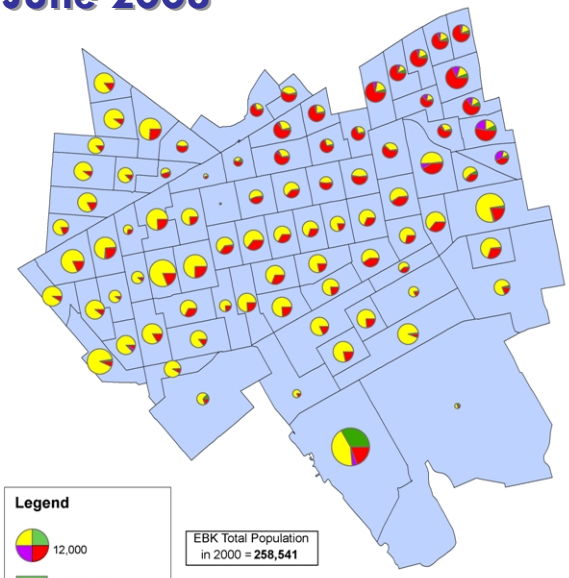
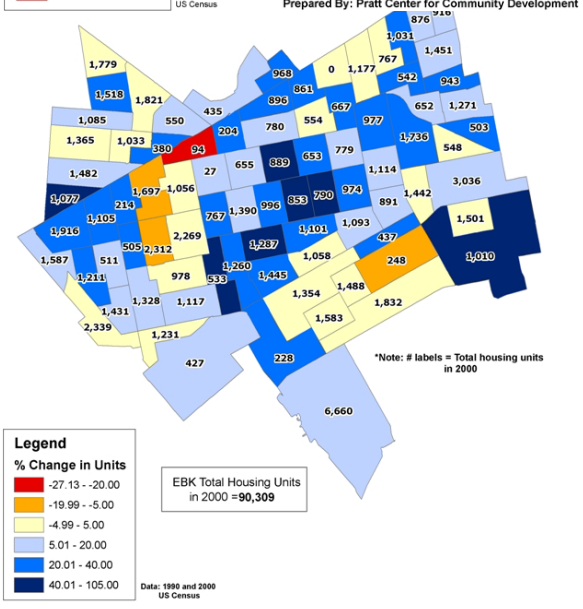
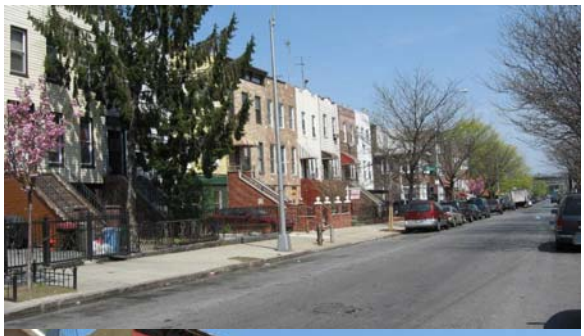
EAST BROOKLYN HOUSING & DEVELOPMENT STUDY 2008
CONTEXT REPORT

June 2008







Pratt Center for Community Development

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EAST BROOKLYN HOUSING & DEVELOPMENT STUDY 2008
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Draft June 12, 2008

INTRODUCTION

This study of the eastern sections of Brooklyn comprises community districts 16 and 5, and the neighborhoods of Ocean Hill, Brownsville, Broadway Junction, Cypress Hills, City Line, East New York, New Lots, Spring Creek and Starrett City. Begun in the Fall of 2007, the study of these neighborhoods included the following tasks, all of which are reported and illustrated in detail herein:

- Research to create a basic profile of the neighborhoods and the housing market within each;
- Research and site visits to identify development opportunity sites represented by groupings of vacant lots and city owned property;
- An investigation of the prevalence of sub-prime loans and foreclosed properties in the study area.

While we began the project focused on development opportunities, throughout the first phase of research we became increasingly aware of the great number of foreclosures and lis pendens properties in both community districts. It is clear that the economic shifts nationally and in New York City are poised to have an adverse impact on these neighborhoods; therefore, our analysis addresses both potential assemblages for affordable housing development and the concentrations of foreclosed and soon-to-be-foreclosed houses that could mean abandonment in a downward housing market cycle and thus are a serious threat to the stability of the entire community.

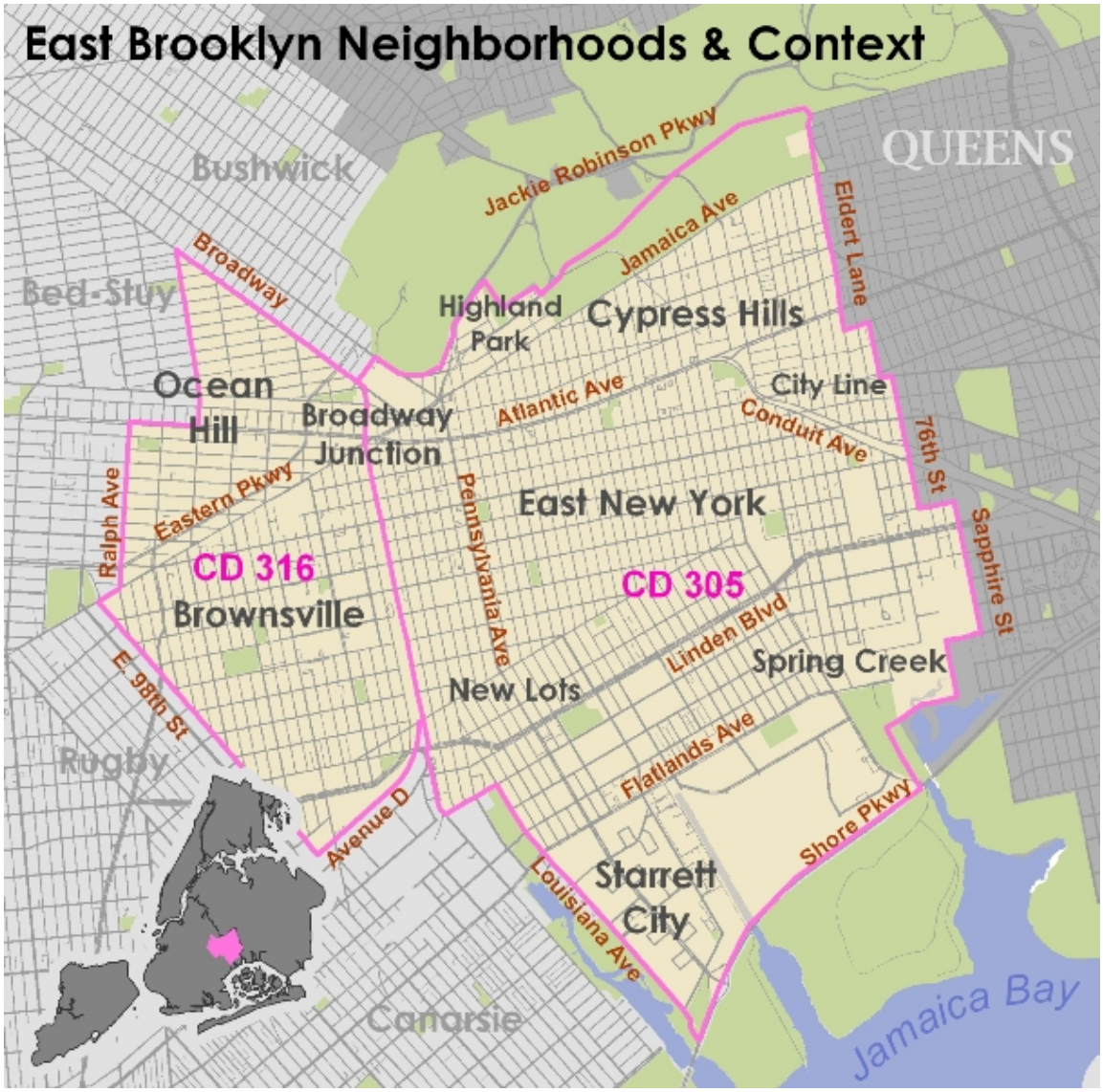
There is considerable opportunity at this moment to provide support and technical assistance to local community groups who counsel homeowners in trouble. In addition, new development in clusters of vacant and foreclosed properties might be considered by local affordable housing development groups that seek to both help people remain in their homes but also seek to create new affordable housing. We conclude this report with a suggested set of next steps that could be taken to help strengthen the areas hardest hit by the home lending crisis.

1. STUDY AREA NEIGHBORHOODS:

The area is formed by ten known neighborhoods in two community districts, CD 5 and CD 16: Ocean Hill and Brownsville (CD 16), and Broadway Junction, Highland Park, Cypress Hills, City Line, East New York, New Lots, Spring Creek and Starrett City (CD 5).

Using New York City Housing and Neighborhood Information System for housing analysis, we find the area comprised into two sub-borough areas: East New York / Starrett City and Brownsville / Ocean Hill. There are slight differences between the study area comprised of community districts and the study area comprised by sub-boroughs but they are almost coterminous. See Map 1.

Map 1: East Brooklyn Context



Study Area Political boundaries

The East Brooklyn study area contains several intersecting City Council, Assembly and Senate districts, shown on Map 2.

Council Districts include:

- C37 (Eric Dilan), which covers Cypress Hills, City Line and north East New York and Broadway Junction,
- C41, (Darlene Mealy), which covers Ocean Hill, part of Brownsville; and
- C40 (Charles Barron), which covers Most of East New York, New Lots, Spring Creek, Starrett City and south Brownsville

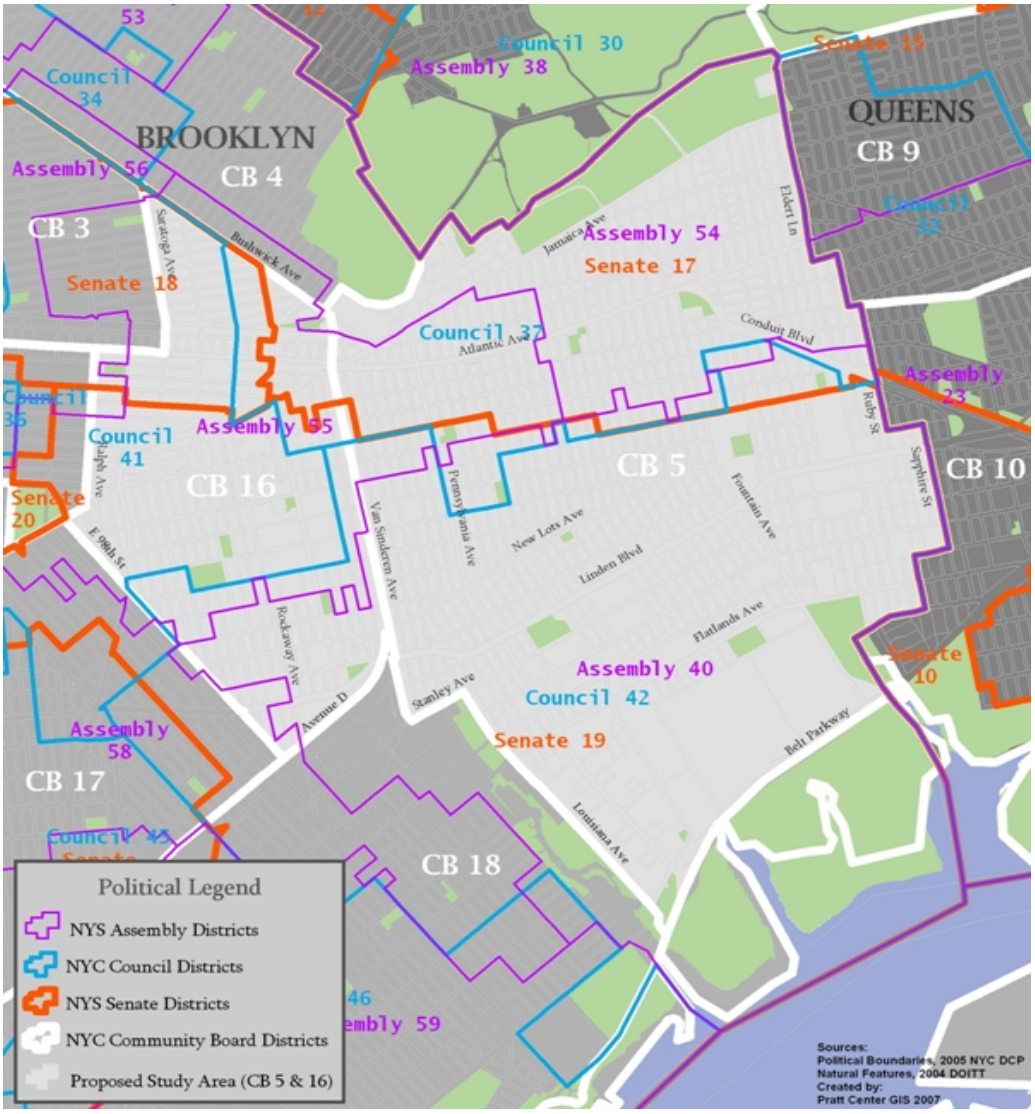
Assembly Districts include:

- A40 (Diane Gordon)
- A54 (Darryl Towns)
- A55 (William Boyland)

Senate Districts include:

- S17 (Martin Malave Dilan)
- S18 (Velmanette Montgomery)
- S19 (John Sampson)

Map 2: East Brooklyn Political Context



2. POPULATION DEMOGRAPHICS

East Brooklyn is an extensive study area with distinct demographic characteristics. Its population, calculated at over quarter million people in 2000 (258,850), increased by more than 12,000 since 1990, at a rate of 5% (see Map 4 on page 10).

