



BANANA KELLY COMMUNITY IMPROVEMENT ASSOCIATION, INC. 2018 ANNUAL REPORT

Banana Kelly's 40th Anniversary Year! And what a year 2018 was – full of growth! We added to our building portfolio; created new partnerships; expanded programs and transitioned to new leadership. Yes, after many years of service Harry DeRienzo stepped down as Banana Kelly's president and into an advisory role, while Hope Burgess stepped into the roles of President and CEO. 2018 was a year of continued growth in size and function. What follows is a review of our 2018 accomplishments and a brief look into 2019.



*Hope Burgess, President and
CEO and President Emeritus
Harry DeRienzo*

- ✓ *Affordable Housing – in 2018 we added 9 buildings with 163 units to our portfolio, bringing us to 58 buildings and 1403 units at the end of the year. Rehab work began on five buildings and we completed the renovation at one building, 987 Union Avenue, while nearing completion on the installation of solar panels at all of the five buildings. We secured tax credits for the renovation of an additional 2 buildings with 115 units, and increased participation in JOE NYC by 165 units.*
- ✓ *MSC Program - In 2018 we continued our services to families with developmentally disabled members. At the end of the year we were providing services to over 145 consumers in the Bronx and Upper Manhattan.*
- ✓ *RAP/Supportive Housing - This was our 21st year of providing a Supportive Housing Rental Assistance program. RAP assists formerly homeless and long-term disabled individuals with rental subsidies and support services. We assisted over 32 families and just under 100 residents.*
- ✓ *Case Management – In 2018 we continued to ensure that Banana Kelly residents receive all available services, are provided linkages to other supportive programs, and receive the services they need to prevent eviction due to circumstances beyond their control.*
- ✓ *Community Health Initiative (formerly our Healthy Food and Green Infrastructure program) - In 2018 we received funds from the New York City Council/Councilmember Rafael Salamanca to expand this program through the use of our four open spaces/community gardens to provide community-wide programs that included workshops, cooking demo and guest lectures.*
- ✓ *Community Organizing – We expanded our resident leadership through increased representation and participation in our Resident Council, Kelly St. Collaborative, and membership on our Board of Directors. And in 2018 our residents continued to expand their involvement in city-wide campaigns.*
- ✓ *Partnerships - We continued to partner with New York City Communities for Change to provide ESL classes to our residents. Over 120 attended our classes. New York Common Pantry at 1290 Hoe Avenue ended its second year providing assistance to over 1000 of our neighborhood.*
- ✓ *Youth Educational Program - 2018 witnessed another successful Summer Camp and After School program, with enrollment of over 100 area children.*
- ✓ *Change Capital Fund – Banana Kelly is honored to have been chosen as a 2018 Change Capital Fund recipient.*

Affordable Housing: Banana Kelly is committed to preserving affordable housing; doing whatever possible to improve conditions to stabilize distressed properties, preserve tenancies and prevent homelessness and displacement. We accomplish this in a number of ways, including seeking out distressed, over-leveraged properties, organizing tenants and using legal and other means to take ownership of these substandard buildings or working to ensure a transfer to responsible ownership. In 2018 we worked to ensure that our residents are not subjected to unscrupulous building owners/landlords; that current residential units are well-maintained; and that these units remain truly affordable. We look forward to leveraging newly extended financial resources that are being made available after a joint effort by our partners, Enterprise, LISC, CPC and HPD to secure much needed down payment and technical assistance that will allow us to compete in the acquisition of rent-regulated buildings. Banana Kelly



Installation of Solar panels at Union.

qualified for this program called Neighborhood Pillars in 2018 and we are ready to take advantage of this much needed capital to preserve affordable housing in the South Bronx

Union Avenue Cluster. In June we closed on a construction loan for five (5) buildings in the Banana Kelly portfolio, containing a total of 124 units. In 2017, this cluster was awarded 9% Low Income Housing Tax Credits (LIHTC) after a highly competitive process. By the Fall of 2018, we had completed pre-development work

including Phases 1 & 2 Environmental studies; engineering and architectural work and construction schedules and scopes of work. We completed all work at 987 Union Avenue by year-end. We anticipate completing the work at 991 Union in early 2019. The other three buildings, 744 Beck Street, 1100 and 1106 West Farms Road, are scheduled to begin restoration work in 2019. We anticipate that all of the buildings will be completely renovated by December 2019. We will complete all necessary roof replacements, solar panel installations, new boiler installations and oil to gas conversions, widow replacements, façade, masonry, and stucco repair in all of these buildings. Once we are finished, these buildings will not only be more energy efficient, but will also feature upgrades of all of the kitchens and bathrooms for our tenants.

