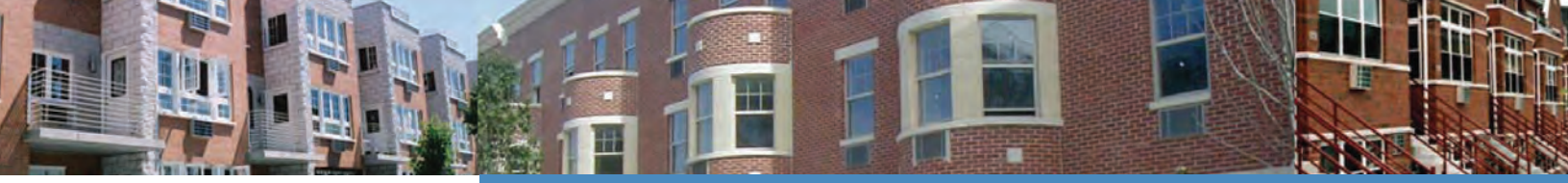

NYC Housing Partnership
Housing Partnership Development Corporation

NEWS FROM NYC'S PRIMARY INTERMEDIARY FOR NEW CONSTRUCTION AND PRESERVATION OF AFFORDABLE AND WORKFORCE HOUSING

HOME FRONT

FALL 2016

JOIN US

November 10, 2016

34th NYC HOUSING PARTNERSHIP Anniversary Luncheon

Let's Talk Politics

with

Special Guest

Congressman Steve Israel

New York's 3rd Congressional District
6th ranking Democrat of the House of Representatives
Elected to Congress in 2000
Serves on the Appropriations Committee,
Defense Subcommittee, and on the Interior Subcommittee
Former chair of the Democratic Congressional Campaign Committee

Date: Thursday, November 10, 2016
Registration: 11:30-12 pm
Program: 12-2 pm
Place: Gotham Hall, 1356 Broadway at 36th St

Contact: Heidy Trinidad, 646·217·3391
htrinidad@housingpartnership.com

NYC HOUSING PARTNERSHIP DEVELOPMENT CORPORATION
NAMED 2016 NYSAFAH NOT-FOR-PROFIT PARTNER OF THE YEAR

NYC Housing Partnership
Housing Partnership Development Corporation

FALL 2016

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CREDITS

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HPDC AWARD FOR EXCELLENCE

The Housing Partnership Development Corporation has been selected as the 2016 recipient of the Not-for-Profit Partner of the Year Award for Excellence by the New York Association for Affordable Housing (NYSAFAH.)

Each year NYSAFAH celebrates excellence in the development and construction, as well as advocacy and partnership, of affordable housing."My colleagues and I at the Housing Partnership are very proud of this recognition by NYSAFAH. As we endeavor to expand affordable housing opportunities for New Yorkers we have worked closely with the Association and its members, including developers, affordable housing advocates and financial institutions, for many years," said Dan Martin, President and CEO of the Housing Partnership.

HPDC CONGRATULATES

Eric Enderlin, Molly Wasow Park & Gary Rodney

The Housing Partnership congratulates Eric Enderlin, the new President of the NYC Housing Development Corporation (HDC), which plays a critical role in the preservation and creation of affordable apartments. HDC is the nation's largest municipal Housing Finance Agency and is charged with helping to finance the creation or preservation of affordable housing under Mayor Bill de Blasio's Housing New York plan. Eric will continue the impressive work begun by Gary Rodney, who is leaving to become Chairman of CREA, LLC - a national low income housing tax credit syndicator. A former ex-officio board member of the Housing Partnership, we wish Gary well in his new venture. Former Chief Operating Officer of Settlement Housing Fund, Molly Waslow Park, has assumed Eric's position at HPD. We welcome her to an ex officio position on our board – and a hearty congratulations on her new role with HPD.

HPDC AWARD FOR SOCIAL RESPONSIBILITY

Dan Martin, President and CEO of the Housing Partnership Development Corportation, received City & State's 2016 Corporate Social Responsibility Award in Real Estate, Housing & Construction for excellence in non-profit entrepreneurship for affordable housing.

