative - that is, one in which section 8 rent vouchers were linked to the building as a whole rather than to individual renters.



Logan Tenants meeting

Each of these new elements presented challenges. In addition, when CATCH took control of the project, only twenty-five of the one hundred and four units met HUD’s “HQS”

building standards. We worked to repair the deficient units and within three months all the occupied units met the high HUD standard of habitability. This also required temporarily relocating tenants, difficult in any circumstance, and more so with a senior clientele. But the process went smoothly. The CATCH staff have been instrumental in making these transformations work and as Tadessech Scott,

Project Manager said, “It is never easy taking over a project. But when you have

Continued on page 8

Executive Director's report



*Executive Director
Carlton Collier*

In the fall of 2005 I was officially designated the Executive Director of the Parodneck Foundation for Self-Help Housing and Community Development, Inc and appointed to the board as a voting member. It is an honor to head-up an organization with so much history and so many accomplishments to its name. In order to

build on that legacy, I have been working to ensure that our internal operations are up to meeting the substantial tasks that lie ahead.

In 2005, we began converting from a structure organized by program to a structure organized by function. Thus, we no longer have a SCHAP department, an HDHC department and so on.

Instead, we have departments that deal with all of our Field Operations. We also have a Lending Department, an Administration/Customer Relations Department, and a Fiscal Department. This change allows us to better use qualified staff across program areas - which allows us to operate more efficiently. As of the end of 2006, these internal changes are largely realized.

We will carry this structure into 2007, and, with some anticipated staff changes that have already been made and are in the works, I have no doubt that we will have the capacity to continue to play a significant role in addressing the housing preservation and housing affordability needs of low and moderate income New Yorkers.

In 2006, Millie Morales was promoted to Director of Lending. After years of serving as Head Bookkeeper, and being primarily responsible for SCHAP fiscal opera-

tions and contract compliance with city and state contract terms and regulations, her experience has already been felt. Having only headed up the department for less than ¾ of the SCHAP contract term for the City's 2006 fiscal year, production increased 51% over the prior fiscal year.

Starting in 2007, and after a long search, I plan to



Fiscal Staff: Amanda Garcia-Reyes, Controller; Mae Cummings, Bookkeeper; Ismael Laboy, Head Bookkeeper; Betty Aguasvivas, Bookkeeper; Diana Sayago, Intern



Lending staff: Sotirios Assimocopoulos, Remediation Specialist; Dwayne Jones; Yahira Rosa; Liana Jackson; Loan Processors. Millie Morales, Director, not pictured

bring on a new Associate Director for the Parodneck Foundation. His name is Steven Carter. He has 30 years of experience in running for-profit and not-for-profit companies, and has extensive construction and property management oversight experience.

Most recently, at Banana Kelly, he put that organization's redevelopment project and property management operations back on track. He will provide me, initially in our extensive field operations, with the opportunity to focus on the organization's ongoing growth, its stability, and to maintain and grow our leadership standing in the affordable housing community.



Jamie Fenwick, Development Director; Administration staff: Thomasina White, Director; Cynthia Saez, Virginia Ortiz, and Latrice Lowman, Administrative Assistants.



New Addition to CATCH Michael A. Lewis, Jr. Tadessech Scott-Lewis, Project Manager, Mom



CATCH staff. L-R DeWayne Robinson, Social Service Coordinator; Tadessech Scott Lewis, Project Manager; James Lewis, Dalila Morales, Resident Specialists and Carlton Collier, Vice President.

HOW PARODNECK'S CITYWIDE REMEDIATION PROJECT REALLY WORKS.

Parodneck's remediation specialists educate and counsel hundreds of homeowners, individually or in groups, on the dangers of predatory lending. Of this large group, we typically process around 100 formal applications for remediation each year (see Annual Report in this issue, PAGE 5). The story of the R family illustrates how the process works at its best, with a homeowner ultimately being able to extract themselves from a complex set of financial obligations of which they were not fully aware, and equally, to use creative solutions to solve their problems.

Mrs. and Mr. R of the Bronx, 77 and 73 years old, were referred in February of 2006 by a local senior center where Parodneck holds information sessions. They initially sought advice concerning a tax lien of \$13,000 that was about to be sold. They also had a sub prime mortgage of \$38,000 with a well-known predatory lender at 9.25% on which they were beginning to fall behind. After investigating their financial and home situation (which included complex intergenerational issues), Sotirios Assimacopoulos, our remediation specialist, determined that the best course of action was a reverse mortgage.