Westchester-Home Street: Similar to our BK Union Avenue work, we were awarded 9% LIHTCs for a cluster featuring 115 units in two of Banana Kelly's largest buildings—1084-86 Home Street and 1244-46 Westchester Avenue. These



Weatherizing and façade work at our Westchester building.

tax credits will allow us to substantially boost the scope of work for the rehab of these buildings. We have already begun much needed masonry work with the help of low interest financing from Signature Bank. These buildings will undergo full masonry repair, roof replacement, boiler conversions from oil to gas, as well as new kitchens, bathrooms, and upgraded lighting, stoves, and refrigerators in each apartment. In 2018, we began to engage residents and prepare them for the upcoming rehab, which is expected to begin in July 2019 and be completed by the end of 2020.

East Harlem CLT Cluster. Along with our partners, the East Harlem/El Barrio Community Land Trust and Community Assisted Tenant Controlled Housing, Inc., this past year we initiated the pre-development phase for these East Harlem limited equity cooperative properties consisting of four buildings with 36 units. A Phase I Environmental study was conducted for these properties, which revealed no evidence of Recognized Environmental Conditions in three out of the four buildings. However, one building required a Phase II environmental assessment because there had once been a dry cleaners in the building. The Phase II Assessment included soil and air tests to determine if there has been soil or air contamination, as well as a Remedial Action Plan to address any site contamination. The time required to perform this Phase II Assessment, including laboratory tests, delayed our UDAPP application to receive site control from the City, and therefore cause us to miss a September 14th deadline for 9% LIHTC applications. Currently, we are negotiating with the city to include deeper affordability, which can be accomplished with additional HPD subsidy. The CLT Board and Banana Kelly would like to maximize the affordability of these buildings by keeping all units affordable to households earning 60% AMI or lower. Furthermore, our organizers hosted a series of trainings sessions for residents of these buildings on such topics as Board Structure, Housing Development and Asset Management. Initial funding from the New York Community Trust and support from Enterprise Community Partners was critical to this project's launch.

One of our new properties - 941 Intervale Ave.



Intervale Cluster. In early 2018 we assumed control of a for-profit portfolio known as the Intervale Cluster, a collection of 6 buildings all located in our primary catchment area of the South Bronx and consisting of 112 affordable units – 1118 Southern Blvd., 1035 Hall Place, 1036 and 1039 Intervale Ave., 1141 and 1149 Tiffany Street. The former owner had kept these buildings in barely code compliant shape, with serious arrears and some other problems. In 2018 we worked diligently to resolve tenancy issues, collect appropriate documentation required for these former LIHTC units, and perform immediate emergency repairs where needed. We began pre-development work at these buildings and will close on the construction loan in 2019. MHANY and Banana Kelly are undertaking this as a JOENYC project.

Third Party Transfer. In September, the City assigned six properties to Banana Kelly through its Third Party Transfer Program—3 occupied buildings and 3 vacant lots in the South Bronx. In 2018 we worked to stabilize the buildings, which needed extensive repair. In 2019 we will begin pre-development work, with the assistance of a Capital One grant. Upon construction loan closing, Neighborhood Restore HDfC will transfer title to Banana Kelly.

ANCP Pleasant Avenue buildings. We are well into the pre-development phase for the three buildings in this cluster, located in upper Manhattan at 311 Pleasant Avenue, 1263 Park Avenue and 51-55 East 129th Street, containing 64 units. Working drawings and other necessary documentation were submitted to HPD's BLDS unit for design review in November. 2019 will see this project kick into high gear as we work toward a closing in the second quarter. We are designing the rehab to comply with Enterprise Green Communities and HUD Section 504 requirements for handicap accessibility, with a few apartments outfitted for the mobility



1263 Park Avenue

impaired residents and one for a sensory impaired resident. The 64 apartment upgrades will include new bathrooms and kitchens, as well as all new finishes, plumbing, heating, electrical and a complete sprinkler system with fire alarm. The scope also includes much needed exterior work. We have received sign-off of preliminary plans from tenants, but will likely need to make changes in the next round of review by the City. Another Phase 1 Environmental study will be conducted sometime in early 2019 and then we will begin the development phase gut renovation by mid-2019.

Interfaith Affordable Housing Collaborative. Another developing project that began in 2018 is the Interfaith Affordable Housing Collaborative. This new entity was formed as a partnership involving Interfaith Assembly for Housing and Homelessness, Collegiate Church, New York State Council of Churches, Banana Kelly, Enterprise Community Partners and several other religious institutions from New York City and the Hudson Valley. The IAHC was established to help match faith-based properties with technical assistance and other resources to develop supportive and affordable housing that can stabilize and strengthen communities. IAHC provides the opportunity to explore these possibilities by sharing experiences among participants and hearing from faith leaders, housing and social service providers, community-based housing developers, government representatives, and others to learn from their success stories and cautionary tales.