Most of this growth occurred in CD 5 (East New York, New Lots, City Line, and Starrett City) with a population increase of 11,800 at a rate of 7%. CD 16 experienced a nominal population growth of 420 people at a low rate of 0.5%.

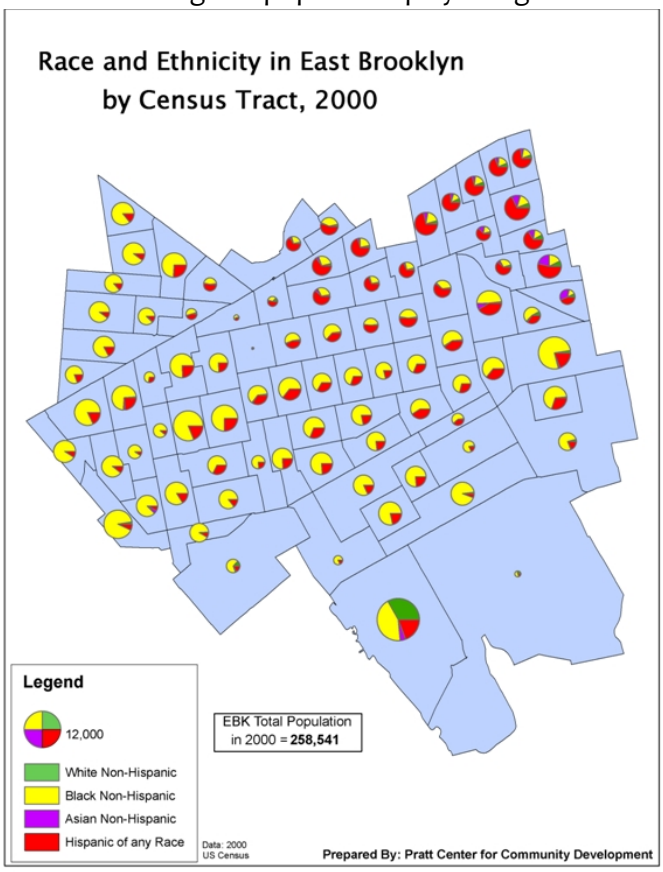
East Brooklyn is ethnically diverse. In 2000, its ethnic composition was 58% African American (over 150,000 people) and 31% Latino (81,000 people). Whites represented less than 4% of the population with less than 10,000 people, Asians represented less than 3% with 7,000 people and "other multi-racial population" composed over 3% with 9,000 people (see Map 3).

Although the different ethnic groups are interspersed throughout the study area, ethnic enclaves can be found in the different neighborhoods. Thus, the African American population is found throughout East Brooklyn; however, the greatest concentration is in Ocean Hill and Brownsville, and larger concentration in New Lots and in the southern section of East New York (See Map 3).

Latinos are also found throughout the area; however concentrations are greater in Cypress Hills, City Line and Broadway Junction.

Asians are concentrated in the eastern section of Cypress Hills and City Line.

Whites are predominant in Starrett City and Spring Creek. Greater concentrations are also found in Broadway Junction and City Line.



Map 3: East Brooklyn Race & Ethnicity, 2000

The immigrant population plays a significant role in East Brooklyn. In 2005, the number of immigrant households was over 27,000 or 33% of the total households. Between 1999 and 2002, there was an influx of foreign population into the area; the number of immigrant households increased by 5,000[1] (see Table 1).

In addition, the foreign born population in 2000 was over 77,000 people or 29% of the total population of East Brooklyn, an increase of over 22,000 from 1990 at a rate of growth of 42%[2] (see Table 2). The predominant foreign born population came from the Dominican Republic (15,700), Jamaica (13,000), Guyana (11,500) and Trinidad and Tobago (7,000)[3].

Additional demographic trends include:

- Between 1990 and 2000, while the total population increased by over 12,000 people,

the White population decreased by 40%, or 6,000 people.

- Latinos increased by 8% or 6,000 people during the same period.
- The African American population increased by 2% or 3,000 people.
- The Asian population increased by 23% or 1,300 people.
- The "Other multi-racial" population doubled its numbers, increasing by 4,000 people during the same period.

Income Demographics

Most of East Brooklyn's population is working class. 85% of the working population is employed in clerical, health support, production, industrial, maintenance and operators (see Table 3). The greatest concentration of the working population is in office and administrative support. Other concentrations are found in Sales, Healthcare support, production, building maintenance, car drivers and construction workers.

This working class attribute is reflected in the area's household incomes. In 2000, the median household income for East Brooklyn was $25,014. The median income was higher in Ocean Hill/Brownsville at $28,000 compared with $23,000 in East New York/Cypress Hills. This median is much lower than NYC's median household income of $46,480[4].

Poverty levels are still high is East Brooklyn at 25% in 2002[5]. However, it dropped by 14% from 2000. Given the rapid rate of housing development, this suggests that a wealthier population has moved into the area in the last decade.

Table 1: East New York Immigrant Households

EAST BROOKLYN IMMIGRANT HOUSEHOLDS 2005	East New York / Starrett City	Brownsville / Ocean Hill	EAST BROOKLYN
Household Number	45,861	38,743	**84,604**
Immigrant Household Number	15,346	12,322	**27,668**
Immigrant Household Percent	40%	36%	**33%**

Data Source: HVS through NYU NYCHANIS website, downloaded 12/6/2007

Table 2: East Brooklyn Foreign-born 1990-2000

FOREIGN BORN POPULATION	East New York/Starrett City	Brownsville / Ocean Hill	EAST BROOKLYN
Foreign Born, Number, 1990	35,127	19,475	**54,602**
Foreign Born, Percent, 1990	25.70%	17.00%	**21.35%**
Foreign Born, Number, 2000	49,704	27,610	**77,314**
Foreign Born, Percent, 2000	33.40%	23.60%	**28.50%**
Change in Foreign Born, Number, 1990-200	14,577	8,135	**22,712**
Change in Foreign Born, Percent, 1990-200	41.50%	41.80%	**41.65%**

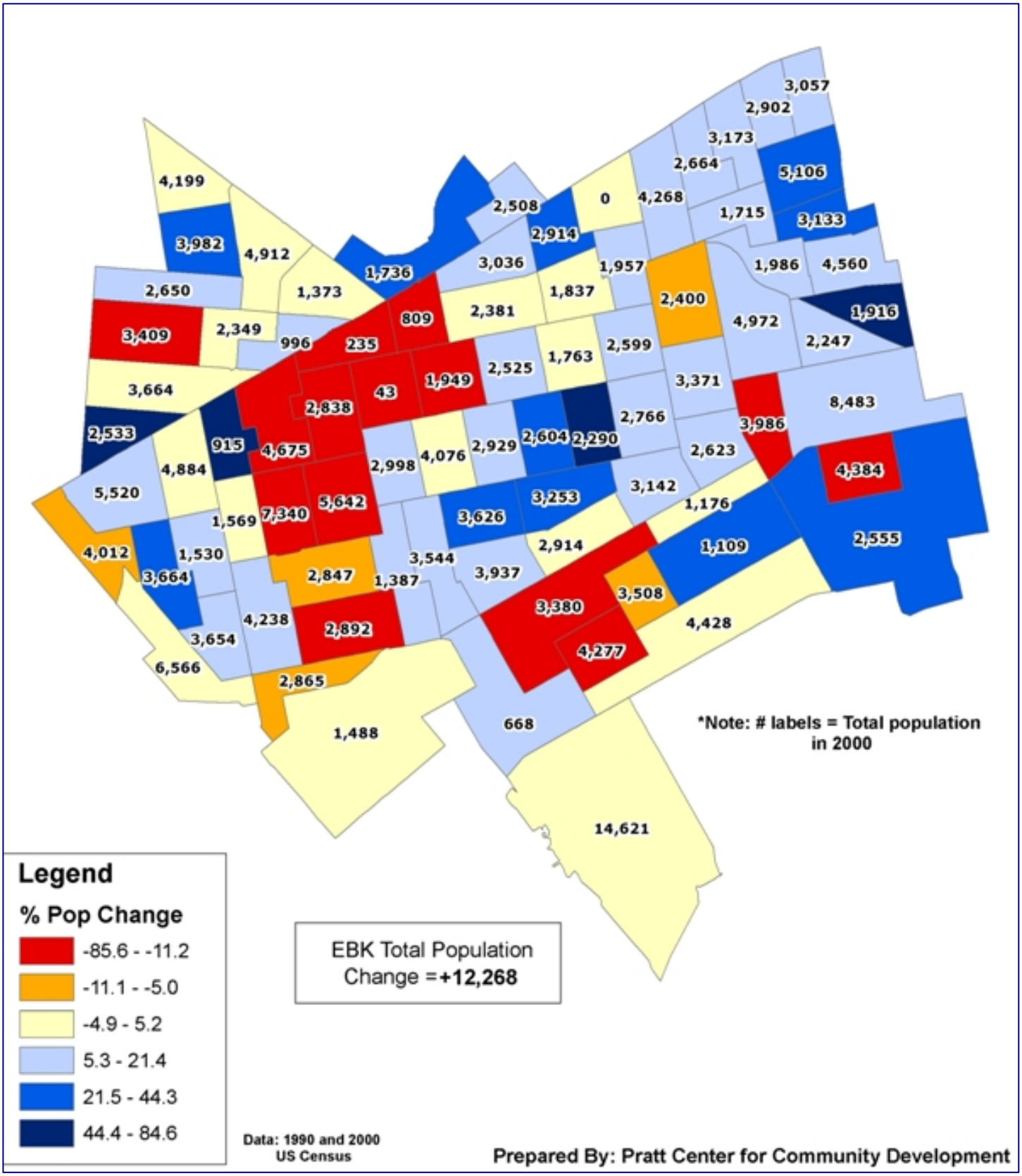
Data Source: HVS through NYU NYCHANIS website, downloaded 12/6/2007

Table 3: East Brooklyn Occupation 2000

OCCUPATIONS 2000	New York City	Brooklyn	EBK	EBK %
Persons 16+ employed	3,277,825	927,030	**74,069**	**96%**
Office and administrative support occupations	556,362	168,858	**16,065**	**21%**
Sales and related occupations	340,124	88,033	**6,501**	**8%**
Healthcare support occupations	131,141	52,420	**6,178**	**8%**
Production occupations	176,684	57,419	**4,493**	**6%**
Building and grounds cleaning and maintenance	124,119	36,828	**3,907**	**5%**
Motor vehicle operators	111,478	35,466	**3,515**	**5%**
Mgmt occupations, exc farmers, & farm mgmt	278,982	62,868	**3,341**	**4%**
Construction trades workers	111,514	37,612	**3,184**	**4.1%**
Personal care and service occupations	111,025	31,393	**2,985**	**3.9%**
Other protective service workers & supervisor	51,892	18,387	**2,978**	**3.9%**
Education, training, and library occupations	188,997	57,678	**2,899**	**3.7%**
Food preparation and serving related occ	146,025	36,639	**2,624**	**3.4%**
Installation, maintenance, and repair occup	86,132	25,895	**2,611**	**3.4%**
Community and social services occupations	66,501	20,547	**2,083**	**2.7%**
Material moving workers	47,511	14,631	**1,773**	**2.3%**
Health practitioners & tech occupations	110,996	27,630	**1,442**	**1.9%**
Fire fighting, prevention, and law enforcement	44,181	11,794	**1,280**	**1.7%**
Health technologists and technicians	35,889	11,226	**1,101**	**1.4%**
Financial specialists	91,333	19,873	**1,082**	**1.4%**
Business operations specialists	71,021	15,753	889	1.1%
Computer and mathematical occupations	85,545	25,570	738	1.0%
Arts, design, entertainment, sports, and media	146,560	31,486	595	0.8%
Mail, water & other transportation occupations	13,724	4,303	513	0.7%
Legal occupations	67,374	14,539	478	0.6%
Supervisors, construction and extraction work	11,808	3,400	190	0.2%
Supervisors, transportation & material moving	5,769	1,665	159	0.2%
Architects, surveyors, cartographers, and engr	24,682	6,057	139	0.2%
Life, physical, and social science occupations	29,670	5,672	132	0.2%
Rafters, engineering, and mapping technicians	8,033	2,556	107	0.1%
Farming, fishing, and forestry occupations	1,464	501	49	0.1%
Extraction workers	211	117	32	0.0%
Farmers and farm managers	469	114	6	0.0%
Aircraft and traffic control occupations	609	100	0	0.0%

Data Source: Infoshare data 2000 for Brooklyn CD5 and CD16 by Census Tract

Map 4: East Brooklyn Population Change 1990-2000



3. STUDY AREA PHYSICAL CHARACTERISTICS

The area covers 4,843 acres or 7.5 square miles of land. CD 5 contains 3,613 acres (5.6 Sq. Miles) and CD16, 1,231 acres (1.9 Sq. Mi). The two districts contain around 28,300 lots.

