



# HOUSING & COMMUNITIES

THE ANNUAL PUBLICATION OF THE PARODNECK FOUNDATION

*WORKING WITH PEOPLE TO BUILD BETTER HOUSING FOR BETTER COMMUNITIES*

## A note from our Executive Director Carlton Collier



In some ways, this has been a very depressing year. We are seeing the decline of funding for low income housing at the same time that the fiscal and mortgage crises are disproportionately affecting families of limited means. Not only are they facing payment issues on their homes, but the crisis means fewer of them will have adequately-paying jobs and there will be less investment in housing of all kinds, by both the public and private sectors. What investment we have seen goes to the upper and middle classes and then, as it should, to the very poor; but the people of limited means, lower middle income families, are left out in the cold.

The one piece of satisfaction all this affords me is that the foundation is still able to provide affordable housing through CATCH and preserve it for others through SCHAP, (our senior homeowners assistance program) and through our mortgage remediation program. It is also very satisfying to see that we're now no longer the "lone gun on the block" but are a part of an expanding group of activists in affordable housing who are concerned with the effects of predatory lending.

We are also hopeful that we will be able to add to our CATCH portfolio. For example, even though we did not win the Highbridge Gardens bid (see CATCH News), we consider this type of cooperation, i.e, combining our MHA model and our grassroots experience with the greater financing resources of a private developer, as the wave of the future. We have also been working with a church in East New York which would see us develop housing and community facilities on their adjacent parking lot. And we are exploring a project on the Upper West Side, as well as a several other projects. We will continue to fight to preserve the strengths that being a city wide organization brings us, while recognizing that we must always respect other well-structured community-based organizations that can bring concentrated political and community resources to bear on housing issues in a way that may be difficult for Parodneck.

In addition, we seem to be turning a corner as the new administration in Washington brings new hope. Along with this comes our belief that it will not present just a façade, but will give emphasis to jobs and development opportunities which will help low income citizens. The appointment of Shaun Donovan as HUD secretary also bodes well, as he not only understands New York City's unique needs, but he also realizes the need for a strong partnership of government, the not-for-profit sector and the private sector. We wish him well and hope that he will bring his skills to bear on a variety of problems, not least of which is the drying up of tax credits which had previously helped fund many low- income projects.

Internally, we've been fortunate in having very few changes in the organization and this has enabled us to concentrate on our program work. Our overall budget, in a very difficult funding climate, remains constant. Although we have had no major staff changes, our Board of Directors has been severely altered with the passing of our long term friend and colleague, Jordi Reyes-Montblanc (see insert).



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# CATCH (Community Assisted Tenant Controlled Housing, Inc.) News

Logan Gardens, CATCH's 104 unit HUD senior and disabled adult facility at 131st Street was completed and officially opened in March with a windy but lively celebration joining residents, CATCH members, political and community supporters, and Dr. Arthur Logan's son, who rededicated the building in his father's honor, restoring a small but very significant piece of Harlem history.

Taking on additional projects from HUD's foreclosure inventory, CATCH recently renovated five of eight small properties, converting 77 SRO units into 20 spacious apartments, through a combination of federal, city and private (Banco Popular Dominicana) sources.

At our Bradhurst Neighborhood Redevelopment Project in Central Harlem, which provides 78 units in 7 buildings, leasing and occupancy is nearly complete, and social life is returning to the building, including the start of internet classes and planning for a community garden.



JPMorgan Chase awarding Parodneck \$60,000, of which half was directed to CATCH

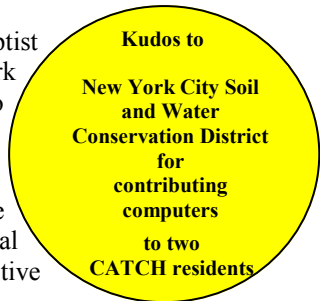
CATCH has always believed that a portion of our activity should be devoted to providing homeownership activities for members who may wish to move to affordable home ownership. We were asked by the City's Department of Housing Preservation and Development to take over eight brownstones in Central Harlem through the Neighborhood Homes Program. Construction started in 2007 and was slowed due to a very rapid rise, until recently, of contractor prices, but the units were completed late 2008. During the summer we ran homeownership workshops and marketed the houses in the fall. Our policy was to give priority to CATCH members and Harlem residents. Over 300 candidates submitted letters of interest and we are currently in the final stages of qualifying and selecting the new homeowners.

