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MAYOR BLOOMBERG ANNOUNCES CITY WILL REACH 160,000 UNITS OF AFFORDABLE HOUSING FINANCED UNDER NEW HOUSING MARKETPLACE PLAN BY YEAR'S END – THE LARGEST AFFORDABLE HOUSING PLAN IN THE NATION

In Total, Administration Has Created or Preserved More Than 175,000 Units; Nearly Half a Million New Yorkers Provided with Housing

Mayor Also Announces Selection of Development Team for the Last Large City-Owned Development Site in South Bronx, Creating 985 New Affordable Apartments

Mayor Michael R. Bloomberg, Department of Housing Preservation and Development Commissioner RuthAnne Visnauskas and New York City Housing Development Corporation President Marc Jahr today announced that by year's end the City will have created or preserved 160,000 affordable housing units under the Mayor's New Housing Marketplace Plan, the largest housing plan in the nation. The ambitious New Housing Marketplace Plan is now 97 percent complete and is on pace to meet the goal of 165,000 units by June of 2014. In total, under the Bloomberg Administration, the City has created or preserved more than 175,000 units of affordable housing. The Mayor also announced today that a team consisting of BRP Development Corporation, Hudson Companies Inc., Common Ground, Comunilife, The Kretchmer Companies, ELH Mgmt LLC, and the YMCA were chosen to develop the Bronxchester Urban Renewal sites in the Melrose neighborhood, the last large assemblage of City-owned vacant land in the South Bronx, all but completing the major development projects that have rebuilt and revitalized the once blighted community. Bordered by Bergen Avenue, Brook Avenue and East 149th Street, the development, which will be known as La Central, will encompass five new buildings with a total of 985 units of mixed-income affordable housing, along with a host of new retail, community and recreation spaces including a new YMCA. The Mayor made the announcement at the Hub Retail and Office Center, a City-sponsored retail development that is adjacent to the Bronxchester sites, where he was joined by HPD Commissioner Visnauskas; HDC President Jahr; Geoff Flournoy, Managing Partner of BRP Companies; Aaron Koffman, Director of Affordable Housing for the Hudson Companies; Bronx Borough President Ruben Diaz; and Council Member Maria del Carmen Arroyo.

“Our Administration has worked for 12 years to bring new life to the South Bronx by lowering crime, improving our schools, and ensuring opportunities exist in neighborhoods all

(more)

across the borough,” said Mayor Bloomberg. “Even in the face of a national recession, we made investments in an ambitious affordable housing plan – the largest any U.S. city has ever seen – that will keep Bronx neighborhoods moving forward and lead to a brighter future for the entire city.”

“Mayor Bloomberg’s ambitious plan to create record numbers of affordable housing will leave a lasting mark on our City,” said Deputy Mayor Robert K. Steel. “The development of these final South Bronx parcels is a capstone for this vision, and the more than 175,000 units that have been financed as a result of this Administration’s commitment to housing will serve future generations of New Yorkers.”

“The worth of this multi-billion-dollar housing plan, in human terms, is priceless. Families are in stable homes, seniors are aging in place with dignity and security, and are children growing up in stable neighborhoods. Over the last decade, we have rebuilt the equivalent of a city and that is a great foundation for the future,” said HPD Commissioner RuthAnne Visnauskas. “It has been a rebirth that has taken shape in the physical form of bricks and mortar, and equally as important, has transformed how people perceive where they live and the pride they take in their communities. Together, we’ve changed minds and perceptions of what our neighborhoods represent and who lives here. I want to thank Mayor Bloomberg for his commitment and the incredible investment this Administration has made in financing affordable housing across the five boroughs. And I look forward to seeing Hudson, BRP, the YMCA and all of our partners continue that investment and mission here in the South Bronx.”

“A decade ago, when the NMHP was in its infancy, the Mayor put in place a game-changing plan empowering HDC to play its largest and most important role ever,” said HDC President Marc Jahr. “Since then, as the nation’s only municipal housing finance agency, HDC has provided more than \$9.6 billion in bonds and subsidy to fund the creation and preservation of affordable housing – including helping NYCHA to narrow its budget gap. The \$1.4 billion in direct subsidy exceeds the amount the City has received in federal HOME funds over the life of the NHMP. This alone is remarkable; but when you look at the sum total of what we have achieved together, it is astounding. New York City is a work in progress and we are fortunate for that: there is always more to do and countless ways to keep growing.”