The Study Area's northern border is formed by Broadway, Conway St, Vermont Ave and Highland Blvd; the eastern border separates the Study Area from Queens and is formed by Eldert Lane, Drew St, Ruby St, 78th St and Spring Creek Park; the southern border is formed by Louisiana Ave, Stanley Ave and Van Sinderen Avenue; and the western border is formed by East 98th St, East New York, Ralph, Atlantic and Saratoga Avenues.

Built Fabric

The two CDs that comprise the Study Area are predominantly low-rise. 80% of the buildings are below 3 stories high, and of this, 70% are two stories and below. Only 11% of the land (3,107 sites) is unbuilt. This includes vacant and parking lots, land as well as parks and open space.

Medium- to high-rise multi-family buildings can also be found in the area, particularly south of Linden Boulevard, north of the three neighborhoods of East New York / New Lots / Starrett City, and west of Junius Street in Brownsville (see Figure 1).

Figure 1: East Brooklyn Bird's Eye View with Land Use

4. CURRENT LAND USE AND ZONING

Existing Land Uses

In terms of land uses, East Brooklyn is mostly a residential area, and unsurprisingly, most of the zoning (79% of the area) is residential as well. There are also areas that are zoned for manufacturing and commercial development.

Most of the commercial uses are located along major east-west corridors (and some north-south) as local ground floor retail and services. These corridors are located mainly on residential districts with commercial overlays. Major east-west ground-floor commercial corridors include Broadway, Fulton St. and Atlantic, Liberty, Pitkin, Sutter, Blake, Livonia and New Lots Avenues. North-south corridors include Pennsylvania Avenue in East New York, Rockaway Avenue. in Brownsville, and Saratoga Avenue in Ocean Hill.

There are also a number of commercial districts in the Study Area. Most of them contain automotive-related uses, located mainly along Atlantic Avenue, although two are also located on Pennsylvania and New Lots Avenues. Smaller, mixed-use commercial/residential, mid-density commercial districts are also found scattered throughout the area. A large destination retail commercial district is located in Spring Creek along Shore Parkway.

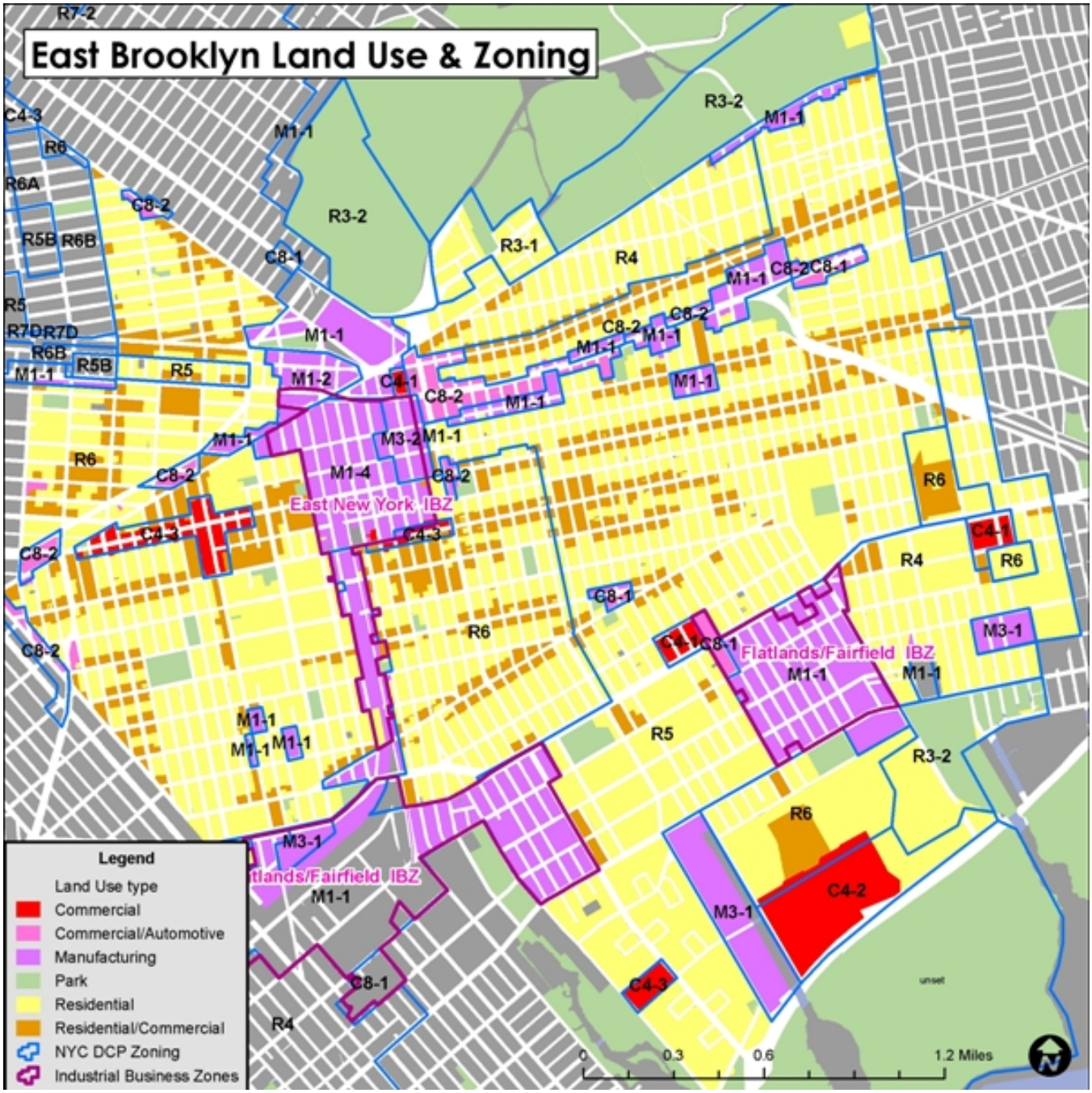
As community facilities such as educational, institutional and health-related centers are allowed in residential and commercial districts, these types of uses can be found scattered throughout the study area.

Existing Zoning

Most of the study area (58%) is zoned R5 and R6. R5 is a low-density residential district with a maximum FAR of 1.25, which typically produces 3-story attached houses and small apartment-houses. Maximum height limits within these zones are established at 40 feet or 4 stories. The R6 zones are less uniform in their built fabric; they are medium-density and the building types can range from row houses to high rise surrounded by open space. Small zoning lots tend to produce small apartment buildings, while larger lots tend to produce taller, slender buildings, set back from the street. Other residential districts in East Brooklyn include low-density R3-1 and R3-2 (Highland Park and Spring Creek), which primarily consist of detached or semi-attached houses that can occupy up to 35% of the lot and require parking.

Manufacturing districts occupy 13% of the study area, and the three types of manufacturing districts - M1, M2 and M3 - can be found throughout. M1 districts, which are high performance[6] are the most common and are found throughout of the study area, especially along Atlantic Avenue, at Broadway Junction, in East New York where the IBZs are located. There is only one two-block M2 district in East New York's IBZ. This type of district is less stringent in terms of performance requirements. There are also low-performance manufacturing districts (M3) located in the study area; they allow the most industrial nuisance and tend to contain Department of Sanitation waste recycling/treatment facilities and other transportation and infrastructure uses.

Map 5: East Brooklyn Land Use and Zoning 2006



East Brooklyn contains two Industrial Business Zoned (IBZ). These are special areas designated by the City to foster light manufacturing and industrial development. Continuous conversion of manufacturing-zoned land to higher uses is leaving little room for industrial development in the City. The two IBZs are: East New York (managed by East New York Local Development Corporation) and Flatlands (managed by Brooklyn Chamber of Commerce). These areas are home to numerous industrial businesses that appear to be thriving. However, public data on these businesses is not accessible; anecdotal information reveals that these areas are successful at keeping and fostering industrial development and jobs.

Nearly 5% of the study area is zoned for commercial use - C4 or C8-1. C4 districts, which occupy close to 3% of the study area, are considered regional commercial centers, such as department stores, theaters and offices that allow residential uses. The C4 districts ranging, from C4-1 to C4-3 (according to the FAR allowed), are located mainly in East New York and Spring Creek. C8 districts, which occupy close to 2% of the study area allow automotive uses as well as some manufacturing and commercial uses but prohibit residential development. These districts are generally located along major traffic arteries. In East Brooklyn, C8-1 and C8-2 uses (which differ in the amount of FAR allowed) can be found along Atlantic Avenue.

Existing Floor Area Ratio (FAR)[7]

In terms of FAR, East Brooklyn has not been developed to its maximum potential. As of 2007, 78% of the Study Area is underbuilt according to the maximum allowed by its current zoning regulations (see Table 4). This represents 94.5 million square feet of developable space on the existing lots in the study area. Only 21% of the area has been built above the allowable zoning, probably prior to the enactment of the current zoning resolution in the 1960's.

Many underbuilt sites can be found along major transportation routes, such as Atlantic and New Lots Avenue, Linden Blvd., Van Sinderen Avenue and Fulton Street. The land uses are a factor in the low-density of development along these corridors, as commercial and manufacturing uses don't always use all of their buildable area. The existing infrastructure also poses constraints on maxing out the FAR, such as the elevated train along New Lots Avenue and the subway along Pitkin Avenue, which place restrictions on block front development.

Both Cypress Hills and City Line appear to have a balance between the lots that have been underbuilt and those that are overbuilt. This means that the population density that these neighborhoods are supposed to have according to their zoning is likely to be achieved.

Areas where the excess FAR is greater are Spring Creek, New Lots and the western portion of East New York, some areas along Rockaway and Livonia Avenues in Brownsville, and scattered in Ocean Hill (see Map 6).