The Housing Partnership, a not-for-profit organization, serves as New York City's primary intermediary for the development of new and rehabilitated workforce housing on both public and private sites in the five boroughs, creating 60,000 units in nearly four decades.

City & State Reports' Corporate Social Responsibility Awards spotlight the outstanding accomplishments of leading corporations and executives in the field of corporate social responsibility. Conducted in partnership with New York Law School, the program has honored the achievements of many of New York's most prominent individuals.

Dan Martin with Gary Rodney

GOVERNOR CUOMO'S SIGNING OF "ZOMBIE PROPERTY" BILL

President & C.E.O. Dan Martin and V.P. & Director of Real Estate Development Dan Cohen attended Governor Andrew Cuomo's signing of the Abandoned Property Neighborhood Relief Act, also known as the "Zombie Property Bill." Zombie properties are homes owners have abandoned after a bank initiates a foreclosure but before the foreclosure is finalized. Gov. Cuomo blasted the banks and Wall Street, saying that zombie properties are a fraud they perpetrated on New Yorkers and the entire nation.

The Zombie Property Bill takes effect by the end of this year. It will require banks to maintain these properties or face a $500/day per property fine, allow the state or a locality to perform maintenance and bill the bank for the cost, and require lenders to sell the properties within 90 days of foreclosure. The law will empower the NYS Dept. of Financial Services to take court action if lenders fail to comply, issue violations and fines, and require mandatory reporting of zombie homes. Additionally, it will include measures to assist homeowners facing foreclosure, improve the efficiency and integrity of the mandatory settlement conferences, establish a pre-foreclosure duty to maintain on mortgagees, create an expedited foreclosure process for vacant and abandoned properties, create an electronic vacant property registry, and establish a Consumer Bill of Rights. The bill also includes provisions for land banks, Community Development Financial Institutions and local nonprofits to rehabilitate the properties and resell them to new buyers.

"For each zombie home we cure and for each we prevent with this legislation," the Governor said, "we are saving entire neighborhoods from the corrosive effect of blight and neglect."

PRESIDENT & C.E.O. DANIEL MARTIN ELECTED TO FEDERAL HOME LOAN BANK OF NEW YORK'S AFFORDABLE HOUSING ADVISORY COUNCIL

Daniel Martin, President & C.E.O. of the Housing Partnership Development Corporation, has been elected to the Affordable Housing Advisory Council of the Federal Home Loan Bank of New York. The Federal Home Loan Bank System's Affordable Housing Program (AHP), created in 1989, provides member community lenders with direct subsidies that are passed through a sponsoring local non-profit to qualified households, increasing the availability of home financing to families in their communities. The services to our region's communities are mediated through the New York region's Affordable Housing Advisory Council, to which Mr. Martin was elected. AHP financing is combined with other funding sources to create housing for moderate-, low-, and very-low income families.

BRONX
A Bronx Tale: Story Avenue

Story Avenue is a mixed-use project in the Soundview neighborhood of the Bronx developed by a partnership between Nelson Management and L+M Development Partners, Inc. and the Housing Partnership as the non-profit partner. Designed by Curtis & Ginsberg Architects, the project will bring 435 units of low, middle income and senior housing to the Soundview neighborhood of the Bronx.

The project will be constructed on the northern end of the existing Lafayette-Boynton complex containing four former Mitchell-Lama towers. The development will reconfigure existing parking and landscaping, replacing underutilized and deteriorating green space. The complex is located adjacent to Soundview Park, which has recently received substantial city investment, and will complement the area's recreational landscape. A new central greenway will be constructed on the site and is anticipated to include new lawns and trees, bioswales to improve drainage of the property, two separate playgrounds designed for toddlers and older children, walking paths for residents, community gardens, and other programmed spaces.

The project will consist of two buildings that will frame a grand entrance and are designed to pay

tribute to the Art Deco style famous to the Bronx. The building segments extending south into the site will gradually step down towards the southern exposure allowing light further into the central pedestrian pathway, creating residential terraces and enhancing the views from the existing buildings. Each new building will have approximately 240,000 square feet with the west building providing 223 units and the east building providing 212 units. The project will exceed the Enterprise Green Communities minimum standards.