Parodneck then referred Mr. and Mrs. R to a certified Federal HUD reverse mortgage counselor (as mandated by HUD) so that they could be referred to a reverse mortgage bank. In April, they were directed to Wells Fargo Home Mortgage to apply for the reverse mortgage. The Wells Fargo representative handling the case appeared in court on their behalf and was able to get the tax lien sale put on hold due to the fact they would be paying it off at the closing of their reverse mortgage. The R's closed that in July. Their mortgage was satisfied, as were their judgments. All the extra funds they secured out of the reverse mortgage will help them to keep current on their bills and taxes, do minor home repairs, and most importantly, be assured of their ability to stay in their home of 38 years. As Mrs. R said, "Thank goodness our taxes were paid; we would have lost our home without your help".

ANOTHER REMEDIATION SUCCESS CASE, THIS TIME IN QUEENS

Queens, Village, NY

Dear Dwayne:

I wish to extend my great felt thanks for all of your efforts in saving my house from foreclosure. Your knowledge, professionalism and commitment to resolving my situation are highly commendable. You treated a person who had extenuating circumstances with dignity and respect. The entire process went very smoothly and quickly. From the collection of the documentation you requested, to processing of my application, it all happened in time to resolve my situation before my deadlines.

I was also very pleased with the excellent communication between your organization and the others involved in obtaining my refinance. The interest rate is low, the payment is now affordable and my staying on track is now a reality. Once again I am thanking you for all of your help.

Ms. Inez Taylor



2005 ANNUAL REPORT

UPDATED FROM JANUARY, 2006

Our four major programs – SCHAP, Citywide Remediation, the CATCH mutual housing program, and the HDFC Support Program – remain the main expressions of our affordable housing and community development mission. Three saw substantial progress in the past twelve months, while a fourth consolidated its activities.

SCHAP (Senior Citizens' Homeowner Assistance Program)

This program, operating since 1986, is the only program in the city exclusively targeted to meeting the home improvement needs of senior citizen homeowners and it continued to assist the city's in-need, and at-risk senior citizen homeowners. Once again, the program met its production goal, assisting low-income senior citizen homeowners (87 units) in critical repairs, upgrades and refinancing needs. Some \$ 1,596,426 in housing loans were advanced. In late 2006, indications are that we will meet or surpass our 2005 levels of activity.



HDFC (Housing Development Fund Company) Support Program

This program represents our organization's longest-running effort to create and preserve affordable housing. Through advocacy, technical and financial assistance, we have been instrumental in creating thousands of units that remain affordable through state law and city regulatory agreements and that are resident-controlled. In 2005, we maintained staff resources and the capacity to support not-for-profit rentals and low-income cooperatives organized as HDFC's even though loan application/volume was minimal during the year. Several inquiries were made by us in 2006; none of the HDFC's returned completed applications. In 2007 we will redouble our efforts.

CATCH (Community Assisted Tenant Controlled Housing)

CATCH now has over 50 buildings with approximately 730 units in its portfolio. To accommodate the tremendous growth in Central Harlem, a Residents Council began functioning as an advisory group to the board. It elects a majority of the local MHA board, and serves as a bridge between the individual building resident associations and the board of directors.



CATCH also initiated its first homeownership program – the Neighborhood Homes Program - with the acquisition of seven Central Harlem brownstones (14 units) -- which we are now renovating (see inset). Priority will be given to CATCH members who will be able to utilize skills earlier developed in other CATCH buildings--- thus maturing into ownership responsibility while still remaining in the community. *(continued on page 6)*



ANNUAL REPORT CONTINUED



Central Harlem Mutual Housing Associates Summer fun day.
CHMHA board members gather at fun day

our social service grant from HUD by including a resident social worker, and CATCH field staff also worked to assure that we now have tenant associations in a majority of all our buildings.

Our Bradhurst NRP project in Central Harlem, where we are renovating five former SRO buildings into 110 apartment units, began the Bronx was converted from a construction loan to permanent financing and is now fully leased and ready for occupancy.

In early 2005, CATCH purchased Logan Gardens, a foreclosed property, from HUD, thus saving 104 units in this 202 project benefiting seniors, disabled and homeless. Later in the year we successfully completed title transfer and bond financing. We also worked with the Harlem CDC in a "weatherization" program, which also included boiler replacements, and making these units section 8 eligible. We enhanced



Central Harlem Mutual Housing Associates tenants enjoying Summer fun day.

construction, and our 44 - unit Highbridge Project in



CHMHA residents participating in the America Reads Program, located at the 308 W. 151st community room.

