



# Bronx Housing Organizations Adapting and Recovering Amid COVID-19



The Office of Bronx Borough President Ruben Diaz Jr.  
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# Introduction

From September 11 to the Great Recession to Superstorm Sandy, The Bronx and New York City have seen their fair share of life-altering events in the 21st Century. Many of our not-for-profits were born during The Bronx's worst times to tackle the challenges arising from redlining, federal abandonment, arson and the importation of drugs. They have been resilient, not only surviving these events, but subsequently thriving. The new challenge to our communities in 2020 is COVID-19, the worldwide pandemic that has ravaged New York City, particularly lower and working-class neighborhoods in The Bronx and Queens. Our not-for-profit institutions – who often represent these populations – face a new challenge in not only serving our most at-risk residents, but in their mere institutional survival.

Following the issuance of Governor Cuomo's Executive Order mandating a 100% in-person workforce reduction, my office shut its physical doors on March 20, 2020, moving to a remote system to assist our 1.5 million residents and monitor the progress of both the virus and the response to it. From Day 1, our Planning & Development unit reached out to not-for-profit housing and environmental institutions to assess their status and response. While most environmental institutions are in a wait-and-see scenario, our housing not-for-profits, made up of Community Development Corporations (CDCs), Community Business Organizations (CBOs) and tenant advocacy groups face cash flow, solvency, operations and outreach issues like they have never seen before. Their biggest enemy is the unknown.

During these calls it was suggested that I host a virtual forum for these housing organizations to establish a network among Bronx-based and Bronx-serving institutions that identifies mutual challenges, concerns and solutions in order to best serve our residents, maintain the health of these organizations and advocate for policies to ensure damage from catastrophic events such as this are minimized. We reached out to Enterprise Community Partners, a nationwide not-for-profit that finances and advocates for affordable housing, with experience in hosting such forums, to be our co-sponsor.

On April 15, 61 people representing over 20 organizations joined for a two-hour conversation with topical breakout sessions to identify the issues we are all facing, with the goal of finding solutions through reciprocal support and partnership. Below you will find a summary and analysis of that dialogue. I hope that it gives you a snapshot into the issues that some of our not-for-profits, and maybe some of your landlords, are facing or that it helps guide you and your group, if you represent a like-minded not-for-profit organization. My hope is for this to be a continuing conversation until the crisis abates.

# Overview

Through our initial survey of the groups, we understood there to be five central competencies that groups wanted to discuss or gather more information regarding:

- 1) Financial and operational organization,
- 2) Property management and rent collection,
- 3) Maintenance and day-to-day activities
- 4) Tenant care, support, and communication, and
- 5) Remote and technological capacity.

Within these five discussion topics, groups conversed, shared, inquired and expressed their concerns about the current issues either preventing them from entirely fulfilling their missions to assist our communities or potentially endangering their sustainable existence as organizations altogether. We then all reconvened as part of the larger forum to connect these breakout discussions and we began to observe more commonalities among these groups. Not only were these groups facing issues that are multi-dimensional and interconnected, but they were all currently experiencing or fearful of experiencing these similar, unforeseen, and very real threats.

The five breakout discussions elucidated the following themes as the primary, shared takeaways that we can collectively address and actively work towards resolving in the future.

## Umbrella Issues and Concerns

First and foremost, we recognize that there is an overall issue of inconsistency with communication and information distribution. Groups have faced difficulty compiling and even just understanding the guidance meant for them from the multiple different sources providing it. This has left many not-for-profits with a lack of clarity on protocols and a lack of direction for where they should refocus their efforts. While many of these not-for-profits specialize in advocacy or providing support in the housing domain, they are now expected to be able to easily digest, act on and convey complex health regulations and technical jargon. Similarly, many organizations feel overwhelmed by the amount of information being given to them, which sources were factual and trustworthy and what applied to their work and their constituents. It was a lot to process and yet simultaneously required fast-paced responses and action.