CATCH is especially pleased that tenant groups and private developers are realizing the strong organizational resources we can bring to existing stressed buildings as well as the contributions the mutual housing model can make to the long term viability of a new development. As an example of the former, the residents of a 49 unit building in Brooklyn asked CATCH for help and we accepted appointment as a temporary 7A Administrator. After just four months, the building entered the Third Party Transfer Program and development plans are in process for the redevelopment of the property and either conversion to a cooperative or mutual housing affiliate of CATCH.

We were also asked by a number of private developers to joint-venture with them in response to city Requests for Proposals. Each of these "RFPs" were large, complicated development sites, which CATCH could not have undertaken without assistance. But these private developers also realized the value that CATCH principles and practices brought to the project. We will encourage these types of collaborations in the future.

We have also been negotiating with a church in East New York (Southern Baptist Church), whose leader, Rev. Clarence Williams, has strong roots in the East New York community. We are currently working jointly with the Reverend to apply for funds to create a non-profit residence for the elderly on underutilized church property.

Overall, we are pleased that a majority of CATCH's buildings are organized, with active resident associations in both our buildings and local communities. We salute our resident leaders who work hand-in-hand with CATCH staff, and engage in local activities which continue to create the necessary social ties that bind people in collective purpose through mutual support and cooperation.



## Our Mortgage Crisis – An Insider’s View

The current foreclosure crisis is the fault of greedy executives who are directly responsible for what will surely turn out to be the biggest case of mass malfeasance in this country’s history.

As one example, an article in the New York Times in late December profiled Washington Mutual’s process of approving subprime mortgages. A mariachi singer claimed a six-figure income. Ludicrous on its face you might say. But our creative banking system came up with the solution – take a photo of the applicant in his costume. Voila! – LOAN APPROVED!!

Many economists say the worst is over. Think again. In the rush to provide ARMS of 5 and 7 year terms in the early 2000’s, interest rate “resets” in 2009 promise another crushing round of defaults and foreclosures. And why are the banks waiting? They wait so they can go to the federal government once again with hat in hand and say give us cash to cover our losses because we are the banking system; we cannot fail; we cannot be nationalized; it’s everyone else’s fault – the borrower, the appraiser, the broker, the housing market, the investors – everyone’s fault except ours.

Fannie Mae and Freddie Mac relied on fraudulent underwriting to package and sell mortgage backed securities. Yet at a time of great need for homeowners facing foreclosure, both Fannie and Freddie are making it more difficult for these families to refinance. They allow for current historically low rates only if your credit score is over 720, you are current on your payments, and the mortgage is 80% or less of your home’s value. In other words, we will help you but only if you do not need our help.

The solution is quite simple. Bring in every homeowner who is in danger of foreclosure, review their loan, and restructure it now at terms that are affordable. If the house is worth less than their mortgage, then size the loan based on the current value, with any profit from a future sale going toward the difference. The values of homes will eventually rise – maybe not to the levels we have seen in

the last few years – but enough to at least reduce the losses the banks are predicting. For those homeowners whose ARMS will begin repricing in 2009 – and their rates will still skyrocket, the current low rates notwithstanding – forestall possible defaults by bringing them to the table and reworking the loan terms now. Alternatively, simply freeze current rates.

And for those who purchased those mortgage-backed securities? Take less interest so at least your principal is protected and be grateful.

The entire mortgage industry pushed profit ahead of any semblance of prudence and took the risks of writing bad mortgages that now they are all too happy to pass along to the rest of us. Many banks no longer exist and yet the ones who profited – the senior executives – all got their bonuses over the years, at the expense of their bank’s failures and the unemployment of tens of thousands of employees.

*“We hope to do to this industry what Wal-Mart did to theirs, Starbucks did to theirs, Costco did to theirs and Lowe’s-Home Depot did to their industry. And I think if we’ve done our job, five years from now you’re not going to call us a bank.”— Kerry K. Killinger, chief executive of Washington Mutual, 2003*

He got that right!!