We continue to work closely with a variety of our long-term public and private funders, including NYC Department of Housing Preservation and Development (HPD), the Association for Energy Affordability (AEA), Local Initiatives Support Corporation (LISC), New York City Housing Development Corporation (HDC), the Community Preservation Corporation (CPC), and the National Equity Fund (NEF). Additionally, we closed on our first construction loan and

committed to permanent financing with Sterling National Bank for our BK Union project. We continued to work with FLM Construction Co., CAM Architects, AAD Construction Corp., HUB International, Forsyth Street advisors, Nixon Peabody, and Goldstein Hall. Finally, we continued to grow our partnership with JOE NYC, which is a co-Managing Member for our BK Union Cluster.



One of our new properties – 911 Simpson Street

Banana Kelly's participation in the JOE NYC expanded and this unique collaboration continued to grow. Reversing the former trend of for-profit developers buying up not-for-profit housing, Banana Kelly, MHANY and St. Nick's Alliance worked with JOE NYC to purchase two affordable housing portfolios from for-profit owners – one in Williamsburg and the other in the South Bronx.

Looking ahead. *Cluster Sites.* Since Mayor de Blasio announced the end of the cluster site shelter program at a Banana Kelly building in December 2017, significant progress has been made. The first transfer of the cluster site buildings to responsible non-profit organizations who will manage and own the buildings is set to occur on February 28, 2019. Four of these buildings consisting of 154 units are scheduled for transfer to Banana Kelly, working in collaboration with JOE NYC. Final transfer is slated to take place in February or March 2019. The buildings are in varying stages of condition, with some buildings in terrible shape and other in decent shape. As for the homeless residents, they have few rights given their tenuous legal status and many of the buildings are as much a blight to the neighborhood as a health and safety dilemmas for the residents. We will be working to make emergency repairs to these units while at the same time work with the families in these



One of our new properties – 976 Tinton Street

buildings, organizing in a manner to bridge the issues between the cluster site residents and the rent-stabilized residents. After the buildings have been stabilized, we will work to upgrade these buildings so that the residents have decent, safe, and permanently affordable housing. Transfer will initially go to a Banana Kelly-controlled HDFO and then we will transfer beneficial ownership to the JOE NYC, which will contract with Banana Kelly to manage the buildings and go through the pre-development process. It is anticipated that Banana Kelly will also be entering in to a contract with NYC's HRA to provide social and case management services specifically for the existing shelter residents in order to make the transition from shelter units to permanently affordable housing, and from shelter residents with no rights, to rent stabilized

tenants with all of the right attending to that status. We believe this entire process will take about a year for the pre-development work and another 18 to 24 months to complete construction. Ultimately, ownership will be in the control of a Banana Kelly/JOENYC controlled entity.

Clearly, we have a lot going on heading into 2019. Banana Kelly is committed to preserving as many affordable housing units as we can so that our residents do not face the pressure of the displacement and gentrification that surely is coming down the pike.

Community Organizing. Community organizing continues to be central to how we affect change and 2018 was no different. In 2015 we revamped our By-Laws and transformed into a



Residents attending a neighborhood rezoning meeting

mutual housing association, in which both building and neighborhood residents play a strong leadership role in the strategy, vision and governance of Banana Kelly. This makes Banana Kelly unique in the CDC affordable housing sector. Through organizing primarily around housing, health and land use issues, the organizing department works with our Resident Council to increase civic participation, engage in political education, impact policy, and develop local leadership in our neighborhoods. Our

organizing work has been able to amplify the voices of our local residents and address the

systemic causes of economic inequality and political disenfranchisement by developing the leadership capacity of our residents and local community members. Banana Kelly has solidified itself as a dedicated leader in the South Bronx, made possible by the commitment and activism of the residents in our community.

Our organizing team was active in a number of areas including the expansion of our Resident Council; Policy and Advocacy; Tenant Organizing both in Banana Kelly buildings and in the wider community through Stabilizing NYC; Southern Boulevard rezoning Initiative; and our Healthy community Initiative. Our goal in 2018 consisted of two parts: (1) continue to organize and expand upon an active, engaged, informed resident leadership and membership base that can advocate on the most pressing and most apt issues that are threats to their own stable and continued affordable housing tenure; and (2) continue to organize and expand our efforts to fight speculation, tenant harassment, predatory equity and other real estate practices that threaten to uproot our residents and undermine our community building efforts.