Table 4: East Brooklyn FAR Analysis

FAR=0	**356**	1.2%
FAR>0	**22,310**	78.0%
FAR<0	**5,921**	20.7%
TOTAL LOTS	**28,587**	

Data Source: NYC DCP PLUTO 2006

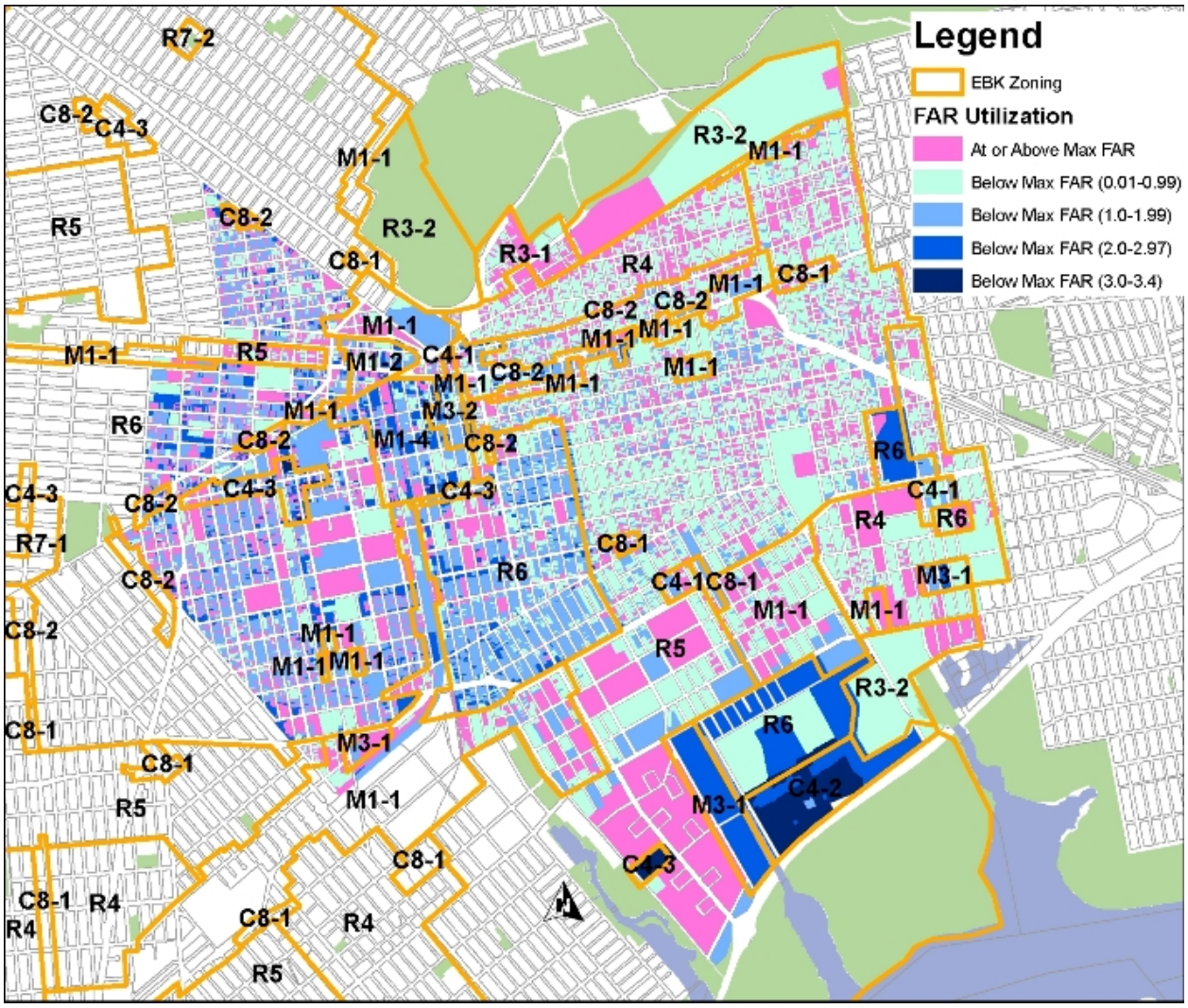
Property Ownership

Of the 28,587 lots that form the two community districts, 1,743 lots (6%) are publicly owned. That amounts to almost 15 million square feet of land. These lots are under the control of HPD (1,257 lots) and the Department of General Services (486) (see Map 7).

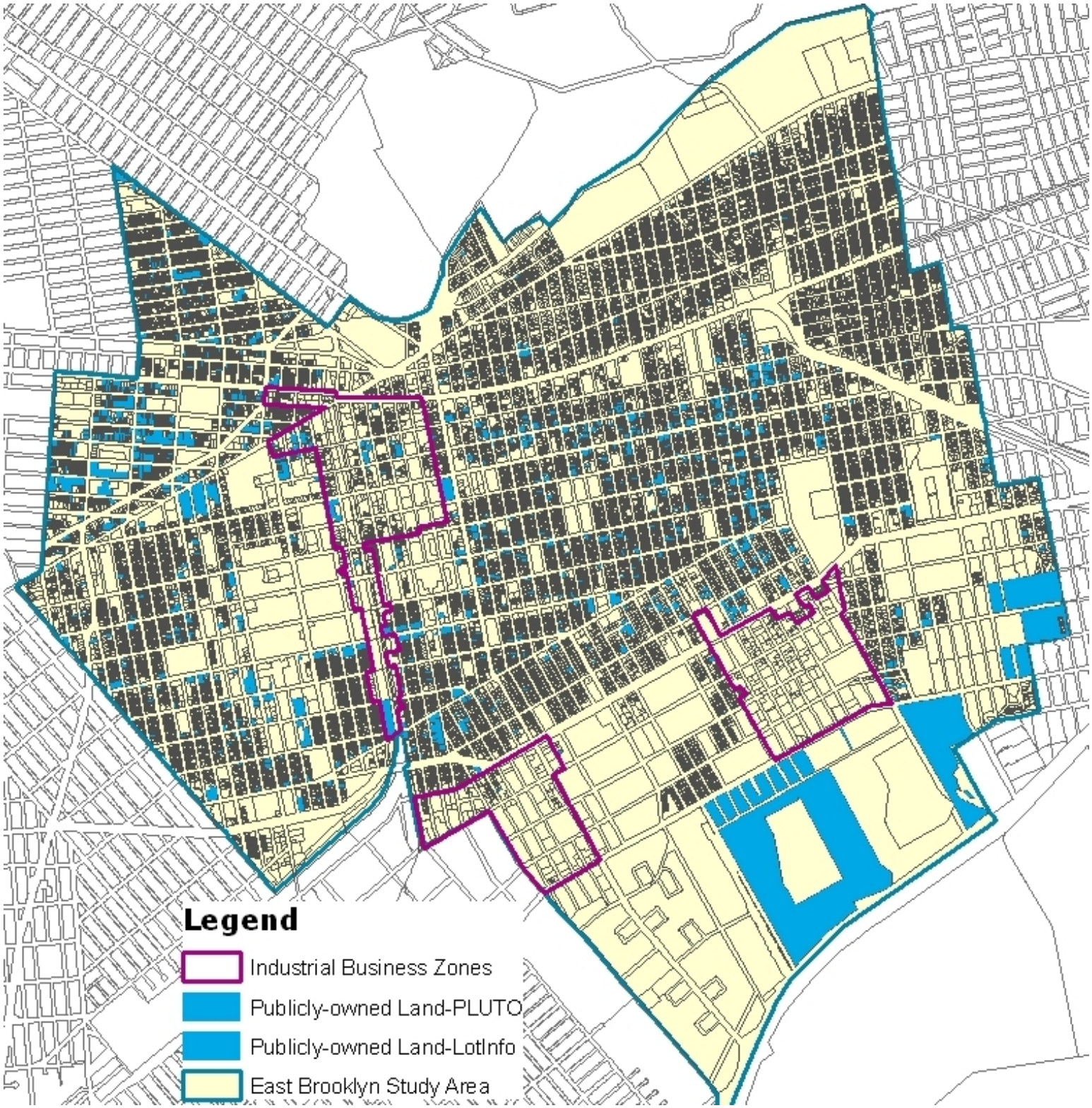
Further study would be required to determine how much of this land is developable for residential use and how much is to be developed under current plans for these sites. However, Map 7, which illustrates the location of the sites in the southeastern part of the study area, shows that there are a few large sites in the eastern part of the area, specifically Spring Creek and East New York. The former is part of Gateway Estates, a major redevelopment that is scheduled to take place in coming years. Another 5 sites are located adjacent to existing M-zoned districts in East New York.

Ocean Hill and Brownsville have a considerable concentration of publicly-owned sites, especially three adjacent sites located along East New York Avenue, and several medium-size lots north of Eastern Parkway.

Map 6: East Brooklyn FAR Utilization



Map 7: East Brooklyn Public Ownership



Recent Land Use Initiatives

One of the largest land use initiatives in East Brooklyn is Gateway Estates. This is a 227-acre new neighborhood near Spring Creek in the eastern section of the study area. HPD is working to implement plans for a new mixed-use community on the site. The original proposed development included a 625,000 square-foot regional retail center, and a proposal for affordable housing for nearly 7,000 people, more than 100 units of housing for seniors and a public school. The retail component, Gateway Center, was completed in Fall 2002, and includes a Target and a Bed, Bath and Beyond. An updated plan proposes increasing the retail space to 680,000 square feet while maintaining the original number of affordable housing units up to 2,385, including senior housing. The modified plan would also include 45.2 acres of open space, including a periphery park and 3 interior parks, a high school, and community facility space. Affordable housing is being developed as single-, two-, and three-family homes along with 4-and 6-story apartment buildings by Nehemiah Housing Development Fund Company and The Briarwood Organization (see Figure 2).

In 2006 and 2007, the Community Board 5 "Needs Statement" addressed the community's desire to develop a commercial corridor along Pitkin Avenue between Pennsylvania Avenue and Crescent Street.

Figure 2: Gateway Center views

Summary and Next Steps

The land use and zoning preliminary analysis reveals that East Brooklyn is for the most part a built-up, low-rise residential area with multi-family towers in different neighborhoods. It also illustrates that the area has not been developed to its full potential, according to zoning regulations, and that it is mostly privately-owned. The greatest developable area is Gateway Estates in the Spring Creek neighborhood, which will produce over 2,300 units of affordable housing.

Areas to look for potential development include vacant or unbuilt sites that concentrate along major transportation corridors, such as East New York Ave., Livonia Ave., Fulton St. and Linden Boulevard.

5. THE HOUSING MARKET

Several housing issues reviewed during this study shed light on the housing market as well as the potential for affordable housing development and preservation.

As has been stated, East Brooklyn is for the most part a working-class area inhabited by immigrant families, many of whom live below the poverty line. Housing development has increased at higher rate than population growth, however, housing affordability is still a critical issue in East Brooklyn, which has high levels of rent burden and crowding.

Between 1990 and 2000, housing production increased at a much faster pace than population growth. East Brooklyn experienced an increase of 10,500 housing units, reaching over 92,000 units in 2000. The rate of growth was 13%, almost double the rate of population growth of 4.7% during the same period[8]. This could indicate that housing supply would satisfy the needs of East Brooklyn residents; however, that has not been the case. As mentioned earlier, household incomes are low and asking prices are high.

Most of the housing units are rental (74%), which amounts to almost 68,000 units, a growth of 4,800 units from 1990. Of the rental market, 37% of the units were unregulated[9]. Since most of the housing stock is low-density, and public housing amounts to 16,800 units, a substantial percent of these units are likely to be located in buildings with few units, which are particularly vulnerable to rent increases as property values in the area rise.

The rental vacancy rate in 2005 in East Brooklyn was 3.95%, higher than Brooklyn's 2.78%.[10]. Although this may imply the availability of housing, anecdotal information suggest poor quality and maintenance of those vacant units.

Over the past few years, housing prices (both rents and sales prices) have increased dramatically, while incomes have declined. Sales prices in Brooklyn have increased by 23% between 2006 and 2007. The average condo price in 2007 was $731,000[11].

In East Brooklyn, the median household income did not decline, but increased slightly in these neighborhoods from 1990 to 2000 (from $ 18,242 to $ 22,483). However it is substantially below the City's median income of $42,060 in 2000. So, despite the increase, housing is still unaffordable for a large segment of the population.

Rent burden and overcrowding also surface as critical issues in East Brooklyn. In 2000, 48% of the households (29,000) experienced rent burden (spend more than 30% of income in rent), and 28% or 17,200 experienced severe rent burden (spent 50% or more in rent)[12]. Simultaneously, 20% of the household were overcrowded[13]

Housing Stock

There are about 92,000 total housing units in East Brooklyn, and about 74% of them are occupied by renters. Given the vast size of the East Brooklyn study area, one can find examples of almost any typical New York City housing style. However, there is a general pattern to the types of residential buildings in the area as they tend to be more low-rise in nature compared to many of the city's more centrally located neighborhoods.

Ocean Hill is made up of predominantly low-rise residential buildings, many of which are three-story limestones, brownstones, and brick structures. South of the Pitkin Avenue commercial corridor is Brownsville, whose housing stock largely consists of towering NYCHA housing developments surrounded by blocks of low-density homes.

Many of these largely single-family homes were built under the low-cost Nehemiah homeownership program that significantly helped revive the area throughout the 1990s. To the east of Brownsville, the housing stock in CD 5 is characterized by a preponderance of semi-detached multi-unit row houses. Its northernmost neighborhood, Cypress Hills, has a lot of attached two-family row houses and very few apartment houses. To its south, the vast area commonly known as East New York is home to many semi-detached, multi-unit row houses while public housing high-rises form a strong presence in its southern and eastern areas.

Finally, the southernmost portion of the study area, known as Spring Creek, is a vast, largely underdeveloped area of landfill abutting the Belt Parkway. It contains the 46-building residential complex known as Starrett City, or Spring Creek Towers, and the Gateway Center, a large shopping mall; it is also the future home of Gateway Estates, a development of about 2,000 low-density housing units.

Figure 3: Views of East Brooklyn Housing Stock

Affordable Rental Housing Stock

While there are numerous local, state, and federal programs that make housing more affordable by subsidizing the production--or the residents--of housing, the section below is limited to describing the major components of the non-market rate housing stock in East Brooklyn. It is important to note that many of the following categories are not mutually exclusive.

Public Housing

Public housing developments operated by the New York City Housing Authority (NYCHA) comprise a large proportion of the affordable housing supply in East Brooklyn, accounting for 18% of all the housing units in the area or about 16,560. When one only considers rental units in East Brooklyn, this percentage climbs to 25%. Below are all the NYCHA developments with at least 500 units.

