

TENANTS & NEIGHBORS

A Few Facts about Mitchell-Lama Rental Housing

What is the Mitchell-Lama program?

The Mitchell-Lama program was created by Senator Mitchell and Assembly Member Lama in 1955 in order to provide affordable housing to low and middle income families in New York State. Through the program, landlords receive low interest loans, tax exemptions, and government subsidies in exchange for keeping rents affordable. Additionally, one half of the Mitchell Lama rental developments in New York City have federally subsidized mortgages through the Section 236 program. In the Mitchell-Lama program, landlords can only charge a rent that covers the operating costs of the building plus a 6% profit for the landlord – nothing higher.

Can buildings ever leave the Mitchell-Lama program?

The mortgages of Mitchell-Lama buildings are held by local, state, and sometimes federal government agencies. If a landlord wants to pay off his or her mortgage early and take the building out of the Mitchell-Lama program (i.e. “buy out” of the program), s/he can do this after a certain period of time, usually 20 years, of the building being in the program.

What happens if a landlord leaves the Mitchell-Lama program?

If a building is taken out of the Mitchell-Lama program and was occupied before 1974, then the building becomes rent-stabilized and all regulations and rights concerning tenants in rent-stabilized housing apply to current and future tenants. If a building is taken out of the Mitchell-Lama program, was occupied only after Dec. 31, 1973, and is not receiving tax breaks under a program called J-51 or a loan called 8A, then the building becomes market rate housing. The landlord can charge for rent whatever the market will bear, and tenants do not officially have the right to organize or protection against baseless eviction.

What happens to a building with a 236 subsidy when it leaves the program?

About half of all Mitchell-Lama buildings in New York City have received a 236 subsidy, in which the federal government subsidized the mortgage of the building. When a building with a 236 subsidy leaves the program, no matter when the building was first occupied, tenants who meet certain income requirements can receive enhanced vouchers. These vouchers allow middle

income tenants to remain in their apartments and pay only 30% of their income towards rent, with the government paying for the rest of the rent.

What happens to tenants who live in units under a Section 8 contract within Mitchell-Lama buildings that are leaving the program?

Depending on certain eligibility requirements, tenants who live in units that are under a Section 8 contract will have access to enhanced vouchers if their landlord does not renew his or her Section 8 contract, no matter when the building was first occupied.

How do I know if a building is part of the Mitchell-Lama program?

A list of buildings in the Mitchell-Lama program can be found on the Division of Housing and Community Renewal website at <http://www.dhcr.state.ny.us/>.

***Tenants & Neighbors* actively campaigns to preserve at-risk project-based Section 8 and Mitchell-Lama housing. Get involved, before it's too late!**

To learn more, contact us at:

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