The Bronxchester development site comprises five tax lots bordered by Bergen Avenue, Brook Avenue and East 149th Street, and encompass approximately 184,500 square feet. When complete the sites will create a thriving mixed-income, mixed-use development consisting of five separate buildings and a total of 985 units of affordable housing for low- to moderate-income New Yorkers. This includes 96 units of supportive housing operated by Comunilife which will serve formerly homeless veterans and New Yorkers living with HIV/AIDS. Comunilife will also operate a mental health clinic that will work with veterans living within the development and individuals within the community.

The proposal includes several sustainability and resiliency measures, including a cogeneration system, solar panels, low-flow water fixtures, grey-and black-water recycling for irrigation, and high-efficiency building envelopes. In addition to the affordable residential portion, this project will act as a catalyst and continue the growth the community has

experienced, in both the public and private sectors, and will bring much needed services and amenities to the area.

The Bronxchester development plan includes:

- **Building A:** 211 affordable apartments; approximately 48,000 square foot YMCA-community facility; a diabetes prevention program operated by Montefiore Medical Center; rooftop farm; approximately 19,000 square feet of new retail space.
- **Building B:** 279 affordable apartments; approximately 24,000 square feet of retail space, including restaurant space; cellar level garage with approximately 138 parking spaces.
- **Building C:** 137 affordable apartments; Music Has No Enemies (MHNE) which will occupy approximately 5,000 square feet of community space consisting of a recording studio and curate workshops and open the recording studio to projects for and by the community.
- **Building D:** 160 affordable apartments; 10,000 square foot mental health clinic operated by Comunilife that will work with veterans living within the development and individuals within the community.
- **Building E:** 198 affordable apartments; Bronx Astronomy Tower and Lab - a rooftop telescope to be used by the Bronx High School of Science; daycare facility.
- The approximately 7,000 square-foot triangular vacant lot at the intersection of Brook and Bergen Avenues will be developed as open space, accessible to the general public.

“Hudson is proud to be designated along with BRP, Common Ground, Comunilife, The Kretchmer Companies, ELH Mgmt LLC and the YMCA to develop this important site in The Hub community. Our goal is to bring 985 state-of-the-art sustainable new homes to New Yorkers with income ranges from 30 percent to 100 percent of AMI along with a variety of retail and community options for the South Bronx. We commend Mayor Bloomberg for his enduring commitment to affordable housing and look forward to working with the City of New York and local community leaders on this exciting development,” said Aaron Koffman, Director of Affordable Housing at the Hudson Companies.

“Our team is excited and honored to have been selected by HPD to develop the Bronxchester site. Our development plan will play a key role in the continued revitalization of the Hub and create a platform of opportunity and economic activity for generations to come. Through its smart design elements, the project combines the best of sustainable design, active streetscape, and open space. This project represents a true collaboration between public, private, and nonprofit partners at its best. It will prove to be a catalytic and transformative investment in the Bronx community,” said Geoff Flournoy, Managing Partner of BRP Companies.

“We have, as our highest priority, bringing new YMCA’s to deserving kids and neighborhoods in New York City. We are delighted to be included in this important economic

and community development initiative,” said Jack Lund, President and CEO of the YMCA of Greater New York.

The La Central project slated for the Bronxchester sites exemplifies the impact of the NHMP’s unprecedented investment in communities throughout New York City over the past decade. The physical and catalytic transformative power of the NHMP can be seen in neighborhoods from East New York, to Harlem, to Arverne, and to the area in the South Bronx that surrounds the La Central site in the Melrose Commons Urban Renewal Area. This South Bronx neighborhood formerly infamous for its blight and long stigmatized by the notorious phrase, “the Bronx is burning,” has been transformed as the City has redeveloped 46 contiguous acres shared by Community Districts 1 and 3. Since construction began in Melrose Commons 2,818 new residential units have been completed, and when all sites are completed it is expected that approximately 3,700 new residential units and approximately 300,000-square-feet of commercial space will have been created.