*The author of this opinion piece is a long time supporter of the Parodneck Foundation with private and public sector, and local and national experience in banking, and he has asked that the article not be attributed.*



Parodneck and CATCH Staff 2008

### Staff Corner

Carlton Collier, Executive Director  
Harold DeRienzo, Corporate Counsel  
Jamie Fenwick, Development Director  
Thomasina White, Asst. Director of Compliance

Dwayne Jones, Director of Lending  
Sotirios Assimacopoulos, Loan Officer  
Gerald Carter, Loan Processor  
Cassandra Jones, Loan Processor  
Omar Tejada, Construction

Tadessech Scott, Project Manager  
Dalila Morales, Lead Resident Specialist  
DeWayne Robinson, Social Service Coordinator  
Felicia Hassell, Resident Specialist  
Tiana Scott, Resident Specialist

Ismael Laboy, Fiscal Officer  
Virginia Ortiz, Fiscal Assistant/Office Manager  
Betty Aguasvivas, Bookkeeper  
Octavia Brown, Office Intern

## Lending Department News by Lending Director Dwayne Jones

In the late eighties, we began working with the City's Department of Housing Preservation and Development and designed what became and continues today as the city's only home improvement program targeted exclusively to at-risk senior homeowners, the Senior Citizen Homeowners Assistance Program, or SCHAP.

Through financial and technical assistance, SCHAP preserves community wealth, reduces the need for nursing homes, prevents foreclosures and improves the quality of the lives of our seniors. We assist with building enhancements and upgrades that improve home ownership livability and safety for seniors. We've assisted over 1,000 low-income senior homeowners so far. We also note with pride that as a result of our long-time and deep involvement with the senior community, we were able to foresee some of the current mortgage foreclosure problems and help to develop remediation strategies to prevent them. The SCHAP program remains one of our cornerstones.

The coming year brings a renewed sense of our capability to do more good by providing even more home repair loans and saving more seniors from home loss. The names may change but the basic dilemma remains the same: an unaffordable loan motivated by the need to address deferred home maintenance is a senior homeowner's first encounter with a predatory lender brought to their doorstep by an unscrupulous contractor.

Senior citizens, throughout New York City, predominately female heads of households, have struggled to remain in their homes and communities as the cost of the upkeep of one to four family homes outpaces their resources. Many have become targets of unscrupulous contractors and lenders who specifically target seniors. We estimate that there are 100,000 low and moderate income senior homeowners in New York City, all of whom are subject to the risks of subprime and predatory, unaffordable loans and who are also eligible for SCHAP home-repair loans. Over 30,000 of them are in the current mortgage foreclosure "hot zones", where we have concentrated our efforts.

SCHAP does its work in these targeted communities with education and outreach that invariably lead to a home visit to fully equip the senior with a strategy for needed home repairs through SCHAP resources. Just as critical, we provide financial intervention counseling whether it is negotiating with lenders and creditors or sitting down with the senior and their family to develop the appropriate budget and credit strategy for their financial stability.

Continued on page 6

HOUSING AND COMMUNITIES

### ANOTHER HOME SAVED IN BROOKLYN



*Before and after - the stairwell & kitchen at the Matthews'*

Charles and Bessie Matthews contacted the Foundation last year. Their house in Brooklyn, purchased over 30 years ago, had suffered severe interior and exterior damage. The roof was in such bad shape that the interior damages had forced the family to adjust to a saddening and uncomfortable situation. They were unable to finance any needed repairs. It was apparent that Mr. and Mrs. Matthews wanted to change the conditions of their home not only for their sake but also for their children and grandchildren.

All the bedrooms in the house had extensive wall and ceiling damage, the kitchens were no longer operational, the plumbing was extremely defective, and the electrical outlets and switches were in desperate need of repairs. The rail attached to the stairs leading to the second floor had fallen off and several steps had been deemed a trip hazard.

As eligible seniors who met the income and age conditions, SCHAP was able to arrange a construction financing with a 30 year deferred forgivable loan of \$50,000 using New York City HPD funds and a forgivable \$23,871 HOME loan from NY State funds.

When construction began at their home, the contractors first installed a new roof and then began to work their way down. The new interior finishes on the top floor, which had been most affected by the leaky roof, brought tears to Mrs. Matthews' eyes. As the project progressed, and as our construction overseer, Omar Tejada, whittled down the list of issues, the family showed more appreciation for the help SCHAP was able to arrange.

When all the repairs were completed, the Matthews said they could not have dreamt a better result.... "The Parod-neck Foundation saved my house", which was once again safe and comfortable.

## Logan's "Sheroes"

Too often, our senior citizens are "retired" to live the remainder of their lives in seclusion and anonymity. We think this is not only wrong but also represents a real disservice to our community. So with this edition of the newsletter, we are featuring some of our seniors, their lives, perspectives and lessons learned as a way to start getting a better appreciation of the wonderful human resources we have at our disposal, if only we choose to tap them.

