

# DECLINE OF SECTION 8

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SPECIAL TO THE NEWS

LITTLE BOYS in yarmulkes peer from apartment balconies, watching the men below toss bread into a bonfire.

The annual spring ritual marks the first day of Passover in the Hasidic Jewish enclave of South Williamsburg, Brooklyn, where daily life is built on ancient laws and religious devotion. But the insular community depends on outside money to survive — federal subsidies to help many low-income Hasidic families cover the rent.

New York City's 123,000 vouchers make this the largest Section 8 voucher program in the country. Reluctant landlords and rising rents are making vouchers nearly impossible to use in many areas of the city. Tenants, especially larger families, are often relegated to the edges of Brooklyn and the Bronx. That's why this cluster of Hasidic households stands out.

The neighborhood is home to one of the highest concentrations of Section 8 housing vouchers in the city, according to federal data analyzed by WNYC and the Daily News. In several of its census tracts, Section 8 tenants compose more than 30% of residents, a level reached only in scattered pockets of the Bronx.

The difference: In Brooklyn, the Section 8 tenants live smack in the middle of one of the city's hottest real estate market.

The juxtaposition happened over years, not overnight. Leaders leveraged long-standing political connections to win favorable zoning changes. Local developers bought and built to meet the need. Residents organized to get in line for rental subsidies. Block by block, the community created a de facto free market, affordable housing plan.

It's only possible in a tight-knit community where the haves help the have-nots, said Rabbi David Niederman. "We have people keeping the price lower," said Niederman, executive director of United Jewish Organizations of Williamsburg. "Even a person living on Section 8 can pay the monthly rentals."

Skeptics suggest an off-the-books economy has underpinned development within this community. Many residents bank informally and property is regularly swapped between family members and holding companies. "There's a cash economy and things are not done strictly according to law," said Marty Needleman, executive director of Brooklyn Legal Services and a community advocate who has clashed with the Hasidim for years over housing issues.

All sides agree the community is clamoring for affordable housing, a demand fueled by one of the highest birthrates in the city. Ultra-Orthodox Jewish couples typically marry in their late teens and have many children. A sliver

# IT'S A 'FAIR'

## Hasidic nabe is a top beneficiary



Not too far from famed Williamsburg Bridge, Hasidic Jews in the Brooklyn neighborhood annually mark Passover by throwing bread, whose consumption is prohibited during the holiday, into a bonfire (left).

of the community makes money in diamonds, real estate and trading. But many men favor religious study over work, and most women stay at home, so money can be tight. Those who work are often relegated to low-wage jobs due to a lack of secular education.

Public assistance supports many of New York's poorest communities, but few are as organized as this one. Overwhelmed by demand for vouchers, the city rarely opens up its waiting list — now 120,000 names long. But in the few times Section 8 was offered in recent years, local social service agencies like Niederman's United Jewish Organizations put out the call.

Take February 2007, when the

New York City Housing Authority opened the list to nonemergency applicants for the first time in years. On the first day of the 90-day window, United Jewish staff helped 2,000 people apply, according to an agency newsletter. NYCHA said it received more than 200,000 applications.

It's unclear how many Hasidic applicants actually received vouchers because individual information is confidential.

WNYC looked at the number of

vouchers in census tracts where at least 40% of the people spoke Yiddish. While inexact, this analysis shows Section 8 has been an anchor as the community has grown.

In 2000, there were 1,394 vouchers in Williamsburg's nine Yiddish-speaking tracts. By 2014, there were 12 such tracts where 3,296 voucher holders lived.

Vouchers are particularly con-

centrated into what some call "New Williamsburg," where the Hasidim have expanded into formerly industrial areas and historically black and Latino Bedford-Stuyvesant. In the late 1990s, Hasidic developers quietly began to petition the city to let them convert old factories and warehouses — bought cheap — into housing.

Building by building, the Board of Standards and Appeals, a little known quasi-judicial agency, granted the zoning variances in Williamsburg and Bed-Stuy.