EBK NYCHA DEVELOPMENT	UNITS
Van Dyke Houses (I and II)	1,680
Linden Houses	1,586
Louis H. Pink Houses	1,467
Cypress Hills Houses	1,425
Boulevard Houses	1,420
Brownsville Houses	1,300
Tilden Houses	990
Howard Houses	805
Seth Low Houses	525
Langston Hughes Houses	502

Data Source:

Rent-Stabilized Housing

Numbering at almost 16,000, rent-stabilized units make up 23% of all East Brooklyn's renter units[14].

Mitchell-Lama Rental Developments

With a total of over 9,600 units, Mitchell-Lama rental developments in East Brooklyn are another key component of the study area's stock of affordable housing; they make up 14% of all renter units. However, due to recent changes in the city's housing market and upcoming expiration dates for many of the 20 and 30-year terms of the subsidy, some owners of Mitchell-Lama developments are considering leaving the decades-long housing subsidy program because they feel they can maximize profits by converting their developments to market-rate. Currently, Starrett City recently averted an uncertain future as the country's largest federally subsidized residential development, with over 14,000 residents. A deal struck by local authorities will now preserve these affordable units.

Listed below are the Mitchell-Lama rental developments in East Brooklyn with the number of units in each.

EBK MITCHEL LAMA	UNITS
Starrett City/Spring Creek Tow	5,888
Linden Plaza	1,524
Atlantic Plaza	716
Marcus Garvey Village	645
Earl W. Jimerson Apartments	423
Gorman Apartments	342
Essex Terrace	104

Data Source:

Section 8 Vouchers

The Section 8 vouchers held by East Brooklyn residents are overwhelmingly applied to NYCHA housing. Of the 6,000

plus Section 8 vouchers in East Brooklyn, about 86% of them went to NYCHA households, while the remaining 14% were administered by HUD and used by households living in privately owned rental housing

Affordable Ownership Housing Stock

Nehemiah Homes

East Brooklyn Congregations (EBC), a coalition of religious groups and homeowners associations, has played a major role in the resurgence of East New York through its extensive efforts to build homes for low-income families to purchase. Since 1982, they have been responsible for building over 2,900 single-family homes in Brownsville and East New York which accounts for 17% of all owner-occupied units. More plans for Nehemiah housing development are underway: 1,500 of the 2,100 projected units of housing in the Spring Creek area of EAST BROOKLYN will be constructed through the program.

MeadowWood at Gateway

This is Brooklyn's largest condo conversion, with city subsidies going to purchasers to help ensure profitability for the investment firms that paid $90 million for the 19 buildings with 983 (or 1, 152?) units. It was formerly known as Fairfield Towers when it was a Mitchell-Lama rental project, but it left the subsidy program in 1997. Sales started in September 2007, and are reportedly going well.[15]

For-Profit Developers Engaged in Recent and Future Development

Related Companies

The for-profit real estate development firm that is partnering with East Brooklyn Congregations to create a new residential and retail neighborhood in the Spring Creek section.

Paladino Builders

As of December 2006, this small developer was building 40 single-family homes a few blocks away from the former Fairfield Towers and the Nehemiah houses going up in Spring Creek.

Babe Builders

Drew F. Bizzocco and his company Babe Builders paid $468,000 for a large lot on Wyona Street near Livonia Avenue with a vacant pallet factory, which they knocked down. In 2004, they began construction on five two-family houses that they planned to build and sell without subsidies.

K & S Development Associates

Built about 30 units of housing on several lots on a couple of blocks on Rockaway Avenue right across from the Brownsville Houses in 2005. These developers traditionally focus on single-family homes.

Progress Group

HPD-designated developer for its New Foundations Program (whereby developers purchase city-owned land to construct one to four-family homes or condo units to provide homeownership opportunities for moderate and middle-income families).

Dolinity Development

Same as Progress Group above.

Capsys/Monadnock

More of a contractor than a developer per se, Capsys (which is affiliated with Monadnock Construction, Inc.) produces

pre-fab housing components in the Brooklyn Navy Yard. It produced the 700 homes that were part of the Nehemiah II program.

Suna/Levine Industries

Private developers—with HPD and the New York City Partnership--of 45 new, affordable two-family homes in Brownsville in 2002. (These are the same developers behind the Silvercup expansion project in Long Island City.)

Recent and current affordable housing developments

EBC development on 45-65 Malta and 662-8 Alabama Avenue

In May 2006 ground was broken on six apartment buildings between Malta and Alabama (New Lots and Hegeman in East New York) which, unlike the Nehemiah model, are 4.5 stories and are made up exclusively of affordable rentals, 48 in total. Target income = no more than 60% of AMI. The land was formerly owned by HPD and transferred to EBC for $1.00. Much of the financing comes from HDC bonds.

Glenmore Gardens

Nine two-family homes with ultra-modern design and many green features, built under HPD's New Foundations program, were unveiled in Spring 2007.

Habitat for Humanity

Habitat's first large-scale building (with 41 total units) is currently being constructed on a vacant lot in Ocean Hill-Brownsville at Atlantic Avenue, Eastern Parkway and Sherlock Place. It includes a mix of one-, two- and three-bedroom units in three four-story buildings. Eleven ground-floor residences will be handicapped-adaptable.

City RFP for a NYCHA parking lot

The 2007 RFP calls for 165 two and three-family town houses and condos for middle-income households. Location: Block 4375, Lot 1 (Schenck and Wortman Avenues, in between the Linden housing project and the Boulevard Houses in East New York.

Other city-selected private developers for HPD's New Foundations Program in ENY

- Armstrong/Jackson Partners LLC
- Cypress Hill Local Development Corporation
- Neighborhood Housing Services of NYC
- Prime Time Building Corporation
- Sun Rock LLC
- MJF Development Group
- Horsford & Poteat Realty

Trends in Home Values

The cost of housing has changed dramatically throughout many Brooklyn neighborhoods over the past five years, and the experience of home values in Eastern Brooklyn matches this overall trend.

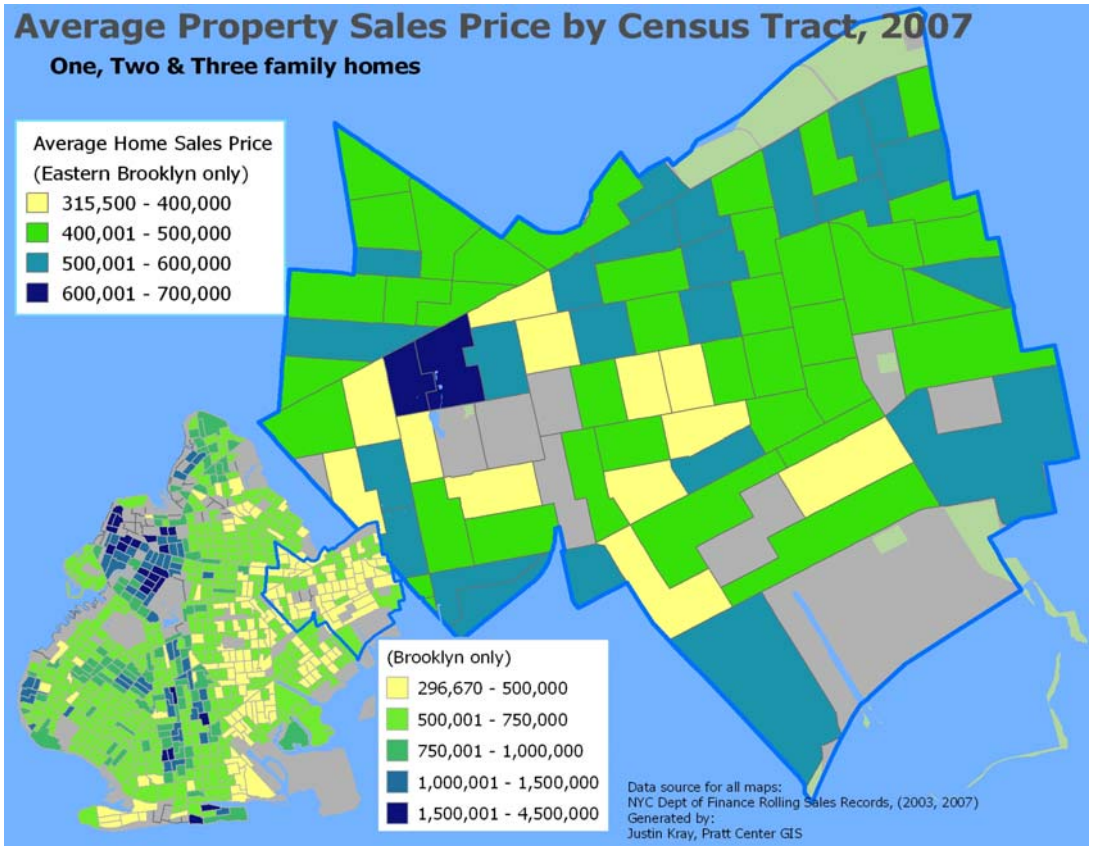
In terms of average price change for one, two and three family homes, much of East Brooklyn property prices increased in price more than 100% since 2002, representing a doubling in value. This reflects a significant movement from a price baseline of $200-300K to a new baseline of $400-600K.

Currently the average home sales prices, aggregated by census tract, show that the average price range within the neighborhood is largely the same price – between $400-$500,000. Prices increase slightly around the periphery of study area, with Cypress Hills, Spring Creek, and Southern Brownsville showing property values consistently $100,000 higher than the rest of the neighborhood. Prices in the core areas of East Brooklyn are on average the lowest, with values ranging from $300-$400,000.

In Brownsville, the homes near the dense concentration of public housing developments (not shown) show noticeably lower prices on average. Homes near the Piktkin Avenue retail corridor in north Brownsville fetch the highest average prices.

By comparison, housing in these neighborhoods is currently some of the most affordable in Brooklyn. Other neighborhoods at nearly the same price point are: Rugby, Flatbush, Flatlands, Canarsie and Western Coney Island. In general, if one were to divide the borough of Brooklyn in half along Bedford Avenue, neighborhoods east of this meridian are relatively more affordable in than any neighborhood in the western half of the borough.

Map 8: East Brooklyn Home Sales Price 2007



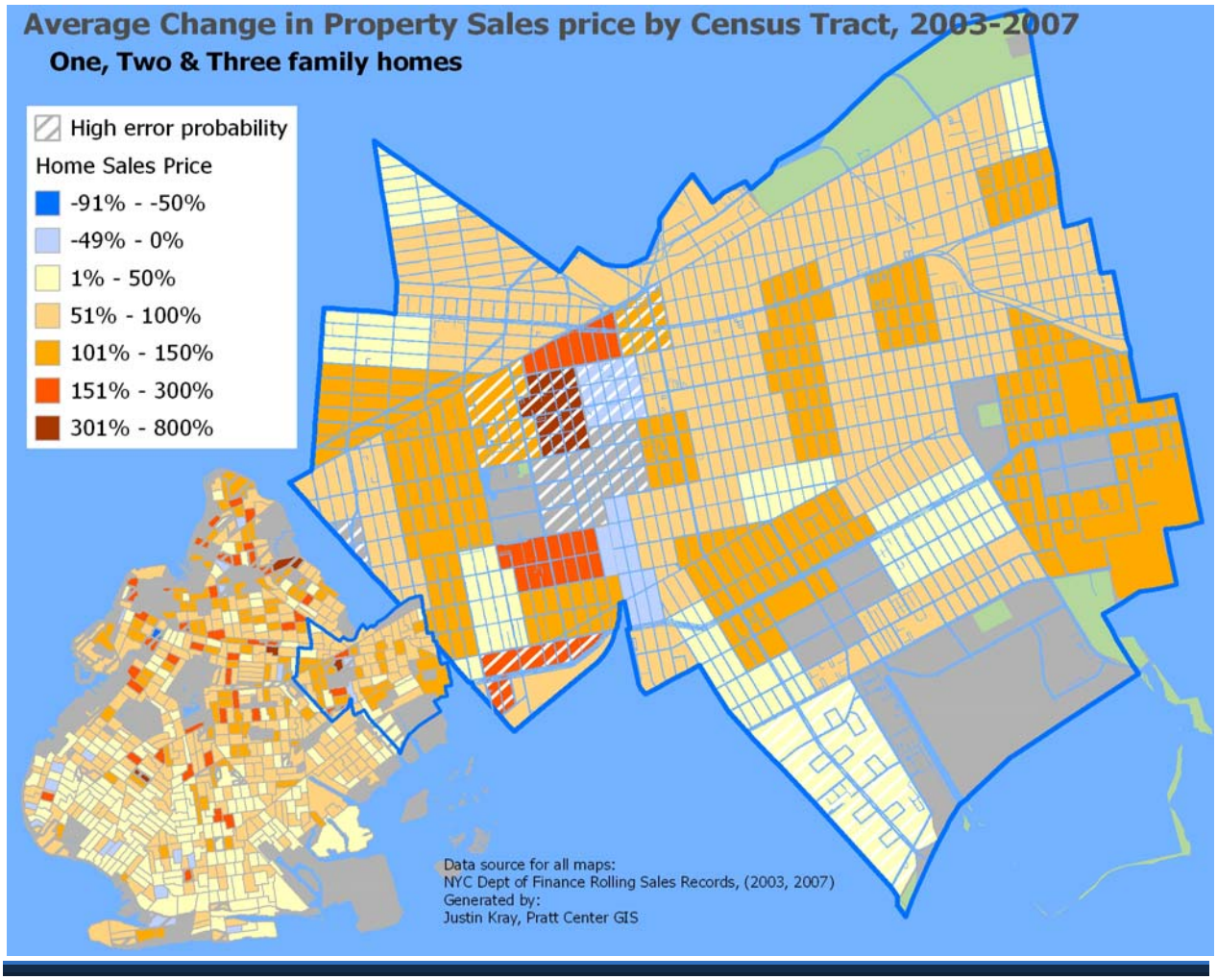
In terms of trends, the degree of price change in the study area matches that experienced in other Brooklyn neighborhoods in the northern half of the borough, such as: Bedford-Stuyvesant , Greenpoint, Clinton Hill, Bushwick, Flatbush and Southern Park Slope. Southern Brooklyn neighborhoods did not appreciate as substantially.