The Wall Street Journal recently profiled four seniors who had survived the Depression and two of them were from Logan Gardens, CATCH's 104 unit HUD senior and disabled adult facility at 131st Street. We've added a third Logan's Hero, befitting her status as the building's only centenarian.



Our first Logan's Hero is Gloria O'Loughlin, 88. She was one of the first women to drive a yellow cab in New York City, stopping only when she was 62. She was born in Harlem and says she plans to die there. She moved into Logan Gardens in 1997 and while her memories of rats were not as dominating as Dorothy Womble's (see below) she fully agreed that the building needed to be repaired. The best thing about the new Logan Gardens she says is the physical renovation and the security, of which she highly approves. While she wishes some of her fellow residents were friendlier, she understands, like Ms Womble, the desire of some to just remain quiet. She has the same memory as our other heroes of people during the Depression giving each other what they could. "If you were sick, they helped you. If you were hungry, they'd feed you. That was the Harlem I knew," she says.

She is a frequent member at tenant meetings and describes her role in the building as "If we see something happening, we speak up about it" Dewayne Robinson, CATCH's Service Coordinator, says she is one of the tenants who will give him "that look" and he'll know something needs to be fixed. Ms O'Loughlin praised Carlton Collier, the CATCH Executive Director, by stressing "he does his best to protect us". She still has friends in the neighborhood (although many have passed away) and she still takes the bus to Co-Op City to visit others. Her hobbies are "Gambling!! horses, lottery, numbers, you name it". When she hits it big, she buys a plate of candy for the teenagers in the Logan Gardens' intergenerational program which Mr. Robinson is directing.

Another hero, Dorothy Womble, 89, has lived at Logan Gardens' since 1990. She remembers the building when it was Knickerbocker Hospital in the 50s and 60s. But she grew up in a small house on a dirt road in Winston-Salem, N.C., when people around her were so poor, she says, "they couldn't even get money to get seeds" to plant vegetables. When she moved in, the building's previous owners and managers "had not kept the building up," "everything was run down. and ...the rats had taken over." She complained to her upstairs neighbor about the noise he was making at night, and then when the downstairs neighbor, a minister, complained about the noise SHE was making, they all realized it was the rats.

Ms Womble called Channel 7 and they came to investigate, and that was the beginning of a long journey in which other residents, community leaders, elected officials and city agencies all worked together to begin the process of turning the building over to CATCH. Ms Womble is an optimist, yet says she notices that people only rarely appreciate it when you try to do something good "but always notice it when you do something bad".

She remains very active and has always been health conscious. Indeed, she shops at the Health Nuts store on the Upper West Side, a subway ride away. She agrees that she could even be described as a health nut herself. She has had cancer, but is now healthy and had visited Knickerbocker Hospital as an adult. She remembers the current entrance of Logan Gardens as the hospital's main door. This triggered her thought that the only thing she could imagine improving on her new home would be to make the lobby bigger. While she herself is very active, she recognizes that other residents don't want to be too active. Asked about her greatest joy over the last few years, she said "seeing this place go from 0% to 95%... it's a great pleasure". She notes that there is pleasure in community.

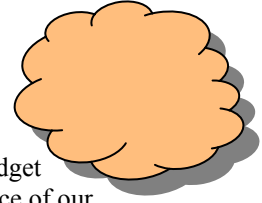


Mrs. Marjorie Callender, aged 101, and a recipient of a commemorative plaque when the building reopened, became a Logan Gardens resident in 1990 after growing up on St. Nicholas Avenue. She worked as a seamstress in the garment center, as had her mother, and while demurring on the effect her occupation had on her, remains very elegant in her dress, always sporting a beret to top it off. She is out and about every day, down to the corner store to get her Daily News, which, on the day we visited her, was half read by noontime and very neatly folded on her coffee table in an equally neat apartment. She still does some of her own shopping and "lots of telephoning" to keep up with her friends. Indeed a true Logan's Hero, as are they all.

# Development News

## Clouds on the Horizon?

From Jamie Fenwick, Director of Development



Typically, the Parodneck Foundation generates between 20 and 30% of its budget from grants provided by corporations, individuals, foundations, and government. The balance of our income is “earned” by providing direct services, usually under a government contract.

