

AFFORDABLE HOUSING FINANCE

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Deal Preserves Key Affordable Housing in New York City

There are 151 Sec. 8 units in the Polyclinic Apartments.

By **Donna Kimura**

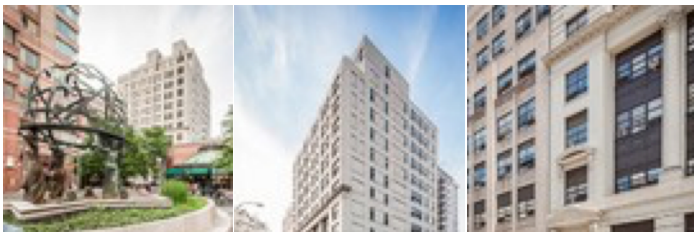
The Polyclinic Apartments, located in Midtown Manhattan, was at risk of converting to market-rate housing but will remain affordable for decades to come after being acquired and preserved by Standard Communities.

Originally a hospital in the Clinton neighborhood, the century-old building was converted to apartments nearly 40 years ago, and all the affordability restrictions on the property were set to expire in the next few years. Polyclinic's 151 Sec. 8 units, which range from one to three bedrooms, are an important source of affordable housing for families in an increasingly high-end neighborhood.

Standard Communities was able to acquire the property and preserve its affordability by utilizing private, discretionary capital and coordinating their preservation efforts with several government authorities to secure a 35-year property tax abatement, which helped it compete with market-rate buyers.

"Preserving this unique and well-located asset as affordable housing was important to us and to the families that call it home. It was great to work with the New York City Department of Housing Preservation and Development and councilman Corey Johnson, along with his colleagues on the city council, to coordinate the preservation of Polyclinic Apartments," says Scott Alter, co-founder of Standard Communities.

For the \$114.5 million project, Walker & Dunlop structured a \$93.9 million acquisition loan with the Department of Housing and Urban Development (HUD), using the agency's Sec. 223(f) program, which allowed Standard Communities to address deferred maintenance items and make immediate repairs.



The acquisition loan was one of HUD's largest loan transactions of 2017, according to project participants. "The efficiency and focus that all parties brought to this difficult preservation effort is a great example of how public-private partnerships can work, and we are glad to have been a part of it," says Walker & Dunlop CEO Willy Walker.

PROJECT DETAILS

Developer: Standard Communities

Architect: N/A

Major Funders: Standard Communities; Department of Housing and Urban Development; Walker & Dunlop; New York City Department of Housing Preservation and Development; **The NYC Housing Partnership**

“The priority at Polyclinic Apartments was to preserve the affordability of the units and prevent the displacement of families, which was accomplished using private capital and a strong public-private partnership,” adds Jeff Jaeger, co-founder of Standard Communities.