This information includes accurate COVID-19 health precautions to follow for safety, as well as situational updates on what to expect, proper financial guidance and awareness of available tools that can be utilized to maintain operations, external and internal instructions for non-essential versus essential staff expectations and guidelines for how processes will continue over the course of the next two months and beyond. Multiple groups repeatedly expressed that there was and, in many cases, still is an overall uncertainty concerning what support and resources are available. Groups feel that there is an overall inaccessibility to connecting with government agencies and other overseeing or umbrella coordination mechanisms.

There is often no direct line of communication, and there is generally a knowledge gap regarding top down instructions. Specifically, many of these organizations still feel uncertain over several looming questions:

- What are tenant obligations and what are owner and landlord obligations?
- How should rent moratoriums, rent freezes and unwillingness or incapability to pay be handled?
- What rent subsidies and financial assistance are available and in place?
- What are the long-term consequences of the eviction moratorium?

## Breakout Sessions

The following five sections are summaries of breakout sessions that were held during the forum. Organizations chose one or more sessions to participate in, as was pertinent to their most salient concerns.

## Capacity and Strength

We also recognize that there is a major need for capacity building that many not-for-profits are going to require just to combat the new, pressing threats that they and their constituents are facing due to the onset of this pandemic, let alone to maintain their own operations over the long term. Moving forward, it is critical that we find ways to bridge the divide between smaller non-for-profits that do not have the same innate capacity (thinner margins, lower reserves, etc.) to withstand external complications the way that for-profit or bigger organizations may be better able to handle. For example, cash flow and rent collection is a major problem for housing groups that are required to pay their monthly mortgage and utility bills immediately. Many of these organizations house tenants that were unfortunately furloughed and are facing unemployment, which has therefore put a strain on rent-collection.

While some organizations are prepared to pay their own mortgages and other bills while also assuming rent concessions well into the summer, other organizations are operating on a month-to-month basis and are therefore not equipped for these financial pressures to last beyond May. Issues of solvency are generally more pressing for smaller not-for-profits than larger ones, and these are the organizations at risk of working beyond their means. Likewise, while lenders are offering substantial assistance in these matters, they require certain documentation to be a part of the process. This, however, is problematic for many of the smaller, advocacy-based organizations that are paper-based and therefore not able to provide the necessary forms to apply.

There was a vocal, mutual plea among groups for assistance with capacity building and greater access to emergency resources.

# Finances and Operations

These issues of capacity extend into the financial health and operational sustainability of our not-for-profits. Though government aid has been helpful to a degree, there is a view that potential and suggested solutions for rent collection issues are just quick fixes. These proposals may still leave long-term risks unaddressed, with these groups remaining vulnerable. Among these financial issues, not-for-profits expressed specific concern about:

- Utilizing security deposits as contingency funds, which merely “kicks the can down the road” and fails to address the systematic issue,
- Securing assistance from the New York City Department of Housing Preservation & Development (HPD) being simply a three to six-month Band-Aid, not a sustainable resolution that HPD can maintain or not-for-profits can consistently rely on, and
- Strategically attempting to balance tenant rent concessions with concessions on mortgages, utilities and suspended payables among others, which have and will continue to be increasingly difficult to upkeep.

Without any clarity on how these processes will be safeguarded for landlords and tenants alike, without the necessary and specialized expertise to navigate this complex financial field and without any clear direction from elected leaders and agencies for what not-for-profits should be prioritizing, the long-term viability of these organizations will continue to be in flux.

# Staffing Concerns and Employment

Many organizations unfortunately expressed that furloughing staff is a real consideration, while others have already begun to institute salary decreases across their workforces. Given the suffocating nature of the aforementioned issues of cash flow and capacity, not-for-profits are turning to unconventional and alternative methods to save capital simply in order to be able to stay afloat. This has forced many organizations to consider making difficult decisions with unfortunate repercussions for individuals as a byproduct. While the groups that have turned to furloughs are truly pressed and unable to maintain their previous payrolls which makes up the majority of their operational costs, some other organizations with greater capacity have been able to reconfigure their business models in order to mitigate staffing concerns.