The project will be financed under the HPD "Mix and Match" program utilizing tax-exempt bonds with Low Income Housing Tax Credits and HDC and HPD debt. The project will be financed in two phases, one for each building. In each phase, half of the units will be tax credit units for households earning up to 60% of AMI. The other half of the units in each phase will be for moderate income households: 30% of the units will have rents set at 80% of AMI and will be leased to households earning up to 100% of AMI, and the remaining 20% of the units will have rents set at 100% of AMI and will be leased to households earning up to 130% of AMI. The buildings are anticipated to close by year end.

BRONX
Bronx Blooming with Norwood Garden Apartments

Norwood Garden Apartments is a proposed residential development located at 3084 Webster Avenue in the Mosholu/Norwood section of The Bronx. The project is a development by Stagg Group, a builder/developer who has developed over 2500 units of housing in the Bronx and Lower Westchester. Best Development is a development consultant on the project and the Housing Partnership is the nonprofit partner. Design is being completed by Badaly Architects PLLC. As builder/developer, Stagg Group will serve as general contractor. Stagg Group is developing this site using the Mixed Income Program. HPD's Mixed Income Program (aka the Mix & Match Program) funds the new construction of mixed income multi-family rental projects affordable to households earning up to 165% of Area Median Income (AMI).

When completed, Norwood Garden Apartments will consist of approximately 116 residential units. Fifty percent of the units will be targeted to families earning up to 60% of Area Median Income (AMI). The other fifty percent will be targeted, to families earning 80% of AMI, 90% of AMI and 100% of AMI. Of these units approximately 30% will be at 80% AMI rents, 10% at 90% AMI rents and 10% at 100% AMI rents. In addition, the project will include 4,593 square feet of ground floor retail space, 27 parking spaces, a laundry room, 69 spaces of bicycle storage and an outdoor recreation area on the second floor.

The proposed development is in the new R7-D Zone created as part of the Webster Avenue Vision Plan. Norwood Gardens' 116 units will be well served by bus service along Webster Avenue. It will be a short walk to the Norwood/205th St. "D" subway station and close to the Botanical Gardens and Williamsbridge stations of the Metro North Harlem line. This site overlooks Bronx Park, the Allerton Ballfields, part of the Bronx Greenway and the Bronx River. In 2012, the National Parks Service designated the Bronx portion of the Bronx River as a National Water Trail due to its amazing restoration as a natural and recreational asset.

JAMAICA

Artimus Thinking Big in Jamaica

Queens Borough President Melinda Katz is fond of saying that the world comes to Queens. Development is certainly making its way into southeast Queens where the Housing Partnership is pleased to serve as the nonprofit partner with Artimus Construction – the Housing Partnership's third transaction in Jamaica. Artimus is constructing a new rental tower at 147-20 94th Avenue, where it will build an apartment building with 380 residential units. The project site is located on 94th Avenue, between Sutphin Boulevard and 148th Street in Jamaica, Queens.

Construction will begin later this year on a new-construction mixed-income 25-story high-rise tower of 345,000 square feet. It will also contain 100+ parking spaces on the ground floor and many amenities including lounge, children's play room, and fitness center, courtyard, laundry, tenant storage, and rooftop access. The project will be financed through HPD Subsidy and HDC bonds/subsidy. All the units will be affordable, ranging from 60% to 150% of Area Median Income (AMI). GF55 Partners will be responsible for the design. The city rezoned downtown Jamaica in 2007, just before the recession swept away development prospects and funding that might have improved the neighborhood's streets and schools.

The project will be a huge boon for this area, which is still fairly industrial and low-slung. Jamaica is one of the most affordable corners of Queens, and more units here will mean more reasonably priced apartments for working and middle-class families. The 25,000 square foot development site is only a few minutes from the LIRR Jamaica train station and subway.

HARLEM

Savoy Park: The Heart of Harlem Beats Anew

The Housing Partnership was proud to serve as the nonprofit partner of Fairstead Capital's acquisition of Savoy Park, once a financially distressed housing development located in Central Harlem. The project closed at the end of June. Fairstead committed to maintaining the prior ownership's collaboration with local housing agencies and local elected officials to implement a preservation transaction that both provided significant fresh capital to stabilize the asset and bringing all the units back into stabilization through an article XI regulatory agreement with the city to ensure long-term affordability. The transaction would result in the preservation of a once at-risk overleveraged rent stabilized asset and represent a significant victory for the current tenants and local housing officials.

