

YOUR MONEY

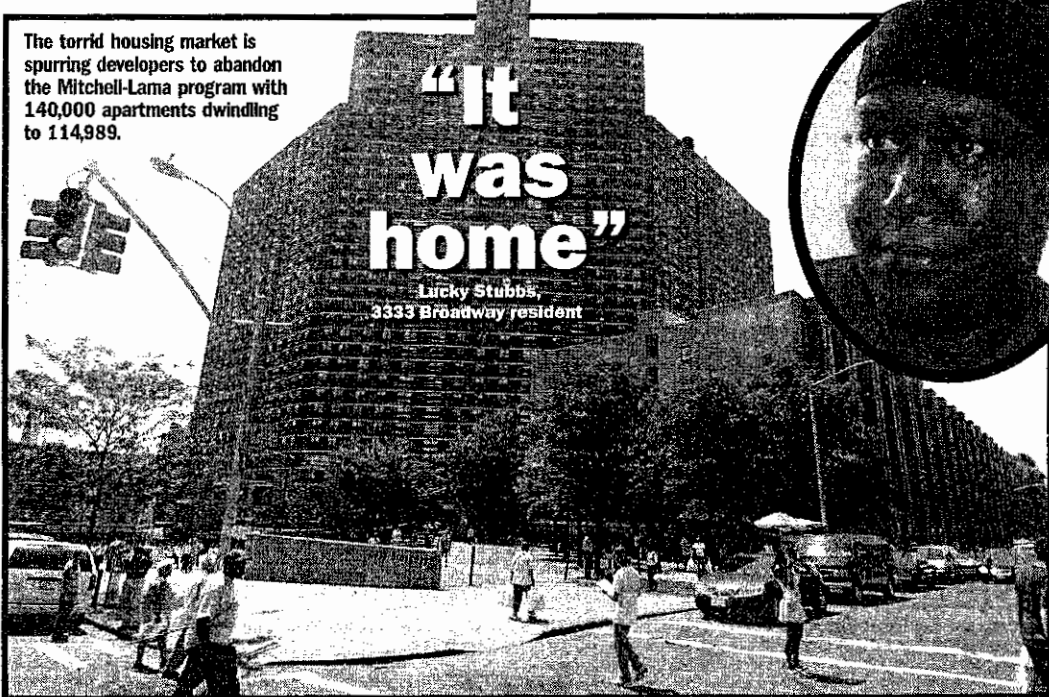


HOW TO MAKE IT... HOW TO SAVE IT... HOW TO SPEND IT

housing disappearing

The torrid housing market is spurring developers to abandon the Mitchell-Lama program with 140,000 apartments dwindling to 114,989.

"It was home"
Lucky Stubbs,
3333 Broadway resident



from the federal government to pay the difference between their rents under Mitchell-Lama and the new, higher rents their landlord has set.

What they need is called an "enhanced" or "sticky" voucher, which pays landlords bigger sums than a regular Section 8 voucher does.

Everyone who gets the enhanced vouchers will keep paying their Mitchell-Lama rent, or 30% of their income — whichever is more. The vouchers cover the rest.

New, higher rents have kicked in at 3333 Broadway, but Stubbs and other tenants haven't heard yet whether they will receive the enhanced vouchers.

It will be a couple more months before everyone at the complex finds out whether they qualify, said Patricia Zafiriadis, an assistant commissioner of the city Housing Preservation and Development department, which is processing the vouchers. The agency got 1,172 applications — from heads of households of 99% of the 1,185 apartments that were occupied when the property left Mitchell-Lama.

But tenants worry they won't get the vouchers — or that they won't keep them for long. Congress has to appropriate funding for them every year. Income determines whether you qualify for the vouchers.

Vaughn Cameron, 53, fears the worst. "People are going to be thrown to the wolves," predicted the former postal worker, who's been a tenant since 1986.

Ronald Stubbs, one of Lucky Stubbs' children, is anxious about being able to keep his one-bedroom apartment.

The 33-year-old paraplegic — who's been wheelchair-bound since a car accident in 1990 — got an apartment of his own at 3333 Broadway in February, after years of living in what he called unsuitable places. The worst was a fifth-floor walk-up he couldn't leave unless two men carried him down the stairs.

