



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



HOME FRONT

SPRING 2017



MESSAGE FROM THE PRESIDENT & CEO

Dear Friends,

It is my pleasure to welcome newly appointed HPD Commissioner Maria Torres-Springer as an ex-officio member on the board of the Housing Partnership. I would also like to welcome incoming board member James Matera, Executive Vice President at Apple Bank.

A 35-Year Track Record of Affordable Housing Development

The initial mission of the Housing Partnership was to facilitate the development of affordable home ownership on thousands of New York City-owned in rem parcels. Working with the State's Affordable Housing Corporation, the Housing Partnership obtained over \$325 million in subsidies for more than 21,000 of affordable homeownership units, while experiencing a remarkably low foreclosure rate of less than 0.25%.

With the national economic downturn in the mid-2000s, the Housing Partnership applied its knowledge and experience to the development of affordable rental housing, which created significant additional opportunities for New Yorkers seeking decent affordable homes and enabled the development of an additional 29,000 affordable rental units. In each of the past two years, the Housing Partnership has achieved double-digit percentage growth in the affordable units developed through its initiatives.

Our affiliate 501c3, New York City Partnership Housing Development Fund Corp. (NYCP HDFC) continues to act as the not-for-profit sponsor for many of our transactions. To manage the volume of transactions our organization functions similar to a bank's loan administrative department with specialists in project management, regulatory compliance, legal, accounting and insurance.

As you will read on the next page, we have successfully established a role as Administering Agent for Inclusionary Housing utilizing our experienced staff from the homeownership business line. The department continues to grow and excel under Shelia Martin's leadership.

As we move into 2017, we strive to continue programs, complete projects and have a positive impact on the communities we serve. As we work with our partners, we are on track in assisting the De Blasio administration in its Housing New York Plan, which called for the construction of 80,000 and the preservation of 120,000 apartments over 10 years.

Dan Martin

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SOCIAL MEDIA CONNECTION

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NEW ROLE-NEW FACES

The Housing Partnership has taken on the additional role of Administering Agent (AA) in New York City’s Inclusionary Housing Program. As AA we ensure that participating developers and projects comply with the provisions of the Inclusionary Housing Program. The scale of demand for inclusionary housing is underscored by the tens of thousands of applications that are received by HPD for each available affordable unit offered through the City’s lottery. The Housing Partnership has over 30 years of experience reviewing applications for income-restricted housing. Under the experience and guidance of Shelia Martin, Chief Operating Officer, our newest staff members will assist participating developers in the IH Program and qualified applicants in streamlining the process of building and dwelling in the perfect home!

Please welcome them!

Eliza Dorney joined the Housing Partnership in January 2017. She is the Assistant Marketing and Compliance Manager. She interviews applicants for affordable housing apartments and assists in determining their eligibility for units built through and participat[e]ing in affordable housing programs such as the Inclusionary Housing Program, 421-A Tax Incentive Program, and the LIHTC Program. Ms. Dorney received her Bachelor’s degree in Geography from Mount Holyoke College in Massachusetts.



Eliza Dorney



Joan Huang

Joan Huang joined the Housing Partnership in 2017. As Marketing and Compliance Manager, she is responsible for managing the marketing and compliance activities of affordable housing projects that participate in HPD’s housing programs. Before joining the Housing Partnership, she worked at the MinKwon Center for Community Action as a Community Outreach Manager to provide consultation on immigration, housing and public benefits issues. Prior to joining the MinKwon Center, she worked as a housing counselor with Asian Americans for Equality (AAFE) to provide legal consultation for tenants and advocate for tenants’ rights. Ms. Huang received her Masters of City Planning degree from Boston University and a or her B.A in Economic and Land Administration from National Taipei University in Taiwan.

Tania Pumarol joined the Housing Partnership in October of 2016. She is currently Marketing and Compliance Manager as part of the team that manages the activities of affordable housing projects participating in HPD’s Inclusionary Housing Program and 421-A Tax Incentive Program. Ms. Pumarol received her Bachelor’s degree from SUNY Stonybrook, where she majored in Liberal Arts with a Business Minor.



Tania Pumarol

CELEBRATING 30 YEARS WITH THE HOUSING PARTNERSHIP

Shelia, who joined the company in 1987, considers herself a Brooklynite. She fell in love with the borough when she moved to Bushwick (from the Caribbean) with her family in 1961. Although they moved to Jamaica, Queens in 1969, she made her way back to Brooklyn in 1978 and has been there ever since. She earned a Bachelor's Degree in Sociology from Hunter College and received her law degree from Hofstra University School of Law.

She began her career as an attorney with DC-37 Legal Services where, among other things, she represented city workers purchasing their first home, many through city and federal programs that jump started the affordable housing industry we know today. Shelia accepted a position at the Housing Partnership to broaden her knowledge of real estate, to learn development and what it really took to bring affordable homes to the market.



Shelia Martin

She admits that driving through the boroughs and seeing the many units of housing that the Housing Partnership helped make possible, especially in Brooklyn and The Bronx, makes her proud of her work with the organization. She points to the positive impact these affordable homes have had on both the buyers, their families and the entire neighborhood. "I even have one nice lady who calls me every year just to say thank you and how blessed she is that she was given the opportunity to purchase a home!" she says with surprise and gratitude.