"Fairstead is committed to preserving affordable housing at Savoy Park and continuing to improve the property and quality of life for all of the residents of this important community," said a spokesperson for the company. "We are excited to build on the innovative preservation efforts of the current owners which put deregulated units back into rent stabilization and provide additional affordability protections through rent and income caps over a 40-year period."

The Savoy Park Apartments in Harlem were originally known as Delano Village. The project is a rent stabilized residential complex constructed in 1959. It is composed of seven 16-story buildings totaling 1,802 units located between 139th and 142nd Street and Fifth and Lenox Avenues in Central Harlem. Savoy Park Owners LLC, a partnership between Vantage Properties and Apollo Real Estate Advisors, purchased the asset in March 2006 from the Axelrod Family, the original developers of the property. Savoy Park Owners LLC defaulted in December 2009 on the mezzanine loan which triggered a series of restructurings that ultimately resulted in a subsequent default on the senior loan.

BROOKLYN

Third Time's a Charm with Prospect Plaza Phase 3

The Housing Partnership is pleased to celebrate the closing on construction financing for the third and final phase of the Prospect Plaza complex in the Ocean Hill-Brownsville community of Brooklyn. Prospect Plaza Phase Three is developed by Pennrose Properties, Duvernay + Brooks, and Blue Sea Development Company. The Housing Partnership is the nonprofit partner.

Project Plaza Site 3 consists of approximately 120 units plus 30,000 square feet of commercial space and an adjacent approximately 10,000 square foot community center. All apartments will be occupied by households earning 60% of AMI or less. The commercial space will be leased to a new grocery store offering a significant amount of fresh produce in accordance with the City's Fresh Foods program. The project will offer an array of services and programs to community residents of all ages at a new, adjacent Community Center operated by a not-for-profit organization that provides a range of services and programs for residents and other community members. There will also be an adjacent city-owned lot that will be developed by the developer team as a public park that will offer both active and quiet enjoyment uses.

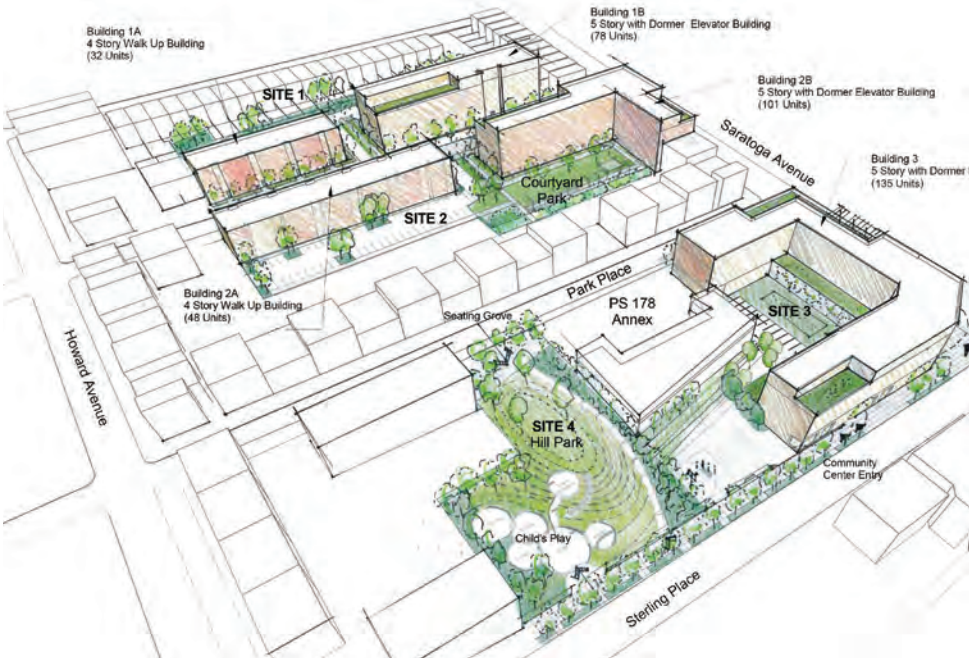
Prospect Plaza Site 3 is the third and final phase of the long awaited Prospect Plaza HOPE VI affordable housing development, being built on NYCHA land to replace three recently demolished vacant towers. The Project will redevelop and repopulate a community that has suffered from living in the shadows of vacant public housing towers for the past decade. When completed, the plan will create a total of 363 low income rental apartments in a healthy and sustainable community environment. Site 1 with 110 units, completed construction in June 2016. Site 2 with 149 units, is in construction and expected to be complete by December 2016.