The policies and programs created under the NHMP provided a roadmap for the future and the tools needed to spark the revitalization of entire neighborhoods, such as Melrose, once scarred by the blight and urban decay of the 1970s and 1980s. The NHMP was launched in July 2003 as a five-year plan to finance the construction and preservation of 65,000 units of affordable housing, and in 2005 was expanded to become the nation’s most ambitious and largest municipal housing plan with a production goal of 165,000 units: enough to house more than half a million New Yorkers.

“This is an important day for the Bronx,” said Congressman Jose E. Serrano. “By building on the last large piece of city-owned vacant land in the Bronx, we are taking another big step towards a bright future for our borough. This project will provide affordable housing and essential services for my constituents, and I thank all those involved with making this project a reality. Today we can celebrate the continued revitalization of the Bronx.”

“Today is an exciting day as we reclaim vacant land that has blighted The HUB for decades, and transform it into a 985-unit, mixed-income community that will bring us a new YMCA, an astronomy lab, open space, 43,000 square feet of retail, music studio, and two centers aimed at improving the health of Bronxites,” said Bronx Borough President Ruben Diaz Jr. “This project has it all. Middle-income, low-income and those with special needs will be able to enjoy all of the amenities this development has to offer. My jaw dropped when I saw that there will be 30 four-bedroom apartments available to our growing families as part of this development. That is unheard of in this day and age. I would like to thank the team of The Hudson Companies, BRP Companies, Communilife, Common Ground and ELH & TKC for their foresight and grand design. This, along with The Bronx Opera House Hotel and Triangle Equities 83,000 square-foot commercial project next door, is bringing a new heyday to The Hub.”

“Bronx Community Board 1 applauds HPD for its long-standing history of providing new housing opportunities for the residents of our district,” said Bronx Community Board 1 Chairman George Rodriguez. “The announcement for the Bronxchester sites will lead to the completion of our last largest City owned development site.”

To date the City has financed a total 157,230 affordable units through the NHMP – evidence of a promise kept by the Bloomberg Administration, and enough square-footage to roughly equal 46 Empire State Buildings. HPD and HDC will reach 160,000 affordable units by the end of this year, and are on pace to reach or exceed the 165,000 unit goal by the end of the 2014 fiscal year. Approximately 80 percent of those units will serve low-income households that earn between 40 percent and 80 percent of area median income. This is a group that has by far, the highest proportion of rent-burdened households. These families earn slightly too much to qualify for other government subsidies and benefits, and earn far too little to pay market rents.

For every dollar invested by the City, the plan has leveraged an additional \$3.43 for in other private and government funding for a total investment of \$23.6 billion across the five boroughs, and will have created approximately 150,000 construction related jobs. This unprecedented investment has helped to spur economic growth, stabilize entire neighborhoods, and expand and preserve the city’s affordable housing stock.

- Bronx: \$7.6 Billion invested in 49,426 affordable units
- Brooklyn: \$5.3 Billion invested in 37,643 affordable units
- Manhattan: \$8.3 Billion invested in 51,168 affordable units
- Queens: \$2.2 Billion invested in 16,530 affordable units
- Staten Island: \$336 Million invested in 2,463 affordable units

Through the NHMP the Administration has financed more than 50,111 newly constructed affordable units to date. The NHMP has transformed blighting influences like vacant buildings, rubble strewn lots, and long underutilized land which had scarred communities for decades, into new affordable housing that has brought stability and renewed opportunity to countless New Yorkers. Nearly 5,500 new affordable homes and apartments have been built in Harlem’s Community Districts 10 and 11. In Brooklyn’s Spring Creek neighborhood, Phases I and II of the three-phase Gateway Elton Street project are creating a combined 372 units, on its way to a total of 659 affordable apartments with the State’s largest solar panel renewable energy system, and approximately 60,000-square-feet of community space when all phases are complete; adding to the nearly 1,600 new affordable homes and apartments created in Brooklyn Community District 5.

The Administration’s housing plan has helped create a place where working-class New Yorkers can gain a foothold and put down roots in rapidly growing communities. On the Queens waterfront Phases I and II of the massive Hunter’s Point South project, the largest affordable housing project the City has seen since the 1970s, are bringing a combined 1,721 permanently affordable mixed-income units with thousands more on the horizon in future phases. The 550 West 45th Street project, the housing plan’s single largest new construction project in Manhattan, encompasses nearly an entire city block on Manhattan’s Far West Side and has created 1,238 new apartments with 682 affordable to a diversity of incomes.