An analysis by Brooklyn Legal Services found the board approved buildings containing more than 500 apartments between 1995 and 2000, more approvals than any



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## AFFORDABILITY IN HOT WILLIAMSBURG

## QUESTION

Eye whether law 'strictly' followed



HOUSING HORROR

SECTION 8  
Part 2 of 3COMING TOMORROW:  
EFFECT OF PRIVATE INTERESTS ON LOW-INCOME HOUSING

The colorful neighborhood has one of the highest concentrations of Section 8 housing vouchers in the city, helping its many low-income residents.

**“We thought it was a violation ... to be marketing and ultimately renting to exclusively Hasidic families.”**

RAUN RASMUSSEN, HEAD OF LEGAL SERVICES NYC

other area in the city.

In 1999, Legal Services unsuccessfully sued to stop the conversions, arguing the standards board was subverting zoning rules and violating anti-discrimination laws. The suit also claimed the large apartments were designed for Hasidic families and were advertised

only in Yiddish-language newspapers. “We thought it was a violation of the Fair Housing Act to be marketing and ultimately renting to exclusively Hasidic families,” said Raun Rasmussen, who brought the case and now heads up Legal Services NYC.

Local leaders also are pushing

developers to build for Hasidim as well as hipsters.

While city-funded housing is still in limbo, market-rate housing is going up. Hasidic developers like Simon Dushinsky, half of the Rabsky Group, are in the thick of it. Dushinsky boasts almost 800 luxury units slated for the Broadway Triangle, a stretch on the Williamsburg, Bed-Stuy and Bushwick border. Nearby, he’s built the signature blocky apartment complexes with protective window cages and kosher kitchens.

His building at 200 Wallabout St. is a snapshot of the Hasidic housing market. Property records show he’s sold condos there for well under \$400 a square foot—half

the going rate in hipster Williamsburg.

He also rents apartments there to Section 8 tenants. It’s one of at least five buildings he controls through limited-liability corporations that house voucher tenants, according to records obtained under the state Freedom of Information Law. Dushinsky did not respond to several requests for an interview.

Some outsiders question the economics of the community. Federal data show the voucher usually covers about \$1,050 in this neighborhood. Tenants pay an average of \$400 a month in rent. That doesn’t cover the cost of the apartments that sell for \$300,000 and up, said

Needleman, adding he believes there are tenants who pay under the table to make up the difference.

Others who know the community say some tenants pay on top of their voucher because they’re in an impossible bind.

“They get married and they need a place to live,” said Alex, 19, who left the community last year but remains in touch with his father, a contractor. “They’ll do anything, including paying extra money above Section 8.”

Some prominent people have worked the system. Aron Stark is the brother of Brooklyn developer Menachem Stark, whose 2014 murder made headlines. Last year, Aron tried to push rent-stabilized tenants out of a building he owned in Bushwick. Civil case documents indicated that Stark for years claimed he qualified for Section 8 while failing to declare his ownership stake in four Brooklyn properties.

A city employee testified Stark paid \$48 a month in rent for his Heyward St. apartment in 2007, the same year he took out a \$1.1 million mortgage on two Hancock St. properties. Stark gave up his voucher in 2012 and has not been prosecuted for fraud.

Samuel Heilman, a Queens College professor who has studied the community, said the main reason Section 8 works is people have rallied together. “This is not a story of malfeasance,” he said. “This is a story of a community that’s trying to exist in the city at a time when the city has become, and particularly the borough in which they live, extremely expensive.”

As South Williamsburg feels the pressure of rising rents, Hasidim are beginning to look for better options outside the city, and they take their vouchers, which are portable, with them. NYCHA records show at least 500 Section 8 tenants have moved to zip codes in Monsey and Spring Valley in Rockland County and Monroe in Orange County, where there are large Hasidic communities.

Growth may also depend on where they can find Section 8. A Twitter feed called @Sec8heimish broadcasts waitlist openings anywhere within three hours of Brooklyn. On listservs, locals share tips on when to apply, and where.

Last summer, the Community Service Center of Greater Williamsburg, another local social service agency, posted on a Yiddish listserv that upstate Monticello was issuing vouchers. Hours before the office opened, Hasidic men stood outside wrapped in prayer shawls, *davening* as they waited to put their name on the list, sparking accusations from locals that the Hasidim had a special in. But the Monticello housing authority said it had simply, as always, posted a notice of the Section 8 opening in local papers for anyone to see.

The Hasidic community showed up.