The project is designed to receive LEED, National Green Building Standard, and Energy Star certifications, ensuring healthy indoor air quality and energy efficiency.

It is well known that health issues found among low income families are considerably greater than those found in middle to high income households. Asthma and obesity in children of low income families are one of the most critical long term issues. Clinical studies show that the built environment directly affects a person's health. We also know that proper planning and execution can reduce the incidence of asthma and childhood obesity.

The project will include a community room on the 5th floor with access to a rooftop terrace with resident gardens and outdoor recreation space. Green roofs will assist in the reduction of heat in the summer, provide insulation in the winter to keep warm, and the minimizing of storm water surges into the City's overtaxed sewer system. The Project will also have a central courtyard that consists of a large seat wall planter with drifts of ornamental shrubs and perennials for year-round interest. On the east side of the planter, residents will be able to use movable café tables and chairs. A planted trellis will cover the east wall of the building.

During construction, primary financing sources are anticipated to be tax-exempt bonds from NYC HDC secured by a letter of credit, subordinate financing from NYC HDC, NYC HPD, Resolution A Funds, and equity from Low Income Housing Tax Credits.



BROOKLYN

Partnership Assists in Stabilization of Abandon DCA Brooklyn Project

In 2012, the Housing Partnership was approached by the New York City Department of Housing Preservation and Development ("HPD"), the New York City Housing Development Corporation ("HDC") and the New York State Attorney General's Office ("AG"), to play a unique role in addressing the problematic ownership of the DCA Brooklyn portfolio, a 27-building, 216 unit scattered-site Mitchell-Lama property located in the Brownsville, Crown Heights and Bedford-Stuyvesant neighborhoods of central Brooklyn. Since the project's construction in 1971 it had been owned by a nonprofit housing company that over the ensuing four decades had gone defunct. With the cooperation of HPD, HDC, and the Housing Partnership, the AG judicially dissolved the defunct owner and obtained a court order authorizing conveyance of the project to a Housing Partnership affiliate, whose interim ownership of the property allowed the project to be stabilized and subsequently sold to responsible owners. Omni New York, the holder of a long-term ground lease on the project, is a real estate development company founded by former baseball player Maurice "Mo" Vaughn and Eugene Schneur for the purpose of bringing revitalization and development to various neighborhoods in New York and other states. As such Omni was a prime contender for ultimate ownership of DCA. Following review and approval of the transaction by the AG and the Supreme Court, the Housing Partnership sold its interest in the project to Omni.

The project was financed by HDC and HPD. HDC provided financing through the issuance of tax-exempt bonds and a low-interest mortgage loan. HPD provided an additional low interest mortgage through its Neighborhood Stabilization Program. The project was contingent upon HUD's approval and a regulatory agreement keeping the units affordable. In addition, all of the buildings received much needed rehabilitation in the amount of almost $12 million. The scope of work included renovating the hallways, installing new roofs and building entrance doors, and replacing and upgrading building mechanics including installing modular condensing steam boilers in each building. Additionally, in-unit improvements included the installation of new floors, painting, windows, entry and closet doors, kitchen cabinets, energy star appliances, countertops, fixtures, bathroom vanities, sinks, faucets, bath tubs and tiles. The security system at the property was also completely overhauled with the installation new surveillance cameras.

The Housing Partnership is pleased to have played a role in keeping the DCA project affordable, and continues to explore potential opportunities to bring other projects throughout New York City, which may have complex or problematic pasts, into responsible and compliant ownership – one of many ways the Housing Partnership assists in creating and preserving affordable housing.