This year reaching that level will be a challenge to as the philanthropic climate has changed dramatically. Charitable giving peaked in 2000 at the height of the dot com boom and then declined for several years. It recently begun a resurgence, but with a considerably different color. For example, traditional areas of concern like the arts, urban development, the humanities and even many health areas have seen a decline in giving. Newer areas grabbing a share have included the environment, job development and training, criminal justice and youth activities. Funding for housing and the provision of many related services to low-income communities has been declining or only stable.



Many of the trends we noted last year -- new young foundations outside New York City and bank consolidation -- continue in effect but clearly the most important has been the credit and financial crisis which has affected the nation. We thus saw grants from long established bank contacts diminish or decrease, and in at least one case a strong bank supporter was swallowed up by another. Of great pleasure however, is noting the support of some of the smaller banks, even when absorbed by larger competitors, thus indicating to us that those with their ears closest to the ground understand our important role. Foundation support will also inevitably decline as their own portfolios, and thus giving, have this past year generally decreased from 20% to 50%. We note, however, a strong supporting grant from the New York Community Trust to fund CATCH's membership development activities, specifically a Member Asset Survey to identify opportunities for using members' individual strengths, talents, and capacities for our mutual benefit and that of the community.

Nonetheless, we will continue to develop relations with the existing philanthropic community, seek out some of the newcomers and present our efforts in different ways. While some traditional sources of funding may have evaporated, the current foreclosure crisis has generated potential new sources of funding, primarily governmental. For example, four new government programs provide opportunities for funding and we were able to tap into three of them, two from the State (SONYMA and DHCR) and one City based, the Center for New York City Neighborhoods.

We have also upgraded our web site-- for example, we now have a section devoted to “Parodneck in the Community”, press coverage and useful housing links for our clients, see <http://www.parodneckfoundation.org/ResourcesUpdates.html> and are planning to add blog capacities soon in the New Year. Already we see the web site generating large numbers of inquiries from citizens facing foreclosure.

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### Lending Department News, continued from page 4

The Lending Department has significantly reorganized its staff to ensure that we remain able to service senior homeowners facing the current mortgage crisis and rising costs for home upkeep. Two new members include Cassandra Jones as Intake Coordinator and Gerald Carter as a Remediation Specialist. Our first staffing task was to increase our intervention activity in the foreclosure hot zones where targeted and victimized seniors live---Central Brooklyn, Southeast Queens and parts of Central and Northern Bronx. This required a staff capable of doing both foreclosure interventions and home repair loan originations. We now have the core of this staff in place and are expanding our capacity to provide “doorstep interventions”.

We strive to consistently offer high quality interventions including mortgage loss mitigation options amenable to the senior and their bank. We have an extensive track record of making the case for favorable modifications which can include transferring missed payments into the principal and significantly reducing onerous and permanent fixed interest rates and payments. And when homeownership no longer becomes a viable option, we expect to collaborate with our local network partners to assist with the social service issues of seniors' relocations.

Our staff offers intervention counseling, the most basic being collecting the senior's financial and budget information for evaluation to implement an action plan. For most of our clients we carefully walk them through an action plan which includes Parodneck guiding negotiations with lenders and creditors to make their home ownership more affordable. There is nothing more rewarding than witnessing the sense of relief and reduction in anxiety that a senior experiences after a successful strategy meeting when they realize that we have solutions that they can literally live with.

## Parodneck in the News ....see our website to access referenced links

[www.parodneckfoundation.org](http://www.parodneckfoundation.org)

**Wall Street Journal Profile.** On November 15th, the Journal profiled Dorothy Womble, 89, and Gloria O'Loughlin, 88, both residents of CATCH's Logan Gardens, among a group of four seniors who had survived the Great Depression. See the full article [Memories of the Depression Still Sear](#)

**Parodneck urges Congress to consider "bottom-up" approach to bail-out of the financial services industry.** On Sept 25th, a letter, [BailoutLettertoCongress](#), was sent from the Foundation to twelve New York area members of Congress on the House Financial Services and Senate Banking Committees and their Chairs and Ranking members. It offers an alternative perspective on the bail-out of the financial services industry -- a "bottom up" approach that should be considered as well as the "top-down" approaches currently under discussion. If you have comments, please send them to: [ccollier@parodneckfoundation.org](mailto:ccollier@parodneckfoundation.org) or [hderienzo@parodneckfoundation.org](mailto:hderienzo@parodneckfoundation.org)