Gricel Thompson, a government worker, figures her income's too high for her to qualify for a voucher. She hopes to be included in an arrangement called the Landlord Assistance Program, whose rent increases mirror those of the city's rent-stabilized apartments. But she was told to apply for a voucher first, and ask for the LAP later.

The 44-year-old single mother of two teenage daughters is careful to keep calm about her uncertain situation. Stress could bring on flare-ups of her fibromyalgia, which causes muscle spasms and bone pain.

"We thought we were secure," Thompson said. "We had decent housing at a reasonable rate."

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Mitchell-Lama woes

Before Lucky Stubbs rented an apartment at 3333 Broadway, she was living in a second-floor flat on W. 142nd St. that got burglarized regularly.

She and her kids first saw their new place, a safe haven high up in a tower of the red-brick Harlem complex, on a rainy November evening.

After they saw its picture-window views of the Hudson River, the twin towers and other city skyscrapers, they didn't want to leave. They even slept on the floor in their coats that first night.

"It was home," she said.

A quarter-century later, her home is in jeopardy. The landlord removed 3333 Broadway from the Mitchell-Lama affordable housing program. Now the \$1,025-per-month rent for her three-bedroom apartment is \$2,020.

Her children are grown, but Stubbs, 55, is raising her three young nieces there and knows she can't afford the higher rent. "It's a nightmare, really," she said. "I've never known so much stress in my life."

All over town, developers are leaving Mitchell-Lama — a program that brought New York City 140,000 apartments priced for the middle-class.

"It's being killed off at a fairly rapid rate," said Sue Susman, creator of a Web site called Saving Mitchell-Lama (www.save-ml.org).

BY LORE CROGHAN
DAILY NEWS BUSINESS WRITER

This is another consequence of the red-hot housing market. Growing numbers of Mitchell-Lama landlords are finding the prospect of big profits too tempting to pass up.

The Bloomberg administration has tried to slow the departures by offering low-cost refinancing and repair loans, if they'll stick with Mitchell-Lama for another 15 years. But the number of Mitchell-Lama apartments in the city has dropped to 114,989 — and another 8,042 in 25 different developments will be gone within the next year.

"It's a shame," said Michael McKee of Tenants & Neighbors, a tenants' rights advocate. "Mitchell-Lama was the best program ever instituted by a government to create affordable, decent housing."

Brought to life by a state law signed in 1955, the program offered developers enticing incentives like cheap financing and land to build rental apartments and co-ops that working people could afford. In return, builders had to keep the rents reasonable, and only take profits of 6% a year.

REAL ESTATE RIPPLES
Chronicle the effects the hot housing market is having on people's lives.
SECOND OF FIVE PARTS

The law was later amended to give developers an additional incentive. They got permission to buy out of the program after 20 years by repaying their low-interest mortgages — freeing them to sell their properties or raise rents.

Developer Jerome Belson did a buyout at 3333 Broadway — though the property's 75-year lease for the land stipulates it "shall be used for residential purposes for persons and families of low or moderate income only."

It's one of five Harlem properties he recently removed from Mitchell-Lama.

Belson — who did not return a call — is considered a leader among developers of government-sponsored affordable housing. He's president of the Associated Builders & Owners of Greater New York, a powerful industry group — and a mover and shaker who donated most of the money for the stadium at St. John's University.

At 3333 Broadway, Stubbs and almost all the other tenants applied for Section 8 vouchers — which would deliver money

TOMORROW: Sunset Park residents fight to keep taller apartment buildings out of their row-house neighborhood.

BIZ NEWS

DOW -17.76
10,623.15

NASDAQ +10.55
2,195.38

S&P +1.17
1,235.35

GM, Ford still cutting prices

PRICE BREAKS will continue for consumers looking to buy a new car.

General Motors said yesterday it will cut prices on 30 of its 2006 models as it stops giving employee discounts to all buyers. Ford also reduced prices and said it would extend its employee discounts until Sept. 6.

The reductions amount to \$2,455, or 16%, on the Saturn Ion, and \$645, or 3%, on the Pontiac G6, GM said.