It is important to observe that East Brooklyn is at an interesting cross of price-axes: one north-south, the other east-west. The rapid appreciation of property in the northern half of Brooklyn overlaps with the affordable cost of housing in Eastern Brooklyn. This has special ramifications.

Thel rapid price shift of housing has obvious negative impacts on the residents of these communities.

Despite housing production, an affordability gap emerges for families living below the poverty rate.

Map 9: East Brooklyn Change in Home Sales Prices



Foreclosures and Lis Pendens

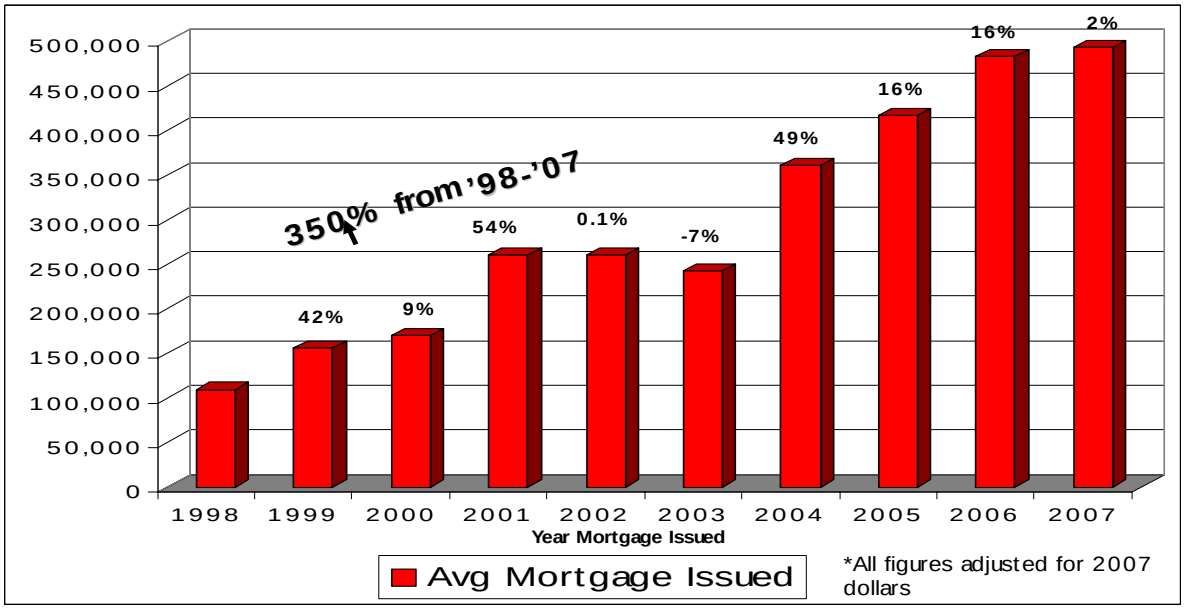
The recent foreclosure crisis has left sections of New York City in peril. Predatory lenders and unscrupulous real estate brokers have been issuing subprime mortgages that holders could not fulfill. East New York/Starrett City, which comprises the largest section of the study area's land, was one of the hardest hit sections in the city with 117 mortgage defaults and 1,009 lis pendens. The entire study area, including community districts 5 and 16, had 178 mortgage defaults and 1,464 lis pendens between March 2007 and March 2008.

The evidence is clear that trouble has been brewing. Between 1998 and 2002, less than 10 lis pendens per year were filed in all of community districts 5 and 16 combined. However, from 2005-2007 annual lis pendens filed surged to 199-702 per year. Even more alarming, however, was the equally rapid increase in the average amount of each mortgage issued during this period. From 2000-2003, the average mortgage issued among lis pendens in the study area ranged from the high $100,000's to the mid $200,000's. However, 2004 saw nearly a 50% jump in the average mortgage amount of lis pendens to $360,662. The trend intensifies from 2005-2007, when average mortgage amounts for lis pendens rose to $416,770, $482,660, and $493,159, respectively.

Of all lis pendens with mortgages of $500,000 and above since 2000, a whopping 518 out of 521 were issued between 2005 and 2007. This is the same period when the total number of lis pendens filed in the study area spiked from 73 in 2004 to 702 in 2006. Thus, there is a strong correlation between the rapid rise in total lis pendens filed and rapid rise in average mortgage issued, which illustrates the critical effect that subprime mortgages have had on the study area in the last three-to-four years.

Figure 4: Average Mortgage Amount for Lis Pendens in CDs 5 & 16, March 2007-March 2008

Foreclosure and lis pendens records have revealed the major banking and legal players involved in East Brooklyn. Regarding foreclosures, three law firms of

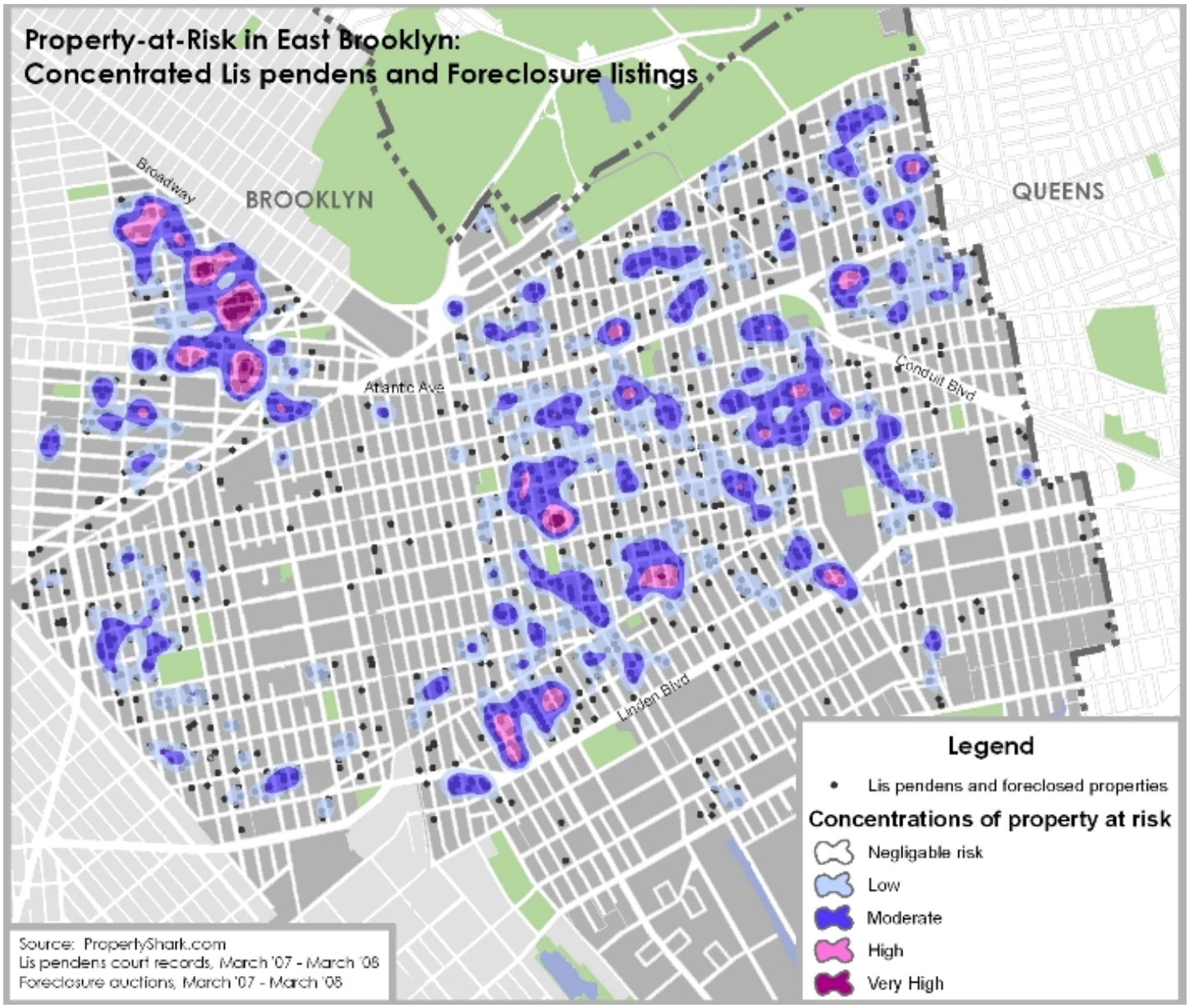


NOTE: 518 of 521 lis pendens with mortgages > $500,000 were filed after 2005

Fein Such Crane, Rosicki Rosicki & Associates, and Steven J. Baum are handling nearly 50 percent of cases. As for lenders, Deutsche Bank, MERS Inc, and U.S. Bank are the plaintiffs in 53 of 178 foreclosure cases. Regarding lis pendens cases, Deutsche Bank, HSBC, U.S. Bank, and Wells Fargo are all creditors in 100 or more cases.

Map 10 illustrated properties at risk due to the high concentration of foreclosures and lis pendens. The area west of Broadway-Junction in Ocean Hill is the most affected due to its large concentration and extension. Other areas include New Lots and the heart of East New York.

Map 10: East Brooklyn Mortgage Foreclosures and Lis Pendens



Summary and Next Steps

As has been demonstrated, East New York has been hit hard by the recent housing market crisis, and is an epicenter of sub-prime mortgage lending practices and inflated sale prices brought about by the speculative housing bubble of the early 2000s. Approximately 1,000 lis pendens actions, recorded from April 2007-March 2008 illustrate a fairly uniform and widespread distribution across the entire study area. The majority of the lis pendens actions are over mortgages issued since 2005. More than 100 foreclosures have also occurred within this time-span. What this suggests is that strategies are very much needed if the neighborhoods of East Brooklyn are going to recover from the crisis without decline.

