



CITY SELECTS TEAM TO REDEVELOP MARKHAM GARDENS AND BUILD NEARLY 300 UNITS OF AFFORDABLE HOUSING

ARKER COMPANIES, DOMAIN COMPANIES AND NEIGHBORHOOD HOUSING SERVICES OF STATEN ISLAND TO CREATE MIXED-INCOME COMMUNITY THAT INTEGRATES SUSTAINABLE DESIGN ELEMENTS

June 29, 2006 - The New York City Department of Housing Preservation and Development (HPD), the New York City Housing Authority (NYCHA) and the New York City Housing Development Corporation (HDC) have selected The Arker Companies, The Domain Companies and Neighborhood Housing Services of Staten Island (NHS) to undertake a \$60 million redevelopment of the Markham Gardens public housing development located in the West Brighton neighborhood on Staten Island's north shore.

Markham Gardens is the third NYCHA site to be redeveloped through a collaboration between HPD, NYCHA and HDC that will lead to 5,000 affordable housing units. To date two other redevelopment RFPs have been awarded for NYCHA sites at University Macombs and Brook Willis, which are both located in the Bronx. The collaboration is part of Mayor Bloomberg's New Housing Marketplace Plan which will provide affordable housing for 500,000 New Yorkers over ten years.

The Markham Gardens redevelopment will create a mixed-income community of rental apartments and for-sale homes. The design will be environmentally sustainable, using energy-efficient and green building design. It will include 240 mixed-income rental units of which 150 will be reserved for Section 8 voucher recipients referred by NYCHA, including former Markham Garden tenants who wish to return. The remaining 90 units will be affordable to residents with incomes between \$42,350 to \$85,080 for a family of four. The redevelopment also includes 25 two-family homes for moderate-income families as well as a park, outdoor seating areas with extensive landscaping, and a 6,000-square-foot

recreational center consisting of an indoor basketball court, exercise facility, computer center and classrooms.

The complex was built in 1943, during World War II, as temporary housing for workers who were employed under defense contracts at nearby shipyards. Following the war, Markham Gardens became a NYCHA development that served low-income families. The existing structures, which are undersized by current standards and have aged and deteriorated beyond reasonable repair, will be demolished.

“The redevelopment of Markham Gardens will create 290 new affordable residential units while providing updated amenities for tenants and integrating sustainable design elements,” said HPD Commissioner Shaun Donovan. “For two decades New York City has been using land taken in tax foreclosure to develop affordable housing. Now that this supply is exhausted we are developing innovative strategies and collaborations to identify new land sources. Our partnership with NYCHA is yielding success and contributing towards the 165,000 units of housing that will be created and preserved through Mayor Bloomberg’s New Housing Marketplace Plan, the most ambitious municipal affordable housing plan in the nation.”

Former Markham Garden residents have relocated to other NYCHA properties or received Section 8 vouchers at their request. Those former Markham residents who lived in the complex on April 1, 2004 will be invited to return to the redeveloped site. Demolition is expected to begin this winter, with completion projected by the end of 2008.

“This plan was born from NYCHA’s historical commitment to provide, decent, affordable housing for low-income New Yorkers,” NYCHA Chairman Tino Hernandez said. “The NYCHA residents who have lived in this neighborhood and made it a community over the years will have the opportunity to come back to a new and better Markham Gardens, one that will include subsidized rentals and the very real possibility of owning their homes,” he emphasized.

The \$60 million financial plan for Markham Gardens includes \$27 million in tax-exempt bonds from HDC, \$18.4 million in as-of-right 4% low-income housing tax credits from HPD, and \$14.25 million from the sale of 421a negotiable certificates for the rental apartments. A conventional construction loan will finance the homeownership units along with subsidies from the New York State Affordable Housing Corporation (AHC) and the New York Energy Research and Development Authority (NYSERDA).

“We work closely with HPD all the time, and we are glad to be working more closely with the Housing Authority under the Bloomberg Administration, issuing \$21.5 million to finance the gut rehabilitation and new construction at the University Macombs and Brook Willis sites, and also issuing \$300 million in

financing for preservation of 156 NYCHA buildings throughout the City,” said Emily A. Youssouf, the president of HDC. “This partnership is just another example of the way that innovative financial solutions can increase the supply of affordable housing.”

The design for the Markham Gardens redevelopment was prepared by DHK Architects, one of America’s most highly regarded architectural firms in the field of affordable housing. The new community’s design reflects the history and long-standing low-rise neighborhood ambience of the complex, while incorporating new technologies and design elements to meet the needs of the next generation. Buildings will feature “house-like” aesthetics, including front and rear yards and duplex units. The Markham Gardens Request for Proposals, announced by Mayor Bloomberg in August 2005 gave priority to development plans that incorporated environmentally-friendly design.