**"Where the Foreclosures Are" - Parodneck on the Brian Lehrer Show on WNYC-** April 11/08. "Dwayne Jones, Director of Lending at the Parodneck Foundation, a nonprofit that does foreclosure default and intervention counseling, and Eileen Markey, freelance journalist, talk about [the neighborhoods](#) that are hit the hardest by the subprime mortgage crisis". [Listen to the interview here.](#)

**History of Milk!** The Food Museum (<http://www.nyfoodmuseum.org>), a lively and interesting New York City-based online museum is planning an exhibit on the history of the Consumer-Farmer Milk Cooperative and the Consumer-Farmer Foundation, the precursors of the Parodneck Foundation. Their interest in the history of milk in New York City led them to "rediscover" both organizations and their founder Meyer Parodneck. We have helped them with access to our archives and are looking forward to their exhibit in 2009. In the Museum's recent newsletter, [FoodMuseumNewsletter2](#) they have presented an interesting history of the early "Milk Wars" of the 1930s and Meyer Parodneck's role in them.



[Logan Gardens Rededication on NY1News](#) On Thursday, March 20th, nearly a hundred invited guests, dignitaries and residents rededicated Logan Gardens at West 131st Street in Harlem in honor of Dr. Arthur C. Logan. The former distressed apartment building has been transformed by CATCH into a thriving home for 102 senior and disabled residents. The event also celebrated and revived a part of Harlem history that had been lost. The building once housed Knickerbocker Hospital, whose guiding force was Dr. Logan, a leading civil rights activist and prominent surgeon, as well as personal physician to such luminaries as Dr. Martin Luther King and Duke Ellington. Dr. Logan was also a tireless advocate for the poor.



**Parodneck receives substantial coverage in major French newsweekly** Feb. 7, 2008. Titled "[The American Nightmare](#)", the article quoted extensively from Parodneck staff and our remediation clients. Its headline read *"The poorest, generally immigrants and minorities, have found themselves trapped by high risk loans that unscrupulous lenders sold them. Thus tens of thousands of New Yorkers were plunged into a downward spiral of poverty"*.



Congratulation to Ismael Laboy, Fiscal Officer, and his new bride, Elizabeth Laboy



WHAT  
IS  
THIS ????

See answer on  
page 8.



## Who is Meyer Parodneck?



Meyer Parodneck was born in Poland and as a child immigrated to the US and grew up on the Lower East Side. He experienced the effect of poverty and poor housing conditions on his family and fellow citizens and after his dream of becoming an engineer was frustrated by the anti-Jewish bias of the day, he enrolled in and graduated from law school. He became a successful entrepreneur with a variety of small businesses. During the Depression he saw the effects of, and began working against, the injustices of homeowners losing their homes through foreclosure. He visited Europe where he saw the potential of cooperatives as a powerful counter-balance to the monopolies and trusts of the day. During this period he joined the Consumer-Federation of America and became a recognized consumer advocate.

A visit from an economist hired by New York Settlement Houses to study the impact of milk prices on poor children convinced him that there had to be a consumer-oriented solution. So he set out to counter the milk trusts of the day which were limiting supply and increasing prices. He founded the Consumer-Farmer Milk Cooperative, Inc., in 1937 which linked upstate producers and downstate consumers directly into one cooperative organization. It did provide a balance, assuring a low cost supply of milk to hundreds of thousands of New Yorkers. Shortly after its inception, he became its full-time president.

By the late 1960s, prices had lowered and milk was again widely available, so the cooperative sold its assets (including \$500,000 from the milk trust in return for Meyer's promise never to compete with them again) and donated the proceeds to the newly formed Consumer-Farmer Foundation, Inc. (1970) which would use its newly acquired resources to address Meyer's longstanding interest in the housing conditions of low-income New Yorkers.

The Foundation went on to support self-help and cooperative housing efforts throughout the city, but our predecessor corporation, the Consumer-Farmer Cooperative, Inc., represents the foundation of our current efforts. The story of the Cooperative can now be viewed at <http://www.nyfoodmuseum.org>

## Literary News



Mr. Harold DeRienzo with his family during the book signing party for "The Concept of Community, Lessons from the Bronx", held at and sponsored by the Fund For the City of New York.