Policy/Advocacy. This year we held five *Where We Live NYC* Community Conversation. In hosting these conversations, we've built up our base, strengthened partnerships with groups such as Bronx Power and Guns Down Life Up, and had meaningful conversations where

residents have contributed to future policy recommendations. We attended the debriefing meeting with Hester Street Collaborative and HPD to discuss the data that has been collected at these conversations. HPD Planning Department will be putting together a report based on the data collected across the city, including some upcoming public engagement work this year, that will go to HUD regarding how the City can “Affirmatively Further Fair Housing.”

Regarding bank accountability and community development, we submitted a comment letter opposing changes to the Community Reinvestment Act proposed by the Office of the Comptroller of the Currency that we believe would weaken the law. Two of our resident leaders traveled with staff to Washington DC on Friday, December 14th to meet with Jelena McWilliams, the new Chair of the FDIC, to discuss why we need to protect and strengthen CRA so that banks remain accountable to our communities.

Finally, a new coalition of organizations worked to create a platform for New York City that elevates forms of cooperative work, including Community Land Trusts, Mutual Housing Associations, Worker Owned Cooperatives, Community Development Credit Unions, Community gardens, and other more informal cooperative networks. While organizing staff participated in some of the coalition planning activities, a priority for the coalition has been to engage with base-building organizations. The Banana Kelly Resident Council was the first such group to meet with coalition representatives at our December meeting. Representatives from New Economy Project and GreenWorker Cooperatives gave a presentation on Cooperation NYC’s platform and after a lively discussion the Resident Council voted to join the coalition.

Tenant Organizing - Banana Kelly Buildings. Throughout the year we were very actively forming tenant associations in buildings within our portfolio. By holding building meetings, one-on-ones, and accountability sessions it has proven helpful to strengthening our base and growing our Resident Council. Our most successful case was at 1084-1086 Home Street. Tenants and management held an accountability session where tenants walked away feeling much more confident that the issues they raised would be addressed. Moving forward we will use the same model in our other buildings.



Stabilizing NYC outreach at Hoe Avenue

Tenant Organizing - Stabilizing NYC. Since January 2018 we have been organizing in a total of 15 privately owned, rent stabilized buildings and currently we are active in 10 of them, all in the 10459 zip code. Our most active buildings are 970 Kelly Street and 1206 Westchester Ave. These buildings are targets of predatory equity tactics that include tenant harassment and lack of repairs. All 10 buildings are in the process of forming/solidifying tenant organizations and taking some kind of action against their landlord. About 10 tenant leaders from these

buildings have participated in the Citywide Tenant Union, convened by the Stabilizing NYC Coalition to protect tenants against different forms of harassment and displacement. Our tenant leaders participated in three CWTU meetings during 2018.

Southern Boulevard Rezoning. With support from the Neighborhood First Fund, we have hosted a series of community meetings and planning sessions throughout the year. Each meeting had a



Capacity crowd at our November Southern Blvd. meeting

different theme, including the different ways that a rezoning can affect different aspects of our community. Between 50 and 75 people were in attendance at each of these meetings including the 75 in attendance for our November community meeting, where LECET and Local 79 also provided a workers' rights training. We ended the year playing a convening role in forming

the South Bronx Coalition and scheduling meetings with some of our elected representatives.

Healthy Communities. This year we joined the cohort of groups funded by the New York City Council to organize and develop program around healthy initiatives. Our efforts focused around food education, behaviors and choices, as well as organizing around health disparities, primarily through our network of gardens -- Kelly Street Garden, College Avenue Garden of Hope in Mott Haven, Bryant Avenue Garden in Hunts Point, and our garden at 970 Prospect Avenue. At Kelly Street Garden we spearheaded the relaunch of the Kelly Street Collaborative, bringing together all of the partners involved in the space. We had our first meeting in November, and will be continuing to develop this collaborative throughout 2019. We will be improving and repurposing some of the spaces to serve as open co-working space during the day and possibly youth space certain afternoons and evenings.



Cooking demo, After School, September 2018

We hosted Health Committee meetings, and organized a number of programs including summer farm-stands, seasonal gatherings, cooking demonstrations, and a block party. In 2019, through the Collaborative, we are planning for more activities that engage youth, families impacted by autism, urban farmer training programs and folks on the block.

At the College Avenue Garden of Hope, we worked with New York Restoration Project to renovate the garden. We hosted a number of cooking demonstrations, garden free markets, and community meetings around the increase in heroin and opioid drug use in the area. We

posted regular garden hours, a back to school give-away and a Winter Wonderland at Lincoln Hospital to recruit new members for 2019. Our top goal for 2019 is to build the leadership team for the garden, and work with them to increase programming.

