

# HPD DISTRESSED ASSET FINANCING PROGRAMS

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## OVERLEVERAGED PROPERTIES INITIATIVE

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- 1. PROGRAM DESCRIPTION** The Overleveraged Properties Initiative is a method by which HPD identifies and monitors properties showing signs of financial and/or physical distress. Properties identified by OPI are targeted for code enforcement to prevent a worsening of distress and are considered for a number of preservation programs and tools. New York City has committed \$750 million of resources for the acquisition and rehabilitation to ensure the ongoing affordability and physical health of the properties.
- 2. WHO SHOULD APPLY** Individuals and organizations interested in rehabilitating and owning financially and physically distressed properties.
- 3. REQUEST FOR QUALIFICATIONS** Through HPD's Multifamily Preservation RFQ, a list of qualified individuals and organizations will be identified for this initiative. Applicants may be individuals and organizations, both for-profit and not-for-profit, that are neighborhood-based or operate City-wide, all of whom must have the experience, financial resources, and capacity required to rehabilitate, maintain, and manage multifamily housing. HPD will release the RFQ in March 2010.
- 4. ELIGIBLE BUILDINGS** Financially and physically distressed buildings, including buildings experiencing or facing private mortgage foreclosure, governmental tax or lien foreclosure, or encumbered by unsupportable debt.
- 5. FINANCING TOOLS** The City has committed \$750 million in resources towards this initiative through the following organizations and programs:
- New York City Acquisition Fund LLC**  
The NYC Acquisition Fund provides local and not-for-profit developers with financing to acquire private property for the construction and preservation of affordable housing.  
<http://www.nycacquisitionfund.com/>
- New York City Housing Development Corporation**  
The New York City Housing Development Corporation (HDC) issues tax-exempt and taxable bonds to finance low-cost mortgages to developers for the creation and preservation of affordable housing.  
<http://nychdc.com/>
- Article 8A Loan Program**  
The Article 8A Loan Program provides low interest rehabilitation loans for low- and moderate-income households. The program focuses on the replacement of major building systems in order to improve living conditions and create safe affordable housing.  
<http://www.nyc.gov/html/hpd/html/developers/article-8a.shtml>
- Preservation Participation Loan Program**  
The Preservation Participation Loan Program provides low-interest loans to rehabilitate housing for low- to moderate-income households. The program focuses on moderate and gut-rehabilitation of properties in order to improve living conditions and create safe affordable housing.  
<http://www.nyc.gov/html/hpd/html/developers/plp.shtml>
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*HPD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.*