In her thirty years with the Housing Partnership she has observed many changes. She states that, most notably, through the organization's programs former renters in many neighborhoods, who had moved away, have now come back as purchasers. They have added to the stability and fabric of the areas in which they live, work and raise their families.

As COO at the Housing Partnership, Shelia is responsible for supervising the administration of the housing programs, and working with all public partners involved in construction, marketing, sales efforts and compliance. Her love of Brooklyn notwithstanding, she maintains ties to her family and heritage via annual hiking trips to islands throughout the Caribbean with the St. Croix Hiking Association.

Congratulations Shelia on thirty successful years!

CONGRATULATIONS

The Housing Partnership is proud to have two candidates accepted into fellowship programs in 2017. Deputy Director of Marketing Hanying Peng has been accepted into Coro Leadership, New York City's premier civic leadership training organization, participants dedicated to improving the City in which we live and work. Vice President Daniel Marks Cohen has been accepted into the Presidio Fellows, a national leadership education initiative designed to solve complex problems in their communities, throughout the nation, and across the world. Congratulations to both!



NYS Assemblyman Steven Cymbrowitz (D-Brooklyn), Chair of the Housing Committee, with Housing Partnership Vice President Daniel Marks Cohen in Albany in February 2017.



NYC HOUSING PARTNERSHIP



November 10, 2016



34TH ANNIVERSARY LUNCHEON



Gotham Hall



JAMAICA NEIGHBORHOOD

In December 2016, BRP Companies with the Housing Partnership as the nonprofit partner, closed on a \$260 million construction loan for a 100% affordable housing new site to be developed at 147-40 Archer Avenue at Sutphin Boulevard in the Jamaica neighborhood of southeast Queens. The project consists of a 26-story, mixed-income property with 450 units. Located directly across from Jamaica Terminal, a transit hub servicing more than 250,000 daily commuters through the Long Island Rail Road, NYC subway lines and bus lines and the AirTrain terminal linking directly to JFK Airport. The proposed new development in downtown Jamaica will replace 13 under-improved lots containing vacant land and two-story retail establishments, which includes a Duane Reade store. The new development will contain 60 studios, 186 one-bedrooms, 174 two-bedrooms, 21-three bedrooms rental units at between 60% and 130% of AMI, 108,000 SF of retail space, and 312 below-grade parking spaces. FXFOWLE is the architect of record for the project.



HOUSING GRANTS AVAILABLE

The Federal Home Loan Bank of New York (FHLBNY) is pleased to announce that approximately \$33.2 million in housing grants will be available for the upcoming Affordable Housing Program (AHP) 2017 Competitive Round. The application package will be available the week of April 24th and the competitive round deadline date will be in early June. The exact date of the deadline of the competitive round will be provided in the near future and be posted on our website.

AHP funds are awarded to members who submit applications on behalf of project sponsors who are planning to purchase, rehabilitate, or construct affordable homes or apartments (owner-occupied or rental units). Funds are awarded through an annual competitive process, with final award announcements being made by year end. While the details of the competitive process can be found at <http://www.fhlbny.com/ahp>, the following are key changes made to the AHP scoring categories for the 2017 Round:

- Empowerment Activities – Activities are no longer required to be offered on-site; rather they must be project specific and offered to all of the tenants.
- Preservation of Existing Units – In instances where there is a proposed decrease to the housing stock of an occupied building, there must be a clear demonstration that the rehabilitation of the project will help stabilize the physical and financial condition of the property and very-low, low-, and moderate-income tenants will not be permanently displaced.
- Homeless Household - The AHP's definition for "homeless household" has been updated to address various scenarios whereby an individual or family may be subject to an inadequate nighttime residence.

We strongly encourage you to review the 2017 AHP Implementation Plan.

It can be downloaded from <http://www.fhlbny.com/ahp> or emailed to ahp@fhlbny.com

UPDATE ON NYC REAL PROPERTY TRANSFER TAX EXEMPTION



Abigail Patterson
General Counsel

Last year Governor Andrew Cuomo signed into law a bill that limited the exemptions of the NYC real property transfer tax (“RPTT”) previously given to the transfer of real property by or to a housing development fund company (“HDFC”), or an entity in which a controlling interest is held by an HDFC.

Previously not-for-profits such as the Housing Partnership had long been able to claim exemptions from RPTT

for affordable housing projects under regulations that exempted from RPTT transfers of property or economic interests therein by or to a charitable corporation.

Subsequently, after several affordable housing projects in were audited by the NYC Department of Finance (“DOF”), a new Section 11-2106(b)(9) was added to the Administrative Code specifically addressing transfers by or to HDFCs.