Among the temporary solutions and adaptations that have helped them to sustain themselves, embracing work-schedule flexibility and switching to rotations of four-day workweeks rather than five, have been key temporary reprieves. These solutions however have counterintuitive ramifications for the staff of not-for-profits, as they themselves are members of these communities and are already working for organizations whose salaries tend to be modest.

Regarding employment, many organizations also expressed dismay over a lack of technology available for each individual staff member to enable a remote workspace. Likewise, there is also a lack of technical support to assist with these remote operations, as well as the subsequent technological difficulties and trainings. This difficulty also relates to capacity building and the general inequity that hinders complete efficiency for these groups, particularly amid crisis.

Further, some groups actually expressed the need to hire temporary staff, particularly property management and congregate care facilities, in order to account for those permanent staff who are sick or not coming to work. Similarly, the cancellation of the oft-utilized Summer Youth Employment Program, greatly affects the presence of volunteer and staff-support on whom many CDCs would typically rely. This presents another wrinkle that not-for-profits are forced to consider when assessing future resources and employment statuses.

## Policy, Regulations, and Long-Term Concerns

Throughout our discussions, many groups identified uncertainty about policy instructions, regulations and other government actions as a big unknown for their long-term decision-making and activities. Organizations brought up the complex choices that would soon be required of them due to firm timelines or other restrictions such as fines and penalties should government decisions not be made immediately. Groups identified the following issues as affecting their decision-making processes:

- Delayed inspection processes resulting in a delay in the opening of buildings currently under construction. How can we make projects whole once construction is able to resume? Will this process be similar to those that were paused or affected by Superstorm Sandy?
- The situation's impacts on buildings that were recently completed or recently acquired a certificate of occupancy. When can owners move people into new housing? What would the screening process entail? How has the HPD lottery system been affected?
- Decisions that HPD and the New York City Department of Buildings (DOB) will make about how site inspections and certifications will occur after any construction pauses are lifted. Confusion in this process and the subsequent accumulation of violations could prove detrimental in the future.
- The impacts of the non-essential construction moratorium and lost time for groups that are stuck in limbo not knowing the ultimate outcome and timeline of pending or expiring tax abatements, J51s and other exemptions or loans.

These uncertainties present major threats to the long-term sustainability of the not-for-profits that are essential to our communities. They are looming question marks that signify real anxieties and can potentially jeopardize the functionality of many of these groups in the future.

## Day-to-Day Operations

Beyond these overarching and macro-level issues, organizations have articulated legitimate concerns with and newfound dilemmas in their day-to-day programming. For instance, enforcing social distancing regulations has been a huge problem. Groups have faced challenges with their constituents and tenants in breaking commonplace behavioral habits that now pose a danger of compromising safety precautions. Raising awareness and helping to educate constituents to change their daily behaviors has proven to be a greater struggle for groups than anticipated. Though most

instances were simply issues of breaking habits and adapting culturally significant behaviors in a positive manner, some groups explained that this issue extends to those who actually had the virus. In some cases, people that have tested positive for COVID-19 but did not need hospitalization have refused to adhere to social-distancing guidelines or to wear the necessary personal protective equipment.

These not-for-profits felt they had little recourse in these situations. This presents real problems for them, their neighbors, the staff and their families, as well as the greater community. Ripple effects of this issue are that staff does not want to show up because of this careless behavior which potentially exposes them to the virus. There is an informality and inconsistency in dealing with these issues of trying to maintain some semblance of normalcy. Some organizations have had to look to volunteers, to tenant association partnerships or to hiring new staff to adapt and this change is putting an unnecessary strain on not-for-profits that have other priorities that need tending to. One helpful suggestion was bringing in a trustworthy peer who survived COVID-19 to describe what they went through. Having a relatable story for residents often bridges the gap in the seriousness of the situation.

Aside from social distancing, most groups have found relative success in following and maintaining the necessary health precautions to keep their buildings and their tenants as safe as possible including the ramped up and overtime work it has taken to sanitize and clean at the required frequency.