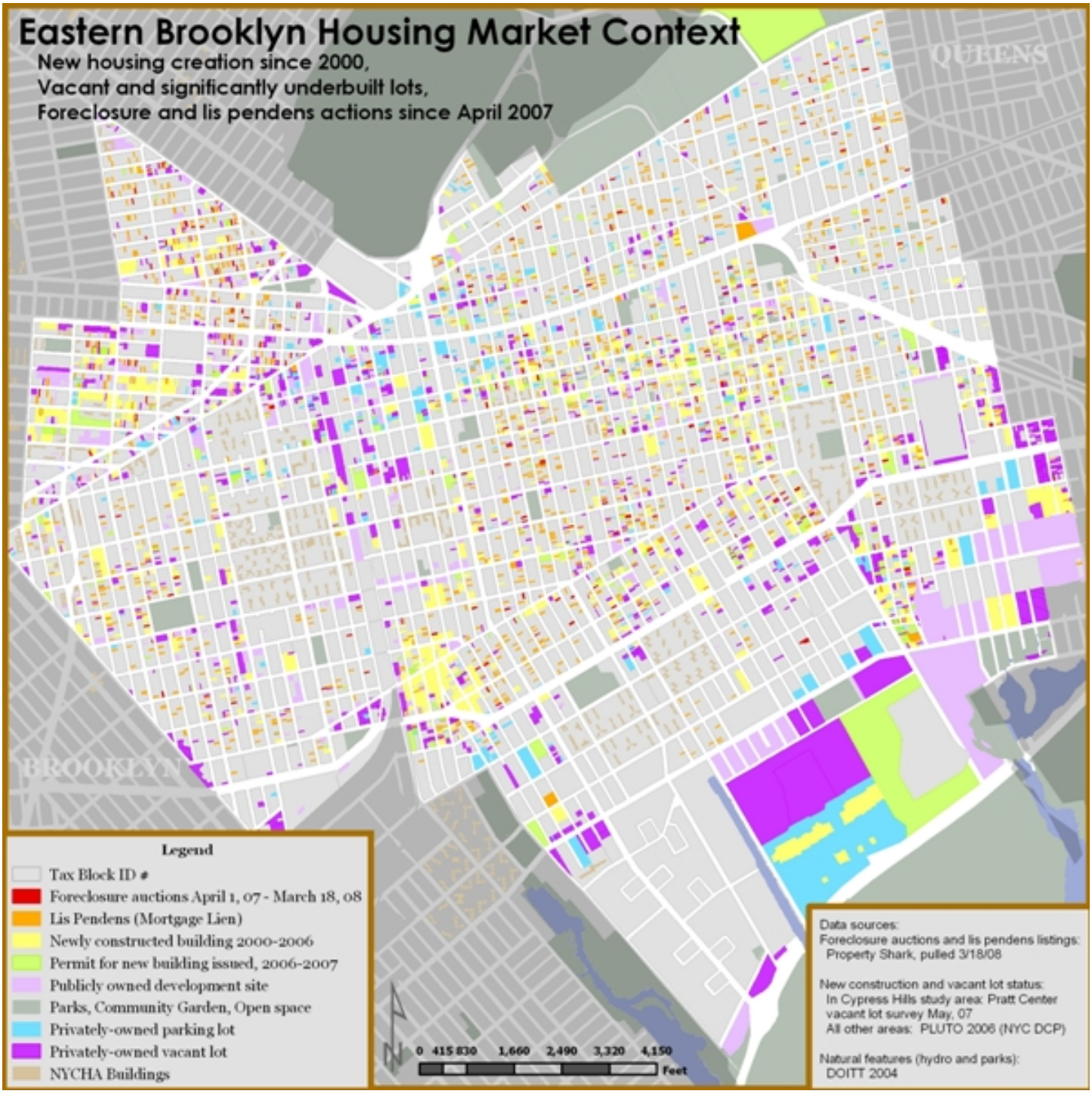
6. HOUSING DEVELOPMENT OPPORTUNITIES:

While there has been considerable development activity in the area since 2000, there are still a number of vacant lots and potential development sites for potential affordable housing development. Combined with foreclosed properties and those at-risk of foreclosure, a portrait of considerable development opportunity emerges.

Map 11 illustrates the location of vacant land (public and private), foreclosures and lis pendens, new construction (2000-2006), building department permits for new buildings (2006-2007), private parking lots and open space. This information identifies areas with concentration of vacant land as well properties at risk to determine potential areas for future investment.

In considering investment, it is important to keep in mind the potential for the foreclosure crisis to result in the displacement of low-income tenants who inhabit multi-family dwellings within the area. Strategies that address the foreclosure crisis may be more in need at this time than strategies to develop vacant land. The best strategies for these neighborhoods would be those that combine assistance to homeowners in trouble with the development of new affordable housing units.

Map 11: East Brooklyn Housing Opportunities Analysis



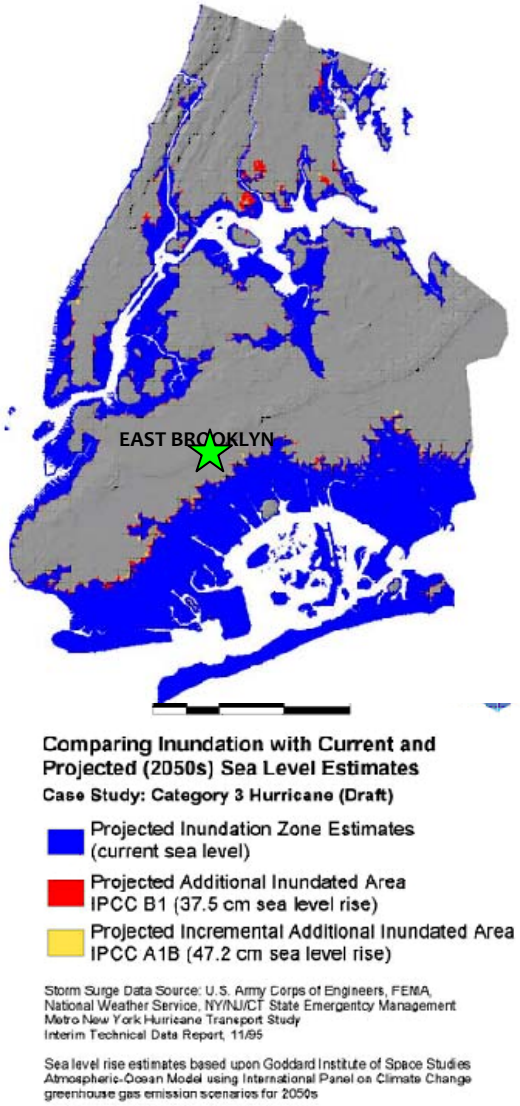
7. TOPOGRAPHY AND FLOOD RISK:

A large portion of East Brooklyn, especially Spring Creek, Starrett City and East New York, faces Jamaica Bay, and thus is exposed to flood risks. According to the Federal Emergency Management Agency (FEMA), none of Eastern Brooklyn is under threat of inundation. Knowledge of the region's topography however, defies such a simplistic conclusion. Much of East Brooklyn south of Linden Boulevard was build on marshy quagmire of Jamaica Bay. When Linden Boulevard was first extended east-west, it had to circumnavigate to the north a soggy old creek which cut off a portion of land East of Fountain Ave, historically called "Plunder's Neck".

The FEMA flood assessment of flood risk does not take hurricane risk into account. When a hydrological engineer from HydroQual, a private firm who are contracted to answer technical questions about the FEMA flood maps, was asked whether 100yr flood incorporate a Category three hurricane, which is also has a probability of occurring once every hundred years, the answer was a plain "no". This omission is the most glaring oversight of the FEMA maps for East Brooklyn (and Jamaica Bay as well), although the problems only get more dire when bringing sea-level change into consideration. A study undertaken by the NASA Goddard Institute/GISS at Columbia University combines the prospect of Sea-level change together w/ Hurricane risk like this:

In this event, half of East Brooklyn is submerged, never-mind half of Brooklyn. A new document being drafted by the US Environmental Protection Agency, with contributions form National Oceanic and Atmospheric Admin., US Geological Survey and US Dept of Transportation called "Coastal Sensitivity to Sea level Rise: A focus on the Mid-Atlantic Region" addresses the concept of adjusted risk. Unlike FEMA, this document seeks to analyze the impact of sea-level change upon potentially impacted areas, one of which is our study area. The study's claim of a worst-case scenario sea-level rise of two feet, while still dramatic, is not nearly as drastic as some more cataclysmic predictions of upwards of twenty feet. Even so, the impetus to undertake such a report is promising, and should be further analyzed in the context of this project.

Figure 5: Flood Risks



8. TRANSPORTATION

East Brooklyn is crossed by major transportation routes, such as Atlantic Avenue, Fulton Street and Belt Parkway, among others. Parts of the study area are in close proximity to public transportation, including the C, 3, and J/Z subway lines, as well as a number of buses (See Map 12). However, other parts of the study area, including the new development at Gateway Estates, and dense areas such as Starrett City, are underserved by public transit, and driving is common. Most of the population, however, uses public transportation as the Census show:

- In 2000, 59% of the working population or 41,000 people used public transportation to work. This is higher than Brooklyn's and NYC's percent of 57% and 51% respectively. Also, 32% drove to work (22,400)
- In 2000, 60% of the East Brooklyn's housing units had no vehicles available (54,000). This percentage is higher than Brooklyn's 54% and NYC's 53%. Additionally, 33% of the units had 1 or more vehicles available (29,500). This percent is lower than Brooklyn's 41% and the City's 42%.

Throughout the study area, commute times are long. Map 13 illustrates NYC's extreme commuters. The map shows a large concentration in the study area of people making less than $35,000/year who have commutes over one hour.

The MTA's 2008-2013 Capital Plan includes provisions for a Southeastern Brooklyn Alternatives Study to evaluate potential solutions to address long travel times and lack of access to the subway system for travel to Downtown Brooklyn and the Manhattan Central Business District.

Despite this, the study area is not included in the City's plans for creation of Bus Rapid Transit pilot programs, nor is it included in the COMMUTE coalition's suggestions for expansion of that plan.

Some transportation needs are found in the community boards District Needs Statements as follows:

- CB5's Needs Statement for 2006 and 2007 cited major problems with condition of streets, and requested more asphalt, as well as faster replacement of street signage.
- CB16's Needs Statement for 2007 also requests help with transportation improvements, including street repair and renovation of subway stations.

Other transportation issues will be considered in this study as potential areas are identified.

Table 5: East Brooklyn Transportation to Work

NYC TRANSPORTATION TO WORK 1990-2000	New York City 2000	New York City 1990	CHG 1990-2000	% CHG
Persons who use car to work	1,049,396	1,036,654	12,742	1.2%
Persons who use public transp to work	1,619,876	1,634,477	-14,601	-0.9%
Persons who used other means to get to work (taxi, byke, bicycle, ferry)	98,383	95,061	3,322	3.5%
Persons who walked to work	332,264	340,077	-7,813	-2.3%
Persons who worked at home	92,151	76,819	15,332	20.0%

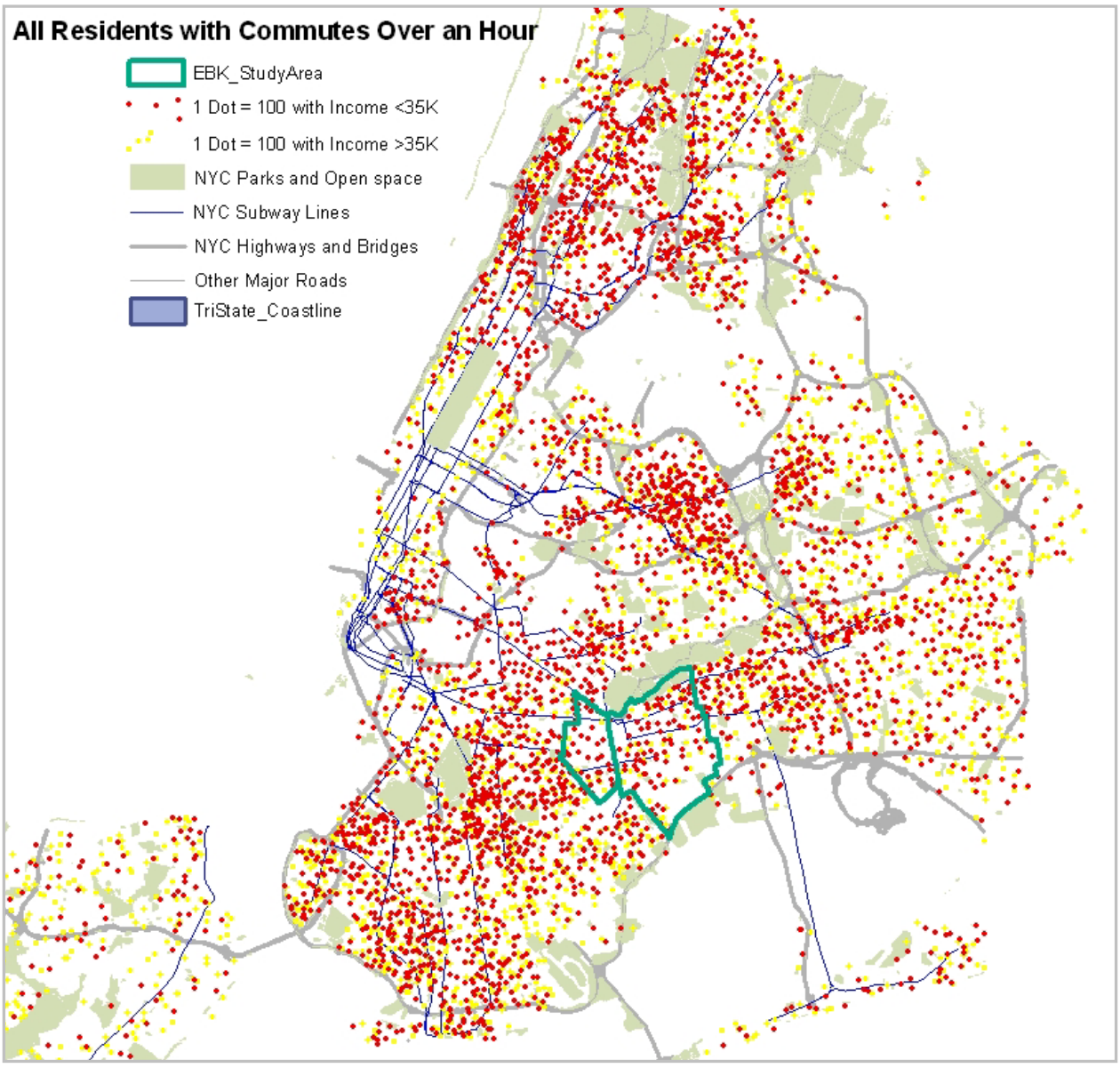
BK TRANSPORTATION TO WORK 1990-2000	Brooklyn 2000	Brooklyn 1990	CHG 1990-2000	% CHG
Persons who use car to work	274,301	283,765	-9,464	-3.3%
Persons who use public transp to work	511,062	520,185	-9,123	-1.8%
Persons who used other means to get to work (taxi, byke, bicycle, ferry)	16,068	12,886	3,182	24.7%
Persons who walked to work	78,933	75,664	3,269	4.3%
Persons who worked at home	20,663	14,510	6,153	42.4%