As HPD’s pipeline of developable city-owned land has nearly all been redeveloped as affordable housing, the Administration has worked across agencies to maximize resources when appropriate to maintain affordable housing production. HPD has partnered with New York City Housing Authority to create 2,500 new affordable units on underused land with 1,500 units in the

pipeline. Affordable housing projects have been undertaken on land provided by the Department of Education, Department of Transportation, the Landmarks Preservation Commission, the Human Resources Administration and Department of Citywide Administrative Services.

As is common in the majority of NHMP new construction projects, the City has sought to incorporate key services and community amenities in their master plans including new schools, retail and community space, room for the arts, gardening space, new parks, and new infrastructure. Arverne by the Sea and La Central both boast YMCA facilities as part of their plans, Via Verde and Arbor House have rooftop farms and gardens, Sugar Hill will host the Sugar Hill Children's Museum of Art and Storytelling, the Livonia Avenue project will have Brooklyn's first Boy's Club of New York, the Schermerhorn hosts the Black Box theater and art center, and both Hunter's Point South and 550 West 57th Street have new schools - to name just a few.

The 2008 economic crisis and subsequent credit freeze led the Administration to increase its focus on preservation of affordable housing, in part to prevent massive neighborhood disinvestment that could have followed the market collapse. At present, the City has preserved 107,119 units of affordable housing through the NHMP in a variety of multi-family buildings. By and large, these are tenant occupied buildings and are predominantly low-income. While preservation rarely creates new units, it can have a dramatic effect on communities by keeping people in their homes while maintaining the quality and affordability of the housing supply.

Encouraging owners to extend their affordability commitments through tax abatements, preservation rehabilitation loans and mortgage refinancing can provide a pathway to financial solvency and can help fund capital improvements that ensure the sustainability of the buildings. More than 38,000 units in the Mitchell-Lama program have been preserved using these financing tools. From the 1,758 affordable cooperative units at Dayton Towers in the Rockaways, the 1,632 rental units at Franklin Plaza in East Harlem, and the 534 rental units at Kent Village in Williamsburg; the Administration's focus on preserving existing affordable housing stock such as Mitchell-Lama housing has helped keep long-time residents in their homes and ensured that those properties will remain a resource of affordability for the working-class for decades.

In some cases, acquisition and rehabilitation funding provides the means for a preservation purchaser to buy and repair buildings that may have been suffering through cycles of overleveraging and neglectful ownership, placing the tenants' health and safety at risk. Prime examples are the infamous Kelly Street portfolio in the South Bronx that encompassed five buildings and 81 units, and the 72-unit building at 552 Academy Street in Inwood. Both suffered from cycles of negligent ownership, unsustainable debt, and extreme physical distress. Through HPD's Multi-family Preservation Program the City was able to help preservation focused developers acquire and rehabilitate the properties and lock in affordability for the existing tenants who had long suffered prior to the City's intervention

Studies are showing that the benefits to tenants in affordable homes reach beyond the easing of rent burden. HPD and Columbia University, along with other academic and municipal partners, are currently conducting a multi-million dollar study independently funded by the National Institutes of Health and the MacArthur Foundation that will quantify the benefits of

newly constructed housing financed under the New Housing Marketplace Plan (NHMP). This critical research is already demonstrating that moving to affordable housing can reduce asthma symptoms, reduce anxiety and depression, increase financial security, and improve housing quality and affordability.

Similarly, a separate study conducted by the Mount Sinai School of Medicine was undertaken to investigate and quantify the effect of living in green affordable housing may have on respiratory health of asthma sufferers. The study followed tenants at HPD's Eltona development in the South Bronx, a LEED Platinum certified affordable housing development. The study's findings support the beneficial effects of green housing on the respiratory health of its tenants. It also advocated the need to apply green housing features to affordable housing, given the high prevalence and severity of asthma in urban neighborhoods and the respiratory health detriments associated with substandard housing.

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Contact: Marc La Vorgna / Patrick Muncie (212) 788-2958
 Eric Bederman (HPD) (212) 863-5176

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