To properly address issues of food security, not-for-profits have had to make additional significant adjustments and taken new actions. This problem has particularly affected not-for-profits representing and housing our senior populations, an especially vulnerable group amid this pandemic. Food insecurity remains an enormous concern as a result of this pandemic. While many groups have steadfastly and proactively responded, there lacks a centralized effort to resolve outstanding concerns. Our not-for-profit groups have organized extensive food-distribution networks that have and continue to work tirelessly to deliver meals across the borough to all those in need on a consistent basis. Volunteer organizers, cooks, drivers and other workers have been of particular assistance in this capacity. Identifying central or consistent locations for food pickup helps with ensuring the safety of both residents and volunteers. The Department for the Aging has proven to be a great resource, both for organizations and in supplying meals across the city.

However, shortages of supplies and resources remain, forcing groups to acquire and accumulate these materials at abnormal levels in order to ensure a steady supply. These materials include cleaning supplies, paper products, thermometers, personal protective equipment, food and toiletries. IT-related expenditures include video-conferencing equipment, Wi-Fi installation, cellphones and Wi-Fi-enabled tablet devices. Hiring and staffing expenditures to cover reductions in on-site staffing include overtime pay, incentive pay, sick and leave time costs and additional nurse hours.

# Moving Forward

Although much of the discussion centered on unresolved issues not-for-profits were facing, there were other takeaways we can build upon moving forward. Some ideas that came out of the forum for further development include:

- Documenting what tenants are experiencing to better align potential resources with these needs,
- Brainstorming ways to develop creative resource pools and aggregates to support contingencies and existing infrastructure that might be struggling to survive;
- Leveraging the Bronx Community Relief Effort, which aims to raise \$10 million to support effective on-the-ground operations focused on meeting the most essential needs of the Bronx community including filling gaps in public financing and broader grant programs,
- Providing access, contributing to and sharing more industry-wide webinars and resources that can harness the expertise of our health and housing officials to continue educating and training all of our not-for-profits and constituents – knowledge sharing that is critical to bridging the divide – and
- Working closely with intermediaries such as Enterprise to develop programmatic, policy and capital solutions to the short-, medium- and long-term issues created by the pandemic.

It is also important to note the interconnectedness of each thematic focal point and how much overlap they all exhibited. This illustrates the multi-disciplinary nature of combatting this pandemic and how our efforts and responses must be truly holistic to address it going forward. Diving further into these commonalities will allow us to be more responsive and adaptive in the short-term, while becoming more thoroughly resilient in the long-term.

While there is still so much unknown about what the future holds and how we will operate moving forward, this much remains true: the not-for-profits that contributed and made this forum so robust, those that we spoke with in advance but could not participate and the many other contributors throughout The Bronx are incredibly committed and passionate. The people of The Bronx are their primary concerns, and they are making all efforts and exhausting all outlets to continue to ensure that everyone's safety and quality of life remains at the highest level possible.

This forum's primary purpose was to gather information and hear from those who are working on the front-line in an aptitude different from but equally important as our healthcare workers. We do not have all of the answers and solutions to rectify every problem in an instant. What is important is that this becomes just the beginning of an ongoing, fluid, reciprocal dialogue and that we all continue to collectively work towards those answers and solutions to make us all more resilient in the long-term.

# Acknowledgements

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## ***Organizations Participating in the Forum:***

*Association of NY Catholic Homes, Highbridge CDC, Mid Bronx Desperados, Mount Hope Housing Company, New Destiny Housing, Nos Quedamos, R.A.I.N. Inc, Selfhelp Realty Group, Services for the Underserved, SoBRO, Supportive Housing Network of New York, The Bridge, University Neighborhood Housing Program, Urban Pathways, VIP Community Services, WHEDco, West Side Federation for Senior and Supportive Housing*

## ***Other Participating Organizations:***

*Banana Kelly Community Improvement Association Inc., Belmont Arthur Avenue LDC, Fordham Bedford Housing Corporation, New Settlement Housing Fund, Northwest Bronx Community and Clergy Coalition, Phipps Neighborhoods, SEBCO*