EBK TRANSPORTATION TO WORK 1990-2000	EBK 2000	EBK 1990	CHG 1990-2000	% CHG
Persons who use car to work	22,461	24,026	-1,565	-6.5%
Persons who use public transp to work	41,736	46,240	-4,504	-9.7%
Persons who used other means to get to work (taxi, byke, bicycle, ferry)	1,050	1,330	-280	-21.1%
Persons who walked to work	5,057	4,612	445	9.6%
Persons who worked at home	963	529	434	82.0%

Data Source: Infoshare data 1990 and 2000 for Brooklyn CD5 and CD16 by Census Tract

Map 12: East Brooklyn Subways and Bus Routes

Map 13: East Brooklyn Residents with Commutes over an Hour

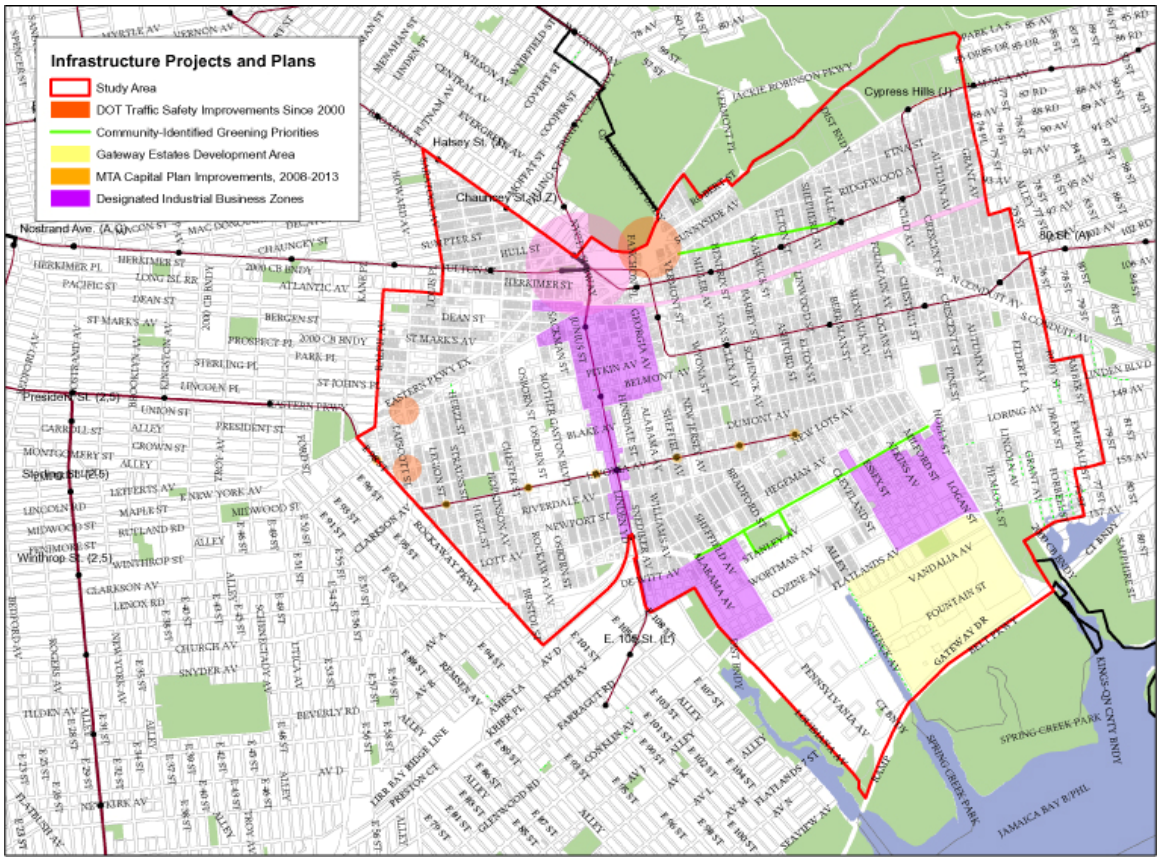


9. CAPITAL PROJECTS

Several infrastructure projects and plans have been identified in East Brooklyn. Map 14 illustrates the City's major plans for the area, including DOT's traffic improvements on Broadway-Junction, MTA's capital improvements also in Broadway-Junction, as well as Eastern Parkway and Blake Avenue. Other infrastructure projects include the designation of IBZ's in the area as described in the land use section. Other plans and projects include:

- The Gateway Estates area reconstruction project required new infrastructure, including roadways, water mains, sewers, curbs and sidewalks, traffic lights, street lighting, fire hydrants, etc. This project cost over $20 million and took place between 2004 and 2007, according to DDC.
- The Parks Department plans to plant 850 trees in Community Board 5 each year for the next 10 years. The community has identified two priority greening areas: Linden Blvd. between Fountain and Alabama Avenues, and Arlington Avenue between East New York and Hale Avenues.
- Community Board 16's Needs Statement includes requests for repairs for nearly every park/open space in the district. It also notes that the area hospital is on the verge of closing, which would be disastrous for local residents. In addition, they site a problem with illegal dumping in area lots, and request more sanitation crews to address this issue.

Map 14: East Brooklyn Capital Projects



CONCLUSIONS AND NEXT STEPS

For the past 15 years the two community districts in the study area (CDs 5 & 16) have been growing at a slow rate, with new immigrants from the Dominican Republic, Jamaica, Guyana, and Trinidad accounting for most of the growth and the white population shrinking by 40%. Poverty in the area is high – 31% of the families in the two CDs live below the poverty level; in Ocean Hill and Brownsville the percentage is 35%.

Like the rest of the city, from 2000-2007 East Brooklyn experienced a dramatic increase in housing prices – both rental and sales – while incomes have steadily declined. While the number of housing units in the area increased by 13%, there is still an obvious dearth of affordable units and almost half the population pays more than 30% of its income on housing.

Our land analysis revealed clusters of vacant and potentially developable sites throughout the area, with possible assemblages in western Ocean Hill, southern Brownsville, and eastern Spring Creek (see Map 11). Overall we conclude that there is a good deal of development opportunity in the two CDs, and we identified several private and non-profit development entities that might find these sites attractive.

However, while we began the project focused on development opportunities we became increasingly aware of the great number of foreclosures and lis pendens properties in both community districts. It is now clear that economic shifts nationally and in New York are poised to have an adverse impact on these neighborhoods. We determined that the emphasis of our study should be shifted to focus not solely on potential assemblages for affordable housing development, but also on addressing the concentrations of foreclosed and soon-to-be-foreclosed houses that could mean abandonment in a downward housing market cycle and thus are a serious threat to the stability of the entire community.

Our more intensive analysis of foreclosures and lis pendens cases, which revealed that Ocean Hill contains the highest concentration of failed mortgages. On the blocks of Ocean Hill, foreclosed homes stand next to vacant lots that last year were assumed to be sites for new condo development. The potential for devastation in this neighborhood is great – creeping abandonment brings the prospect of more crime, lower property values, and a downward cycle. But this is also a neighborhood right next to Broadway Junction, with great transit options, and a likely site of economic investment when the market turns around in a couple of years.

By thinking ahead with local stakeholders and planning for future development, it may be possible to prevent decline in the hardest hit East Brooklyn blocks and sow the seeds of recovery before the crisis is even over. The City and its partners have started to take some action. The Center for New York City Neighborhoods has hired staff and started to make grants to community groups helping homeowners facing foreclosure. A productive meeting with the Center's new director, Mike Hickey, shed light on the kinds of resources this new institution will be able to provide to communities in need. Our data and analysis make a strong case that Ocean Hill, Brownsville and East New York should be prime candidates for the Center's philanthropy, and we have identified a number of community stakeholder groups and citywide technical assistants that could make a difference. However, Ocean Hill and Brownsville in particular seem to lack a local

group that can play a significant role in addressing the foreclosure crisis.

Given the extent of the foreclosure problem in East Brooklyn, and this new opportunity, three ideas for next steps emerge from this study:

1) Conduct community outreach to help identify and prepare a handful of local organizations to apply for funding from CNYCN in the most heavily effected communities. Dialogue with representatives of NEDAP, ANHD, HPD and other potential supporters would help to identify groups in Ocean Hill and Brownsville that might be appropriate applicants for technical assistance grants.

2) Share the study's findings with a local development corporation with the demonstrated the capacity to do both homeowner counseling and affordable housing development, and which may be interested in expanding further into East New York. Of particular interest to an LDC may be the clusters of vacant lots and foreclosures that our research has identified in various locations throughout the study area. These sites suggest a range of opportunities to work with property owners to salvage or transfer their troubled mortgages and/or develop additional affordable housing units while keeping renters in their homes.

3) Research and frame an argument for the establishment of a community land trust – a nonprofit entity that would acquire or finance property that could then be used for affordable housing, open space, or whatever the neighborhood needs. A land trust could help existing homeowners refinance and keep their homes. If they can't afford to, it might be able to purchase the home but let the family stay in place as tenants. And where there are vacant properties, the land trust could acquire them for affordable housing development, now or in the future. Current residents would be helped, and the long-term value of the neighborhood – and its increase in the next market cycle – would strengthen and benefit working families and foster a strong, diverse community.

NOTES

[1] Data from Housing and Vacancy Survey as gathered by NYCHANIS 2005 for the two sub-boroughs that conform East Brooklyn (http://www.nychanis.com/NYU/NYCHANIS/Print.aspx?ViewTable.aspx&title=East%20... 12/6/2007)
[2] Ibid.
[3] The Newest New Yorker 2000 for zip codes 11212 (Brownsville). 11207 (East New York), 11208 (Cypress Hills) and 11239 (Starrett City); Appendix Table 4-1a: Neighborhoods/Zip Codes of Settlement for the top 20 Foreign-born Groups in New York City.
[4] Ibid
[5] Data from Housing and Vacancy Survey as gathered by NYCHANIS 2005 for the two sub-boroughs that conform East Brooklyn (http://www.nychanis.com/NYU/NYCHANIS/Print.aspx?ViewTable.aspx&title=East%20... 12/6/2007)

[6] A performance standard is a minimum requirement or maximum allowable limit on noise, vibration, smoke, odor and other effects of industrial uses listed in Use Groups 17 and 18 of the zoning resolution. Performance standards vary from High to Low according to the manufacturing district. For example M1, considered also a buffer zone, is a high performance district because of its proximity to residential districts, thus, emissions and other nuisance are more restrictive here than in M2 or M3 districts. M3 districts, on the other hand, are low performance because they locate generally apart from residential areas and allow heavy manufacturing activities, which are less compatible with residential uses.
[7] FAR (Floor Area Ratio) is the ratio of the floor area of a building to the area of the lot on which the building is located. The zoning code dictates a lot's maximum allowable FAR. For example, for a lot with a maximum FAR of 1, a one-story building could cover the entire lot, a two-story building could cover half the lot, or a four-story building could cover a quarter of the lot.
[8] Data from Housing and Vacancy Survey as gathered by NYCHANIS 2005 for the two sub-boroughs that conform East Brooklyn (http://www.nychanis.com/NYU/NYCHANIS/Print.aspx?ViewTable.aspx&title=East%20... 12/6/2007)
[9] Ibid
[10] Ibid
[11] The Corcoran Report, Brooklyn Snapshot, Mid year 2007.
[12] Infoshare data 1990 & 2000 for Brooklyn CD5 and CD16 by Census Tract
[13] Data from Housing and Vacancy Survey as gathered by NYCHANIS 2005 for the two sub-boroughs that conform East Brooklyn (http://www.nychanis.com/NYU/NYCHANIS/Print.aspx?ViewTable.aspx&title=East%20... 12/6/2007)
[14] SOURCE?
[15] Find a source besides www.brownstoner.com