The automaker will offer 50 models with some combination of lower prices or added features, extended warranties or other changes at no extra cost. Ford said it's cutting prices on most 2006 Ford, Lincoln and Mercury models.

GM chief exec Rick Wagoner plans to boost sales by making the prices of GM vehicles more attractive, particularly in Internet comparisons, and relying less on rebates. GM lost more than \$2.2 billion making cars and trucks in the first half of this year as it trimmed North American production to reduce inventories of unsold models.

The new GM program, called "Total Value Promise," continues a strategy that began earlier this year, Mark LaNeve, vice president of North American marketing, said.

GM has lowered prices on mid-sized sport-utility vehicles and made such features as stability-control systems and the On-star emergency notification system standard on most models.

GM, which sells 76 models in North America, is trying to retain market-share gains after ending the two-month employee-discount offer yesterday. The promotion sparked a 47% gain in GM sales in June.

Ford, the No. 2 U.S. automaker, announced earlier yesterday that it plans to cut prices as much as 6.8% on its 2006 Ford Explorer, the world's best-selling sport-utility vehicle.

Chrysler, which also echoed GM's strategy in July, is scheduled to announce its next incentive plan today.

Toyota, however, said July 29 it would raise prices on 10 of its 2006 models an average of 1.2%.

Bloomberg News

Dow stumbles, eBay gives Nasdaq a lift

WALL STREET finished an uninspired session mixed yesterday as the rise in oil was partly offset by a better-than-expected reading of the nation's industrial activity and strong sales at Wal-Mart.

The stock market remained resilient in the face of recent record intra-day and closing prices for oil. A barrel of light crude reached an intra-day high of \$62.30 before closing at \$61.57, up \$1, on the New York Mercantile Exchange.

The death of Saudi King Fahd was cited as creating uncertainty in the oil market.

The Dow fell 17.76 to 10,623.15, while the Nasdaq rose 10.55 to 2,195.38.

The surge in oil prices was mitigated by upbeat July sales at Wal-Mart as well as a bullish reading of the Institute for Supply Management's manufacturing index — showing that both the consumer and industrial sectors have adapted well to high energy costs.

Shares of Wal-Mart rose 18 cents to \$49.53 after the world's largest retailer said over the weekend sales at stores open at least a year would be up 4.4%.

However, the strong growth in the economy raised concerns about the Fed and its policy of gradually raising the nation's benchmark rate.

"What it's (economic data) also doing is telling investors that the Fed is not done as quickly as people were thinking two months ago," said Russ Koesterich, senior portfolio manager at Barclays Global Investments in San Francisco. "That's creating a little bit of headwind for stocks."

Investors were encouraged yesterday by a surprising gain in the ISM's manufacturing index for July. The index rose to 56.6, better than the 54.5 economists forecast and higher than June's 53.8 reading.

The technology sector saw a boost from online auctioneer eBay, which climbed \$1.83 to \$43.61 after it received an upgrade from "neutral" to "buy" at Citigroup Smith Barney. Analysts there said the company's profits were solid and that future trends looked positive.