THE COUNSELOR'S CORNER

The Housing Partnership is pleased to report that over 575 potential first-time homebuyers were educated through our First Time Homebuyer Education & Counseling program and 306 potential first-time buyers received individualized pre-purchase counseling. Our program has converted over 100 potential first-time homebuyer from renters to homeowners, yielding a robust nearly 50% homeownership success rate in the last Fiscal Year 2015-2016. Buying a home is often the single largest investment a person will make in his/her lifetime, and so it is essential to be financially prepared and the Housing Partnership's homeownership education and counseling programs provide necessary knowledge and tools to make smart and informed decisions.

Housing Partnership's Director of Homeownership Education Emily McIntosh (far right), with some recent homebuyer education graduates

Earlier this year, the Housing Partnership successfully expanded its Homeownership Education & Counseling programs to Jersey City, New Jersey to become the leading provider of First Time Homebuyer Education for potential first-time homebuyers and low-to-moderate income household's purchasing in Jersey City.

The Housing Partnership was recently awarded a $15,000 Community Development Block Grant contract to provide First Time Homebuyer & Counseling for clients of the New Jersey County of Essex Homebuyer Assistance Program. The program will provide down payment and closing cost grants of up to $50,000 to qualified homebuyers purchasing homes within the Essex County Consortium.

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MANY THANKS TO OUR GENEROUS SUPPORTERS

THANK YOU, BANK OF AMERICA

Bank of America has been one of our long-standing partners in the provision of financing for affordable housing throughout New York City. Bank of America has also been one of our most generous funders of general operating grants, without which we would not be able to accomplish our mission to create and preserve affordable housing and revitalize distressed neighborhoods. Every year for more than a decade, Bank of America's charitable foundation has provided generous support for our work. And last year they awarded us a special $200,000 grant to our affiliate, the Community Partnership Development Corporation (CPDC), for a loan loss reserve fund. We created CPDC in 1989 to support the financing needs of small, under-capitalized affordable housing developers. CPDC helps low-income, low-wealth businesses, with special emphasis on minority- and women-owned businesses, develop and preserve affordable housing and stimulate development in hard-to-serve markets. The affiliate provides predevelopment loans between $60,000 and $600,000 to help build our developers' capacity to serve low- to moderate-income communities. CPDC's loans are typically below market interest rates with flexible terms to meet the pre-construction-related financing needs of affordable housing builders. Thank you, Bank of America, for your invaluable support that enables us to serve these under-served affordable housing developers who build affordable housing for hard-working New York City residents.

Dan Martin, Nerida Andino,Community Relations Manager at Bank of America Merrill Lynch, Shelia Martin, with Todd Gomez , Senior VP, Northeast Region, Community Development Banking Group at Bank of America Merrill Lynch

THANKS TO METROPOLITAN COMMERCIAL BANK

We are grateful for the Metropolitan Commercial Bank's generous support of our affordable housing programs and associated services. The bank's support helps us serve low- to moderate-income, minority and immigrant households throughout the five boroughs of New York City in areas with high levels of poverty, low median income, and distressed housing. It is significant to note that more than half the households we serve are women, many of whom are single Moms with children. We very much appreciate Metropolitan Commercial Bank's support for our mission to provide critically needed affordable housing for New York City's hardworking LMI residents.

THANKS TO CATHAY BANK

Dan Martin and Shelia Martin Chief Operation Officer of the Housing Partnership, with Elizabeth Lee (center), Senior VP, Eastern Region, Cathay Bank

Thanks to The Cathay Bank Foundation for its generous support of our programs for low- to moderate-income households that develop and preserve affordable housing projects and offer allied services throughout New York City. Cathay's support strengthens our ability to create and preserve affordable housing and revitalize distressed neighborhoods.

Founded in 2002, the foundation serves community needs in New York, New Jersey and seven other states, where it supports nonprofits working to improve the communities in which the bank does business. We are honored to be one of the foundation's grantees, especially given that it accepts grant requests by invitation only. Thank you, Cathay Bank and your foundation, for enhancing our ability to provide critically needed affordable housing for New York City's hardworking LMI residents.