Also in the Bronx, we closed on a 43-unit property on Topping Avenue which was acquired through the Third Party Transfer program, took management control, and are anticipating a construction loan in 2006.



CHMHA Youth Library located at 308 W. 151st St.

ANNUAL REPORT CONTINUED

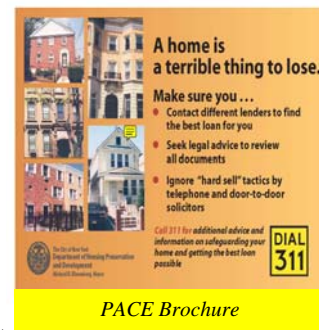
Citywide Remediation Project (a SCHAP outgrowth)

In the late nineties, the Parodneck Foundation brought together financial institutions (JP Morgan Chase, Citibank, HSBC and others) and Fannie Mae to create a new Fannie Mae New York pilot program to assist in remediating the financial circumstances of applicants who had been victimized by predatory lenders. Since then, the initiative has been expanded through collaborations with NEDAP, South Brooklyn Legal Services and local CBO partners.

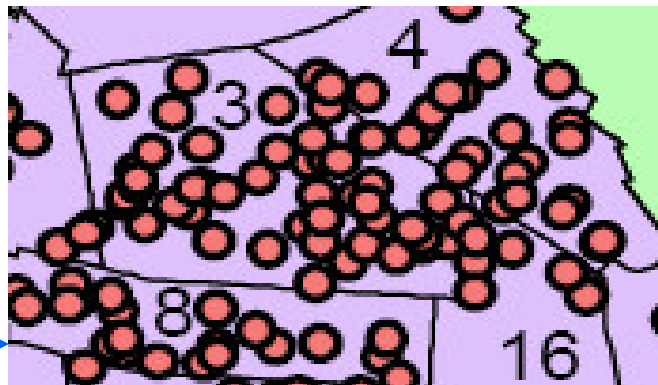
In 2005, 88 applications for remediation assistance were received. The types of assistance needed varied: sold tax liens; threatened mortgage (private) and tax foreclosures; contractor scams, and more. Of the applications received, all are currently being monitored (if referred for legal or other assistance) or directly assisted. Of the 88, 14 have already been refinanced resulting in over \$4 million in affordable mortgages and 12 more are in process. Nine were settled through legal intervention, while another 25 are being referred for legal review or intervention is still in progress. Twenty-six were referred to other programs or did not qualify. Our staff also conducted 17 training or educational events with over 1, 280 persons attending.

This pilot project and an earlier experiment (targeted by geographic area and utilizing existing civic and CBO infrastructures to saturate an area with prevention and remediation efforts) led to the development, with the city, of an exciting new program called PACE. The Preserve Assets and Community Equity program began in October 2005 with Mayor Bloomberg visiting a Queens homeowner whom Parodneck has been assisting. As of December of 2006 our intakes numbered 305 and again there is every indication that our applications we will surpass our 2005 totals.

New York City Housing Preservation and Development (HPD) is spearheading the program, which is also supported by several local banks. It is a consumer education, legal services, referral and financial services program geared towards rooting out predatory lending in specific targeted neighborhoods and zip codes. It will create or enhance the infrastructure for those who are eligible for prime loans and honest credit mechanisms; prepare others; and assist actual victims of predatory lending. The two-year program uses a wide variety of outreach methods as well as supplementary staffing and capacity building funding for local CBOs, many of which are our local partners. Its goals for a two-year period include 570 clients receiving financial counseling and \$4.2 million in loans being approved. In the few months the program has been in operation, we have held 7 training or educational events with 425 persons attending and have begun our intake with 14 applications (3 for repairs and 11 for refinancing, debt consolidation or counseling).



**DO YOU
KNOW
WHAT
THIS IS ?**
See Answer on page 8



CATCH Takes Over Logan Gardens in Harlem

continued from page 2

the love and passion to see changes and make a difference in people's lives, you have to work hard and put all negative influences aside". Tadessech added, "tenants really love the renovations" -- for example, new counter tops and range hoods lights in the kitchen, new VCT tiles throughout the apartment, as well as newly plastered and painted walls. We have also renovated several apartments to accommodate the handicapped, including enhancements for wheel chair accessibility and specialized bathroom and kitchen fixtures.

The relocation process of tenants during construction also went smoothly, with minimal problems of furniture and other possessions being damaged, as we closely monitored the moving companies, with whom we have had a long relationship.