The redevelopment plan is the result of years of communication among the community, HPD and NYCHA, in addition to comprehensive community outreach undertaken by the development team. Each aspect of the development plan, from the physical design, service programs to street names in the new development, incorporates input from former residents and community members. Former residents were instrumental in the creation of the concept for the recreation center, in which a former boiler plant will be converted into a modern, bi-level facility that will include the “Markham Gallery,” a lounge featuring photographs and other memorabilia commemorating the property’s rich history. The center will be named by Markham Gardens residents.

“Our roots are in this community,” said Claire Mitchell-Dumas, executive director of NHS of Staten Island, headquartered less than a mile from the property. “As the leading housing services provider in the area, NHS is responsible for ensuring that the community is an active participant in the Markham Gardens redevelopment.”

“The New York City and New York State agencies responsible for the creation of affordable housing are consistently at the national forefront of affordable housing finance,” said Alex Arker, a principal with The Arker Companies. “By leveraging these outstanding programs, it is our intention to create a one-of-a-kind development that exceeds all expectations. Markham Gardens will represent a noteworthy milestone in Mayor Bloomberg’s New Housing Marketplace program.”

“Markham Gardens is a true public-private partnership,” said Domain Companies principal Matt Schwartz. “With the assistance of community leaders such as Councilman Michael McMahon and State Senator Diane Savino, we were able to develop a plan that reflects the desires of the residents and the community, and respects their concerns.”

The New York City Department of Housing Preservation and Development

HPD's mission is to promote quality housing and viable neighborhoods for New Yorkers. The department is the nation's largest municipal housing development agency and is implementing Mayor Bloomberg's New Housing Marketplace Plan to build and preserve 165,000 units of affordable housing over ten years. The New Housing Marketplace Plan is the largest municipal affordable housing effort in the nation's history. HPD also encourages the preservation of affordable housing through education, outreach, loan programs and enforcement of housing quality standards.

The New York City Housing Authority

The New York City Housing Authority (NYCHA) provides decent and affordable housing in a safe and secure living environment for low and moderate-income residents throughout the five boroughs. To fulfill this mission, NYCHA preserves its aging housing stock through timely maintenance and modernization of its developments. NYCHA also administers a citywide Section 8 Leased Housing Program in rental apartments. Simultaneously, NYCHA works to enhance the quality of life at its 344 developments by offering residents opportunities to participate in a multitude of community, educational and recreational programs, as well as job readiness and training initiatives.

The New York City Housing Development Corporation

The New York City Housing Development Corporation is a public benefit corporation chartered by the State of New York in 1971 to finance the construction or preservation of affordable apartments in New York City. For the past two years, HDC has issued more multi-family affordable housing bonds than any state or municipality in the nation.

The Arker Companies

The Arker Companies is a Long Island-based developer, owner, contractor and manager with more than 30 years of experience in multifamily, single-family, retail and office development. Arker is one of the preeminent developers of affordable housing in New York State, having produced over 3,000 units of affordable rental and for-sale housing with the assistance of a variety of federal, state and local programs. The company presently has an additional 1,000 affordable and middle-income units in development.

The Domain Companies

The Domain Companies is a multifamily development firm specializing in the development of affordable and mixed-income housing throughout the United States. Domain's focus on community development using innovative financing techniques has earned it a reputation as a leader in mixed-income housing finance. Since its inception, Domain has acted as developer or development consultant in 15 projects totaling more than 1,250 units. Domain has an additional 1,500 units of affordable and mixed-income development projects in various stages of development underway nationwide.

Neighborhood Housing Services of Staten Island

NHS of Staten Island has been a vital part of the West Brighton and entire Staten Island community since 1982. NHS of Staten Island is a resident-led organization whose board includes residents of local target communities and representatives from local and regional banks, insurance companies and other businesses. Resident members are leaders of their respective communities. NHS of Staten Island is part of a non-for-profit, citywide organization whose mission is to increase and protect investment in undeserved low-and moderate-income neighborhoods. NHS of Staten Island helps people to help themselves through education, builds communities that encourage and support neighborhood self-reliance, and creates, preserves, and promotes affordable housing in New York City neighborhoods. NHS of Staten Island has helped 2,575 Staten Island families close over \$3.5 million in mortgage loans, secured emergency repair grant funding for 102 senior households and has conducted numerous training programs and educational seminars.