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First Affordable Housing Development Completed Under Collaboration Between City Agencies Provides Over 200 Affordable Units in the Bronx

The New York City Department of Housing Preservation and Development (HPD), the New York City Housing Authority (NYCHA), the New York City Housing Development Corporation (HDC), and Bronx Pro today announced the completion of the University Macombs Apartments in the Bronx. Located in the Morris Heights neighborhood, University Macombs was redeveloped by Bronx Pro and consist of four renovated buildings previously owned by NYCHA and one newly constructed building on former NYCHA land. This is the first development to be completed under a new partnership between HPD, NYCHA, and HDC that will produce 6,000 units of affordable housing. Two other NYCHA sites located in the Bronx and Staten Island are currently under rehabilitation and will produce over 400 affordable housing units. The collaboration is a key element of Mayor Bloomberg's \$7.5 billion New Housing Marketplace Plan to build and preserve 165,000 units of affordable housing over ten years for 500,000 New Yorkers.

In an effort to create significant additional affordable rental and ownership opportunities, the City is tapping underutilized sites in the portfolios of other landholding public agencies, such as the New York City Department of Transportation (DOT) and the New York City Economic Development Corporation (EDC), with the goal of producing 20,000 units of affordable housing by 2013. The University Macombs Apartments provide 206 affordable housing units in addition to a day-care center, a community space and commercial space which will include the First MSB Bank. Of the 206 housing units, 10% are reserved for formerly homeless families and 25% will house former NYCHA residents and other NYCHA referrals. The remaining units are affordable to families of four earning no more than \$42,540.

“The completion of the University Macombs Apartments is a great start to our goal to create 20,000 units of affordable housing by fostering unique partnerships with other City and State agencies. Creating these innovative partnerships is a key strategy to the Mayor’s plan to build and preserve affordable housing over ten years for half a million New Yorkers, more than the entire population of Atlanta,” said HPD Commissioner Shaun Donovan. “By working with developers like Bronx Pro, the City is providing affordable housing for long-time residents of Morris Heights and other New Yorkers, and maintaining a diverse and vital neighborhood.”

NYCHA Chairman Hernandez remarked how “these buildings represent how low-income New Yorkers in need of affordable housing will have quality places in which to live.” Chairman Hernandez pointed to the future when “this innovative approach will be replicated in neighborhoods across the City: at Betances Houses in the Bronx, on Manhattan’s West Side, and in Staten Island.”

“Over the past three and a half years HDC has invested \$891 million in affordable housing in the Bronx,” said HDC President Emily A. Youssef. “Building on the success of the University Macombs teamwork, yesterday we approved another \$11.2 million to rehabilitate 111 apartments in three buildings nearby. It is through innovative ideas and partnerships like this that we have been able to draw so much private investment into affordable housing in the Bronx.”

“This development is a winner for affordable housing in New York City,” said Bronx Pro Real Estate Management, Inc. President Peter Magistro. “University Macombs Apartments enhances investments our organization has already made in the neighborhood through other HPD programs, and will ensure safe, quality, affordable apartments for generations to come.”

Taken into ownership by the City in the 1970s, the University Macombs properties were transferred to NYCHA in the 1980s and conveyed to Bronx Pro in 2004. To maximize affordability, the City sold each property to Bronx Pro for a nominal fee of \$1. Financing for the project was attained through a variety of public and private sources including as-of-right low-income housing tax credits administered by HPD and a \$14 million construction loan in the form of tax-exempt bond financing issued by HDC. Banco Popular North America and Wachovia Bank provided the letter of credit enhancing the bonds, and Enterprise invested over \$9.7 million in tax credit equity. In addition, the State of New York Mortgage Agency provided mortgage insurance.

“The University Macombs development provides a wonderful example of how effective private entrepreneurs like Bronx Pro can be at building quality affordable housing,” said Enterprise New York Director Jim Himes. “Enterprise is proud to be an investment partner in this project, as part of our mission of providing affordable housing for all low-income New Yorkers.”

“Banco Popular is proud to play a financing role in this wonderful affordable housing development. We thank HPD, HDC and NYCHA for their fine work and support – and congratulate Peter Magistro and all the Bronx Pro development team on a terrific project,” said Banco Popular North America New York Region Executive Michele Imbasciani.

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The New York City Department of Housing Preservation and Development

The New York City Department of Housing Preservation and Development's (HPD) 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 (HDC) is the nation's number one issuer of bonds for multi-family affordable housing. Established as a public benefit corporation by the State of New York in 1971, HDC is responsible for financing the creation and preservation of affordable housing in New York City. The financing provided by HDC is in the form of low-cost mortgages made through the sale of tax-exempt and taxable bonds. These mortgages are provided to developers for the construction and preservation of affordable housing. In addition, through our own corporate reserves, HDC provides second mortgages from its own corporate reserves usually at a 1% interest rate.