

PRESS RELEASE

Contact:
(212) 306-3322

July 30, 2003

FOR IMMEDIATE RELEASE

Groundbreaking Marks Start of Prospect Plaza Housing Revitalization

The opening phase of a \$148 million HOPE VI revitalization plan for the New York City Housing Authority's (NYCHA) Prospect Plaza Houses in the Ocean-Hill/Brownsville section of Brooklyn got underway today with a groundbreaking ceremony for 37 new two-family townhouses.

Today's event on Dean Street between Saratoga and Howard Avenues marks the site where 34 new two-family homes will be constructed. (Three two-family town homes will also be constructed on vacant land on Sterling Place.) The first row of the modular town homes, which are being built at the Brooklyn Navy Yard, were on display.

"This is a new beginning for Prospect Plaza, and for the Ocean-Hill/Brownsville neighborhood," remarked NYCHA Chairman Tino Hernandez. "It is in line with Mayor Bloomberg's affordable housing initiative, and clearly demonstrates how government and the private sector working together will keep New York City vital," Hernandez added.

The U.S. Department of Housing and Urban Development has provided \$21.4 million in HOPE VI funding that will leverage over \$125 million from public and private entities to revitalize this Brownsville neighborhood.

The new townhouses are part of a larger revitalization plan for the neighborhood aimed at physically, socially and economically integrating public housing into the surrounding community. That goal is accomplished by improving the physical environment and tying it into a full array of community and supportive services.

Prospect Plaza Houses, built in 1974, a four-building development with 368 apartments housing some 1,171 residents, was chosen for the massive revitalization because it had been suffering from severe physical and social distress.

The revitalization work will be done in three phases and is scheduled for completion in the winter of 2005.

Phase I involves the construction of 37 two-family brick townhouses on City-owned property. The townhouses, with brick façades, will be three-stories high with the second and third floors combined into a three-bedroom duplex unit. The modular units that make up the town houses are being built at the Brooklyn Navy Yard by CAPSYS Corp. Once constructed, they are transported to the site where they are finished by MONADNOCK Construction, Inc. Each townhouse will consist of an owner-occupied apartment and a rental unit. Income-eligible Prospect Plaza and public housing residents will have first preference in purchasing 32 of the 37 homes.

The remaining five homes will be marketed to households earning up to 165% of the area median income, currently at \$62,800 for a family of four. Brookset HDFC, a subsidiary of Settlement Housing Fund, Inc., a New York City non-profit organization, is the developer of the 37 two-family town houses.

Phase II consists of the construction of 138 rental units in three or four story low-rise buildings on City-owned land. Construction on Phase II begins this winter and is scheduled for

completion in the spring of 2005. Phase III is the substantial rehabilitation of the remaining Prospect Houses buildings and includes the construction of a new six-story building that will be mixed use with retail on the ground floor and approximately 100 units on the upper floors. There also will be additional town house buildings for a total of approximately 400 rental units of which 240 will be for public housing residents. Another part of Phase III is a 40,000-sq.-ft. multi-function community center that will include day care, a business incubator and a recreational center. Construction for Phase III is expected to begin in the spring of 2004 and is slated for completion by the end of 2005.

When completed, this neighborhood revitalization effort will increase the number of affordable housing units for low- and very-low-income households from 368 to 541 that will include 323 new and rehabilitated public housing apartments and 218 tax credit rental apartments.

NYCHA contributed \$3.4 million of its own funds toward this Phase I home ownership initiative. The funds will be used as subsidy to help write down the cost of the home to families earning as little as \$27,000 a year. Phase I was also funded by:

- Brooklyn Borough President Marty Markowitz whose office provided \$600,000 in funding for the project.
- City Council Member Tracy Boyland who provided \$500,000.
- NY State's Division of Housing and Community Renewal (DHCR) contributed \$400,000 in Home Funds.
- The Federal Home Loan Bank of New York (FHLB-NY) gave \$320,000 in Affordable Housing Program (AHP) funding.
- Washington Mutual Bank is the construction lender and provided \$6 million.
- The City's Department of Housing, Preservation and Development (HPD) provided all the land at \$1 per lot.

Deputy Mayor Dennis M. Walcott, U.S. Department of Housing and Urban Development Regional Director Marisel Morales, current Assembly Member William F. Boyland Jr., and former Assembly Member William F. Boyland were among the honored guests at the event. Carol Lamberg, Executive Director of the Settlement Housing Fund, the project's not-for-profit developer who put the financing package together was also among those on the dais.