**Harry DeRienzo** authors book on community development entitled "The Concept of Community, Lessons from the Bronx" which was published in English (2/08) by an Italian publisher, IPOC Press, and is now available in the US. A dust jacket quote by former City Planning Commissioner Ron Shiffman, describes the book as "a wonderful hands-on blend of theory, practice and community history woven together by an abridged autobiography of a truly special and dedicated community builder.". For more information visit the publisher's website [www.ipocpress.it](http://www.ipocpress.it) or the Parodneck Foundation website. "The Concept of Community" is not stocked at bookstores, but can be ordered online at Amazon.com, Powells.com, or from Barnes and Noble.

A review in City Limits WEEKLY (June 9, 2008) by Roberta Brandes Gratz said "Now, 30 years later, DeRienzo has written a terrific book, "The Concept of Community: Lessons from the Bronx," a book that tells the incredible story of how Banana Kelly was one of the critical successes lighting the way for the community-led resurgence of the Bronx - a resurgence initiated by local people whom everyone officially had given up on. This self-organized, citizen-motivated movement made it possible for developers and investors to follow (and then attempt to take full credit for the rejuvenation visible today)".

**ANSWER: What is this?** (pg 7) Why, it's Cora the Cow, of course..... proudly guarding her collection of milk bottles and cartons found among memorabilia from the Consumer-Farmer Cooperative, the milk cooperative which was the forerunner of the Parodneck Foundation. Visit : <http://www.nyfoodmuseum.org>

# Chasing Democracy

By Harold DeRienzo, General Counsel and Past President

This country has experienced an election of historical significance on many fronts, beyond the election of this nation's first African American president. African Americans and young people came out to vote in record numbers. Political organizers, using every available tool of mass communication, produced millions of volunteers who put in countless hours working the streets, running phone banks, raising money, correcting politically-generated promotional distortions and increasing awareness of what was possible.

Now that the election is over, there is an optimism that is pervasive within the progressive community. If I were to describe it, I would say that we believe we have achieved the democratic infrastructure necessary to finally compete with the tens of thousands of lobbyists that form the permanent underbelly of political transactions in Washington, DC. By these accounts, transformed organizers and the millions of volunteers they coalesced will now be able to bring democracy back to the people – encouraging elected officials from the top down to do the right thing; prepared to punish elected officials from the top down for doing the wrong thing. What is wrong with this picture?

The problem I see is that there is an assumption that our democracy consists of an infrastructure of democratic institutions emanating from the ground and extending through local, regional, interstate, and federal levels of operational practice. But this is not the case. As I stated more thoroughly in my recently published book, *The Concept of Community: Lessons from the Bronx* (IPOC Press 2008), there is a direct correlation between politics and the economy. Political structures, systems and processes are not formed through some collective goodwill, sense of tradition, wishful thinking, or eloquent expressions of our best instincts. Our political infrastructure is a direct derivation of our economic systems. To the extent that we have local economy, we have local community and some relative degree of local political power. To the extent economy is centralized and aggregated under the control of a small minority of the population, we have economic and political power concentrated there as well.

So in order to really see a systemic change in our political system, there must be a systemic change in our economic system. Such a change would end our sole reliance on two economic variables as the underpinning of all of our economic policies – those two variables being (1) “price” as low as possible, and (2) “profit” as high as possible. Such a change would value and therefore officially encourage local economy, in the context of regional economies, in the context of national and global economies. Such a change would see a more equitable distribution of opportunity and wealth and a systemic return to the possibility of democracy in true sense of the word (from the Greek – demos: people; kratos: power).

## Board Corner

### Elizabeth-Ann Rodriguez

A long time board member was honored by Asian Americans for Equality at their 34th Annual Lunar New Year Celebration. AAFE honors individuals who have made exceptional contributions in the struggle for equality and the well being of our community.

The banquet is an honored tradition at AAFE at which it recognizes and honors the partnerships that have been formed to strengthen our community and our City. The theme for this year's event was “Increasing Community Influence through Innovative Leadership”



### Gene Flatow, The Water Taxi

On November 9<sup>th</sup>, 2008, board member Eugenia M. Flatow had a NY Water Taxi boat named after her.



The boat is a state-of-the-art catamaran with the cleanest engine in the harbor. Many friends and colleagues from both her housing and environmental work came for the christening cruise of the Lower Harbor.