We reconnected with residents at the small garden behind our building on Bryant Avenue and in 2019 will apply for New York Restoration Project to help rebuild the planting beds there. We



Children at the College Garden of Hope getting their first taste of fresh basil

also plan to organize a tenant association to increase participation in the garden and make the lobby more welcoming, safe and secure for residents. Thanks to our supporters who allow us to make such a difference in our neighborhood, particularly New York Foundation and Fund for the City of New York.

MSC Program: Our Medicaid Services Coordination Program continues to serve the most vulnerable of our neighbors. In 2018 we grew the program by serving close to 145 participants and we ended the year with more cases

pending. But 2019 will bring major changes to the MSC program. Pursuant to a consent agreement with the federal government, the State is phasing out the local administration of this program, transitioning to centralized administration. Therefore, our Medicaid Services Program will be transferring to Tri-County Care, one of several agencies designated by the State to oversee MSC services regionally. This new centralized structure will be implemented by June 2019 and our MSC staff who administers our program will be transferred to a Tri Country Care location.

RAP Program: Our Supportive Housing Rental Assistance Program (RAP), is funded by the US Department of Housing and Urban Development, continued to support homeless and disabled individuals, through both a rental subsidy and a supportive services component. In 2018 we assisted over 32 families, just under 100 individuals, while continuing to provide follow-up services to close to 70 residents.

Case Management Services: We continued our Case Management services to assist the most vulnerable of our residents in keeping their homes. In 2018 we were able to provide assistance to hundreds of South Bronx residents who were in danger of becoming homeless. Residents were provided access to rental assistance programs, supportive services and other government and private programs to stabilize their living situation and prevent homelessness.



Youth Education Program (YEP). Summer Camp and After School. The YEP program continues to be a vital compliment to our efforts to assist families through the development and management of affordable housing and social services. Thanks to a host of individual donors and the generous support of the New Yankee Stadium Community Benefits Fund and our Councilmember, Ralph Salamanca, in 2018 Campers were exposed to new experiences, explored career paths and most importantly had fun. The campers were provided with opportunities to expand their horizons through regular field visits to museums, zoos, libraries, open spaces and parkland. Campers went to the movies, had cook-outs, spent an afternoon at the beach, attended a theatre production, and listened to guest speakers on a wide range of subjects. The After School Program is designed to: (1) provide an outlet for a safe, productive, after school experience that supplements and complements in-school lessons; and (2) provide venues for homework completion, independent study, and group achievement. Over the course of the last two years we have found that our program has attracted students that have trouble in school and have been branded hard to reach students.



Summer Camp children engaged in one of our Communities for Healthy Living workshops

We will continue to seek out these students so that they do not fall through the cracks of the educational system. This year we expanded the connection to our Healthy Community Initiative with a weekly healthy living workshop for both the Summer Camp and After School program. We utilized the large outdoor green spaces located at several buildings within our portfolio, we hosted nutrition, planting, and environmental workshops with our afterschool and summer camp children. The children are loving this addition of a healthy foods program.

Partnerships.

Banana Kelly not only provides programs and services on its own but also partners with other organizations to deliver necessary programs. In 2018 we partnered with several groups and plan to expand our collaborations further in 2019.

ESL students attending the NYC Community for Change advanced class



English as a Second Language and GED Programs. In partnership with the New York City Communities for Change, Banana Kelly operates an ESL program that in 2018 continued to serve over 110 adults from our neighborhood. In our community there is a growing immigrant population and an increased need for English language programs. Over the next several years as the immigrant population grows, NYCC intends to grow the program to reach more of our community residents by offering additional times that classes are offered.

Change Capital Fund. In early 2018 we received a 4-year grant (of \$200,000 per year) from the Change Capital Fund to increase our effectiveness and capacity as an organization in our core areas: affordable housing, targeted supportive services and local resident organizing and engagement in order to develop a self-sustaining participatory mechanism. CCF funds will also allow us to connect with a management information system that will help to coordinate and analyze our current programs in order to increase their effectiveness and capacities. We are grateful to the following member of CFF: Altman Foundation, BankUnited, Capital One, Deutsche Bank Americas Foundation and Community Development Group, Enterprise Community Partners, Inc., Local Initiatives Support Corp., M&T Bank, Mizuho Bank LTD., MUFG, The New York Community Trust, New York Foundation, Santander Bank, Sherman Foundation, United Way of New York City, NYC Center for Economic Opportunity. We are especially privileged to be partnering with Wendy Fleischer on this project.

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