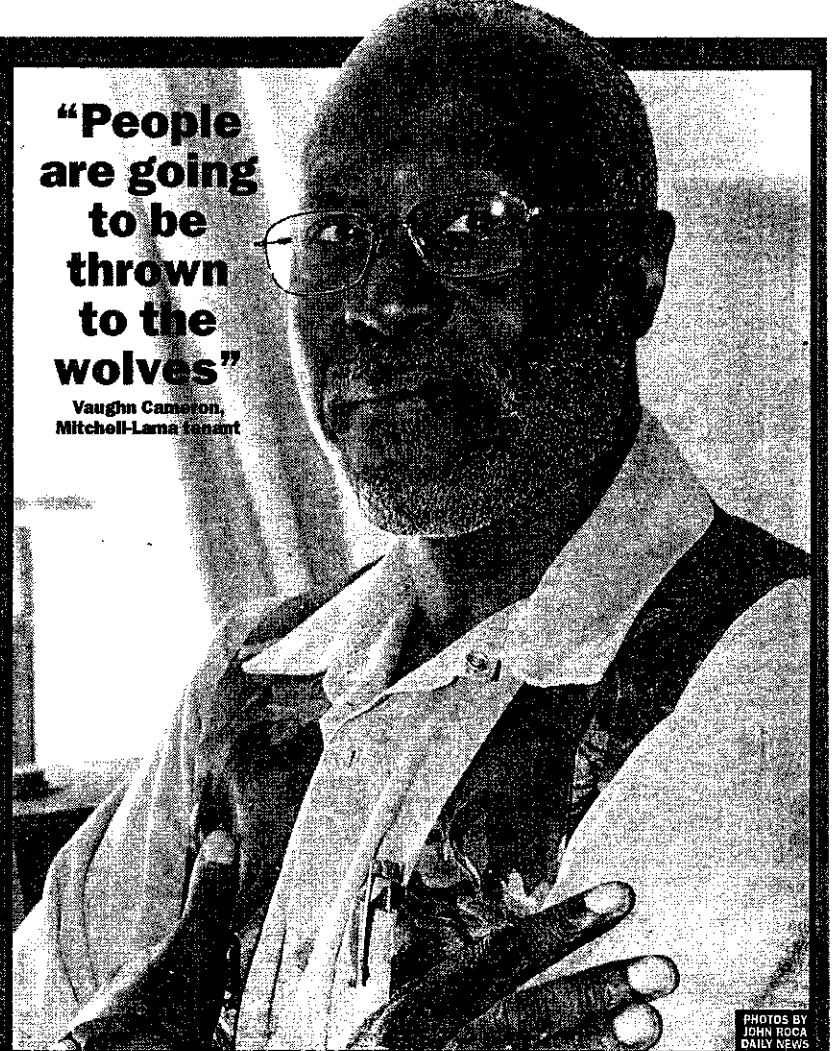
Oil stocks climbed higher. Exxon Mobil rose 48 cents to \$59.23, while Chevron was up 42 cents at \$58.43.

The Associated Press

Affordable

"People are going to be thrown to the wolves"

Vaughn Cameron,
Mitchell-Lama tenant



PHOTOS BY
JOHN ROCA
DAILY NEWS

LEAVING MITCHELL-LAMA

Buyouts are pending at these affordable-housing developments within the program.

| BUILDING | LOCATION | # UNITS |
|-----------------------|----------------|---------|
| BRONX | | |
| University Riverview | Sedgwick Ave. | 225 |
| Janel Towers | Neil Ave. | 229 |
| Noble Mansion | Noble Ave. | 236 |
| Bruckner Tower | Underhill Ave. | 208 |
| Boulevard Towers I | Bruckner Blvd. | 329 |
| Highbridge House | Ogden Ave. | 399 |
| Stevenson Towers | Bartholdi St. | 121 |
| Robert Fulton Terrace | E. 169 St. | 320 |
| Park Lane Apartments | Lafayette Ave. | 325 |
| Fordham Towers | E. 188th St. | 168 |
| BROOKLYN | | |
| Prospect Towers | 10th St. | 153 |
| Tivoli Towers | Crown St. | 302 |

MANHATTAN

| | | |
|---------------------|--------------|-----|
| Bethune Tower | Lenox Ave. | 133 |
| East Midtown Plaza | E. 24th St. | 746 |
| Columbus House | W. 95th St. | 248 |
| Town House West | W. 91st St. | 47 |
| Westwood House | W. 93rd St. | 124 |
| Columbus Manor | W. 93rd St. | 202 |
| Lakeview Apartments | E. 107th St. | 446 |

ROOSEVELT ISLAND

| | | |
|--------------|----------|-------|
| Eastwood | Main St. | 1,003 |
| Island House | Main St. | 400 |
| Westview | Main St. | 361 |

QUEENS

| | | |
|--------------|--------------|-----|
| Court Plaza | 83rd Ave. | 248 |
| Meadow Manor | 113th St. | 132 |
| Roy Reuther | Seagirt Ave. | 917 |

SOURCES: Department of Housing Preservation and Development, New York City; Division of Housing and Community Renewal, New York State.