

A Rental Project for the Working Class

By ELSA BRENNER JAN. 23, 2005

YONKERS - WESTHAB, a nonprofit provider of housing and social services for the working poor, has just completed a project that is unusual in Westchester County: a new apartment building that will be affordable for families with relatively low incomes.

The four-story concrete and steel structure, with some brick, has 15 one- and two-bedroom rental apartments. It was built at a cost of \$3.6 million, using a mix of federal, state and local government money and a conventional mortgage loan from a commercial bank.

The building is at 125 Riverside Avenue in southwest Yonkers, in a neighborhood of multifamily homes and some light industry.

As soon as the certificate of occupancy for the building is signed by the city, which is expected to happen within three weeks, it will become home to families earning less than 50 percent of the county's median income of \$93,400 for a family of four. With such income limits, the tenants might be expected to include workers in fast-food establishments and supermarkets, health aides and security guards, earning as little as \$7 to \$8 an hour, said Robert Miller, executive director of the White Plains-based organization.

Westhab, which was founded in 1981, is trying to increase the limited stock of residences available in Westchester for this underserved income group, he said.

"There are two Westchesters," said Mr. Miller, whose organization both

renovates buildings and builds new ones. "There is the affluent Westchester north of White Plains, and the one south of it in cities like Yonkers and Mount Vernon, where there is a great deal of poverty."

Westchester officials have called the paucity of affordable housing for lower-income groups one of the county's most critical issues. According to figures published by the Westchester County Department of Social Services, the average rent for a two-bedroom apartment in Westchester, as advertised in newspapers, was \$1,700 a month in the fourth quarter of 2003.

"If someone earning \$70,000 a year has difficulty finding housing in Westchester, can you imagine what it's like for a family trying to get by on \$20,000 a year?" Mr. Miller said. "There are a lot of those folks out there, but we tend to forget about them."

One of the major impediments to providing more affordable housing in the county is the high cost of land. "That's one of the most dismaying aspects of trying to build affordable housing," said Robert Sanborn, Westhab's vice president for real estate development. "To find a site is difficult."

The land for the group's new apartment building here was a vacant lot that was donated to Westhab by Paul and Barry Warhit, two brothers who own Devonshire Discount Tire and Auto Center on an adjacent lot.

Financing for the project came from a blend of public and private sources. It included a \$1.3 million 30-year commercial loan from Citibank with an interest rate of 7 percent; a \$1.5 million state Homeless Housing Assistance grant; a \$300,000 grant from the Federal Home Loan Bank; and a \$300,000 loan with an interest rate of 6 percent from the Leviticus 25:23 Alternative Fund, a nonprofit community development organization in Yonkers.

The Leviticus fund, which was founded in 1983 by church groups in the New York metropolitan area, takes its name from an Old Testament verse stating that land should not be sold on a permanent basis because it belongs to God.

In addition, the Westchester County Industrial Development Agency has issued

\$9 million in bonds to Westhab for a series of projects. The bonds entitle Westhab to tax exemptions on certain materials it buys.

The apartments at the new building have wood flooring, cable connections, large closets and sleeves for air-conditioning units, among other things. Whenever possible, the nonprofit uses materials that give living units "a homey look and feeling," Mr. Sanborn said. "We don't want it to look like a low-cost housing project."

To increase the longevity of a structure, however, Westhab does use aluminum-framed windows, which wear longer than wood windows. Typically, Mr. Sanborn said, low-cost rental housing, where units turn over more frequently than ownership units, is built to last about 30 years.

Two-bedroom apartments at the new building will rent for up to \$993 a month, and one-bedrooms for up to \$822 a month if public subsidies are available to make up the difference between what a family can afford and those amounts. Otherwise, Westhab will get less for the units.

This year, nonprofits can expect to receive less than in previous years for such units because the supply of federal Section 8 housing vouchers has tightened, said Norma Drummond, Westchester's deputy commissioner of planning. "Thousands of families in the county are on the waiting list," she said.

Typically, the county issues about 300 new Section 8 vouchers a year. "This year, we hope to do 100," Ms. Drummond said.

Based on a standard formula for rental housing, a family should pay no more than a third of its gross income for rent. For those earning \$7.25 an hour, for example, the monthly rent should be no more than about \$407, based on a monthly income of \$1,233, and the ideal is that vouchers and other subsidies are available to make up the difference between the listed rent and the amount the tenant is able pay.

"Look at the gap between what they can afford and what's actually being built in Westchester, which are mostly luxury rentals," Mr. Miller said..

In addition to facing high land costs, builders of affordable housing often

encounter community resistance to low-cost units. Mr. Miller said communities that allow housing for those earning 60 to 80 percent of the median household income, "often draw the line when it comes to workers earning less than that."

"The more affluent residents don't want the poor to live in their communities, even though they serve them in the local stores and restaurants," he said. "Because of that, many elected leaders consider it political suicide to support affordable housing."

In addition to developing projects itself, Westhab works with private developers in both formal joint ventures or as a development consultant.

Other recent projects it has been involved in include an upgrade of a five-unit apartment building on Elliot Avenue in Yonkers for formerly homeless families who earn less than 60 percent of the county's median income, and the renovation of a 28-unit project in Mount Vernon with storefronts and permanent and transitional housing for those earning less than 50 percent of the median.