Under the new section, an exemption may be claimed if:

1. the transfer is by or to an HDFC, or an entity in which an HDFC holds a controlling interest;
2. at the time of conveyance, the property is bound by a regulatory agreement with the State of New York, a municipal corporation (i.e., the City of New York), or any other public corporation created by or pursuant to any law of the State of New York (e.g. the New York City Housing Development Corporation); and
3. the regulatory agreement
 - (a) binds the property for 30 years or more,
 - (b) requires mutual consent for revocation or amendment,
 - (c) restricts more than 50% of the floor area, other than common areas, to residential real property, and
 - (d) restricts at least 66.6% of the residential real property to purchase, lease, license or other use by Persons or Families of Low Income. If the regulatory agreement restricts less than 100% of the floor area, other than common areas, to purchase, lease, license or other use by Persons or Families of Low Income,

then tax applies to the consideration in proportion to the floor area that is unrestricted.

If a transfer satisfies the above criteria, the exemption reduces the consideration subject to tax in proportion to the qualified affordable floor area; any market rate floor area or commercial space is subject to tax.

In the event that a regulatory agreement is not in place at the time of transfer, but is entered into within two years of transfer, a refund may be requested of DOF, but must be claimed within one year of the effective date of the regulatory agreement.

In view of questions raised by the amendment, the Housing Partnership has participated in several meetings and calls with DOF and other interested parties to ascertain the mechanics of claiming the exemption and to clarify its applicability in a range of situations.

For example, DOF has accepted the characterization of “community facility space” – typically comprising a portion of affordable housing projects, usually on the ground floor, and including educational, health, recreational, religious or other essential services for the community it serves – as part of the “common areas” of a given project, and therefore excludes it from the calculation of taxable floor area for the purposes of RPTT.

The Housing Partnership has expressed concerns that an affordable housing project may be subject to rent restrictions at very low income levels, and yet fail to fit within the exemption criteria simply because the restrictions are set forth in agreements or contracts with the U.S. Department of Housing and Urban Development-- a federal agency-- rather than the state or a municipal agency required by statute.

Likewise, historically homeownership projects have been structured with restrictions on affordability and resale prices set forth in mortgages, rather than regulatory agreements, and often apply for periods of only 10 to 25 years, rather than the 30 years required by the new DOF exemption criteria.

HPD has recognized the importance of the availability of the exemption for affordable home buyers. It is working with the Housing Partnership to come up with new structures and affordability terms to enable homeowners to benefit from the exemption.

HOUSING PARTNERSHIP APPOINTS SHELBEY TAMAYO ASSOCIATE COUNSEL

Shelbey Tamayo joined the Housing Partnership in October 2016 as a Law Clerk. She passed the New York State Bar Exam in July 2016. She now serves as Associate Counsel and works on a variety of closings and other transactions. She graduated from Brooklyn Law School in May 2016 with a Certificate in Real Estate. Ms. Tamayo graduated from Binghamton University in 2013 with a major in Political Science.



MANY THANKS TO OUR GENEROUS SUPPORTERS

HOUSING PARTNERSHIP 34TH ANNIVERSARY LUNCHEON THE RECIPE FOR A MEMORABLE AFTERNOON

There was excitement and anticipation in the air as attendees and invited guests arrived at the opulent Gotham Hall, the site of the Housing Partnership's 34th Anniversary Luncheon.

Networking soon began as attendees mingled with one another awaiting the luncheon and keynote speaker Congressman Steve Israel.

President Dan Martin welcomed five-hundred guests, dignitaries, elected officials, and acknowledged key people and partners who have contributed to the organization's continued success. COO Shelia Martin introduced Housing Partnership's Board Chair, James Hedden. James Rubin Commissioner of NYS Housing Community Renewal shared his insights and Eric Enderlin, newly appointed President of the New York City Housing Development Corporation addressed the attendees sharing remembrances of his career and his vision for the future of the housing industry in New York.

Keynote Speaker, Congressman Steve Israel, was introduced and the audience listened in rapt attention as he made several poignant observations in his compelling speech regarding the changes in our beliefs in our institutions over the past fifty years. His enlightening remarks were optimistic about our future.

Thank you to everyone for making our 34th Anniversary Luncheon so successful!



Congressman Steve Israel
Keynote Speaker

HOUSING PARTNERSHIP WELCOMES JAMES MATERA EXECUTIVE VICE PRESIDENT OF APPLE BANK TO OUR BOARD OF DIRECTORS

It is a pleasure to announce the appointment of James Matera to the Housing Partnership's Board of Directors. As Executive Vice President of Apple Bank, Mr. Matera is responsible for all aspects of retail banking customer delivery systems/services and deposit gathering including management of Apple's 79 branches in the greater NY area, marketing, telephone banking, contact center operations, product development, internet/online services, and sales of non-deposit products.



James Matera
Housing Partnership
Board of Directors

Mr. Matera has been employed by Apple Bank since 1992, joining them as a Senior Vice President of Commercial Lending after serving for a year as a Restructuring Advisor for the bank's lending operation. He has held several senior positions in the financial industry including Executive Vice President of Weatherly Private Capital and Assistant Vice President of JP Morgan Chase (formerly MHT).

Mr. Matera received his BA Degree from Tufts University in Economics and Political Science, and holds an MBA in Finance from New York University-Leonard N. Stern School of Business. He is a graduate of The Consumer Bankers Association School of Retail Bank Management.