## Thank you to our sponsors and partners

*The Parodneck Foundation would like to thank the foundations and corporations listed below. Each of them generously supported our efforts during 2007 and 2008. Without that support, we would never have been able to do the things you are reading about in this newsletter.*

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# Parodneck's Citywide Remediation Project

On October 28th, **BBC TV** presented a report, *US Pensioner's Mortgage Woes*, <http://news.bbc.co.uk/2/hi/business/7694526.stm>, on the mortgage foreclosure crisis. The two minute segment interviewed several experts as well as our client, Frances McDonald, and Parodneck staff.



Gerald Carter and Frances McDonald in front of her home

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. In our last newsletter, we presented the story of a family from Brooklyn and how they were helped by our program.

We now showcase another story that illustrates how the process works at its best, with a homeowner ultimately being able to extract herself from a complex set of financial obligations of which she was not fully aware, and equally, to use creative solutions to solve her problems.

Ms. Frances McDonald, an 84-year-old senior from Queens, came to the Foundation in the fall of 2008 for counseling and relief from an adjustable rate mortgage. She has lived for the past 42 years in a one-family home with her adult disabled son. In June of 2007 she entered into an adjustable rate mortgage which was initially affordable due to its low introductory rate. By June of 2008, she realized that the payments had become unaffordable, and after exhausting her savings, she fell behind in her mortgage payments.

When she contacted us in September 2008, she was several payments behind. She spoke with Remediation Specialist Gerald Carter and together they created an action plan that included a request for a modification agreement from her lender. The modification was approved and her 6.5% interest rate was reduced to 4.5% for 5 years. Her account was also brought up to date which took her out of delinquency. In the meantime, Ms. McDonald was also referred to a reverse mortgage lender, because in looking at her fixed income, we realized that although the modification payments were affordable they were a tight fit and could become a problem should some unforeseen expenses arise. Ms. McDonald closed on her reverse mortgage in October and now has the financial stability and safety net that allows her to reside in her home and keep up with her household expenses.

We are expecting to be assisting Ms. McDonald in the coming year through our SCHAP program to make some minor repairs on her home that she had been unable to afford. We also note that our extensive work in Queens merited a Queens Borough President's award of \$20,000 from Queens Borough President Helen Marshall which she announced in her State of the Borough address in January.

## **NO PLACE LIKE HOME!**

We were aware that the temporary relocation of senior tenants at Logan Gardens during our renovation and the adjustment to their new homes would benefit from targeted social service support. We sought support from the federal Housing Department to fund a service coordinator for the tenants as well as the many new arrivals at this older building acquired in 2005.

DeWayne Robinson, a seasoned social worker (Lehman College) with over 30 years in the field, is now vigorously filling that role and is responsible for providing and monitoring all social services for the residents. Of note is the way Dewayne has started an intergenerational program in which grade three, four and five students volunteer to spend time with the seniors after school in the building's common room where they all engage in painting, knitting, gardening, and other activities. He has also arranged for the services of a nurse, Mary Simmons, RN, from the Lincoln Square Neighborhood Center, to counsel residents about diabetes and other health issues. He is

also a member of the Diabetes Empowerment and Education Program Coalition at St. Luke's Hospital, which gives him access to other health resources he can channel to residents.

DeWayne says there are other things he wants to accomplish. For example, he is working on getting computers installed in the Logan Gardens community room and enlisting teaching help so that seniors can enter the internet age with confidence. DeWayne's efforts have not gone unnoticed by the larger community. He was chosen as the head of the citywide Service Coordinator program which links his peers at HUD projects throughout the city as well as coordinators from NYCHA facilities.



Logan Garden residents meet and greet.

## GENERAL INFORMATION

If you or your agency is interested in having Parodneck do a presentation on any of our programs, feel free to contact us at: 212-431-9700, ext. 313  
or email us at: [info@parodneckfoundation.org](mailto:info@parodneckfoundation.org)  
or at: [info@catchnyc.org](mailto:info@catchnyc.org)



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<u>2008</u>			
<u>PROGRAM</u>	<u>BUILDINGS</u>	<u>UNITS</u>	<u>INVESTED</u>
CATCH Portfolio	62	911	\$82,708,459

<u>2008</u>			
<u>PROGRAM</u>	<u>BUILDINGS</u>	<u>UNITS</u>	<u>AMOUNT</u>
SCHAP Loans	10	17	\$274,578

<u>2008</u>	
<u>REMEDIATION PROGRAM</u>	
<b>Preliminary Consultations:</b> 134 cases with \$44.7 million in mortgage debt	
<b>Results:</b> 10 affordable loan modifications 36 active negotiations with lenders 44 pending assignment to servicers/lenders	

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