Security in the complex is 24 hrs a day and we are adding additional security cameras throughout the building. We are also developing a system in which tenants will be able to view their front door visitors via a small TV screen in their apartment.



*The new resident officers at Logan Gardens.
(L-R) Hector Onofre; Patricia Lewis; Lena Talley and Bernice Wright.*

Prior to CATCH's involvement the Tenants Association had not been a particularly strong voice in building operations. That has now changed and tenants play a much larger role in the management of the building. For example, tenants were able to choose colors and finishes both in their own apartments and in the public areas. Also at the tenants' request, we are looking to add more social services that can build on the success of such activities as our thriving intergenerational "adopt a grandparent" project.

As CATCH was selected to develop the project after the Tenants Association interviewed five other candidates, we feel doubly responsible to the tenants to make the project work. And Mr. Collier added, "this really is a model of how we can work on projects with a wide variety of initial problems. I'm confident we can do many more like this".



Logan Gardens boiler before repairs.



Logan Gardens boiler after repairs.

ANSWER: What is this? (pg 7)

This is a blowup of a map we have produced using our new mapping software. We mapped the location of our Senior Citizen Housing Assistance Program's (SCHAP) loans-- nearly 1,000 - over the past twenty years. It shows (highly magnified!) the 55 loans in Community District 3 (Bedford Stuyvesant, Stuyvesant Hills and Ocean Hill) in Brooklyn.

Community Development at the Crossroads

By Harold DeRienzo, General Counsel and Director of Compliance



It has been 30 years since I began my work in the South Bronx. At that time, the South Bronx was experiencing a wrenching and violent transformation. Fires were a daily occurrence. Drugs were rampant. And crime was an accepted by-product of public neglect and private abandonment.

Now, the area is very much transformed. There are no more vacant, hulking, burned-out shells lining street after street. Drugs are still present but not sold openly. The area has been rebuilt through a combination of public and private sector investment.

But the physical transformation of the area was accompanied by a negative transformation that occurred not only in low-income areas, but also in areas throughout the country. This transformation was subtle but substantive; complete but far from apparent. And today this transformation threatens the very basis for community development – the existence of community.

“Community,” within some set of shared circumstances, is a group of people with something in common, who are interdependent, and have collective capacity. All three of these components of community are inextricably linked. Most engaged in “community” initiatives almost always ignore the second and third components.

I would maintain that “community” as a social, political, and economic construct is threatened and as a condition of human existence is eroding. In its place, we have people isolated into individual household units and grouped into geographical clusters whose inhabitants are linked through infrastructure and a system for delivery of local services. These groupings – called neighborhoods – while having something in common, are fast losing the notion of interdependency, which is giving something to the community without an expectation of immediate and direct reciprocity. Moreover, they are nearly totally dependent upon out-



Continued on page 11

Banana Kelly workers at 936 Kelly Street circa 1979

HOUSING AND COMMUNI-

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(Institutional affiliations are provided only for purposes of identification)

Community Development at the Crossroads continued....

side economic operations that are totally beyond the individual or collective control of those in the neighborhoods. In the political realm, this transformation has mirrored the transformation of citizens (active participants in the political life of society) into consumers of public services (taxpayers).

This process of going from a communitarian society to a mass consumption society is a direct function of the dominant economic system, which thrives on individual consumption patterns, workers who are detached from productive resources, household units that are mobile, pliant and detached from local encumbrances, and citizens who are politically neutered and amenable to manipulation. Through this transformation, economies have become centralized and global. And in the absence of local economy, there can be no local community and no real political capacity.

Of course, this transformation did not begin with the abandonment and devastation of



Residents of Crotona Park East vote to preserve affordability through the Section 8 program.

the South Bronx and other areas in the seventies, but has probably been in the works for the past century or more. But the devastation of the seventies and the crack epidemic, homelessness crisis, welfare reform and deregulation of the eighties and nineties hastened the transformation. The challenge presenting itself for the next generation of community activists and organizers is how best to address this debilitating trend by restoring the basis of community (in any, even minimal, manner) or, in the

alternative, working towards a new paradigm of human organization that permits some degree of human dignity, self-determination and collective capacity.

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If you or your agency is interested in having Parodneck come out to do a presentation on any of our programs,

feel free to contact us

at

212-431-9700 ext. 313.

Or

Visit our websites

www.parodneckfoundation.org

www.catchnyc.org



The intergenerational program at a Halloween party at Logan Gardens .

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