



**Department of
Housing Preservation
& Development**

THE
Five Borough
Economic Opportunity
PLAN

RAFAEL E. CESTERO, COMMISSIONER NYC.GOV/HPD

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**HPD, HDC, RICHMAN GROUP DEVELOPMENT CORP, AND ELECTED OFFICIALS
CELEBRATE GROUND BREAKING FOR MIXED-INCOME AFFORDABLE APARTMENTS
IN CENTRAL HARLEM**

**The Douglass and Balton Developments Add 226 Units of Affordable Housing and Create More than
1,050 Construction-Related Jobs in Harlem**

Harlem, NY - New York City Department of Housing Preservation and Development (HPD) Commissioner Rafael E. Cestero and New York City Housing Development Corporation (HDC) President Marc Jahr joined, City Councilwoman Inez E. Dickens, Manhattan Borough President Scott Stringer, Richman Group Development Corporation President Kristen Miller, and Maria Barry of Bank of America Merrill Lynch to celebrate the ground breaking for The Balton and Douglass Park. The two new apartment buildings will bring a total of 226 mixed-income units to an almost full block site on West 127th and 128th streets in Central Harlem, and will create more than 1,050 construction related jobs. The projects are among the first in the country to start construction utilizing the Tax Credit Assistance Program (TCAP) funds, which were allocated to New York State under the American Recovery and Reinvestment Act of 2009. The Balton and Douglass Park projects are being developed on formerly city-owned land through the competitively bid Cornerstone Program, an HPD multi-family new construction initiative. Building affordable housing in neighborhoods across New York City is a central component of the Bloomberg Administration's *Five Borough Economic Opportunity Plan* to create jobs for New Yorkers today, implement a vision for long-term economic growth and build affordable, attractive neighborhoods. Also attending the ground breaking were State Senator Bill Perkins and State Assemblyman Keith Wright.

This once vacant swath of land in HPD's property portfolio will be transformed into a mixed-income residential community. In addition to the 226 mixed-income apartments, which will be affordable to families with incomes ranging from \$30,750 to \$99,840 for a family of four, the two new buildings will include approximately 15,000 square feet ground floor retail space and 119 underground parking spaces. The buildings are being developed by The Richman Group Development Corporation. Monadnock Construction, Inc. of Brooklyn is the general contractor for the projects, which were designed by SLCE Architects. A third building, with 15 additional units and 1,000 square feet community facility space set aside for local non-profit Harlem Mothers SAVE, is expected to start construction in 2010.

The Balton has been named in honor of Charles "Ibo" Balton (1954-2007), a gifted urban planner, committed public servant, and proud Harlem resident. Ibo played a critical role in the revitalization of Harlem through his work at HPD. As the Director of HPD's Manhattan Planning Office, Ibo oversaw the rehabilitation and new construction of thousands of units of affordable housing in Harlem. His vision, passion, and tenacious

advocacy have helped to bring new life to the neighborhood he loved. Several members of Ibo Balton's family attended the groundbreaking event.

"The vacant lots and abandoned buildings that once plagued and characterized Harlem are a thing of the past. Today through the efforts of HPD and our partners, we are restoring vitality block by block, bringing quality affordable housing, new economic opportunity and stability back to this proud neighborhood. These two projects, the Balton and Douglass, which represent 226 new affordable units and more than 1,050 construction related jobs, are emblematic of the revitalization that so many have worked to bring here to Harlem," said HPD Commissioner Cestero. "Creating opportunity through neighborhood revitalization was something Ibo understood and he put his heart and soul into it. It is my sincere hope the realization of this development serves as a fitting tribute to a man who saw the potential in Harlem and worked to make a brighter future for the neighborhood he loved."

The total development costs for the Balton and Douglass are \$67,994,489 and \$32,971,770 respectively, bringing the entire development to a total of \$100,966,259. During construction, the Balton and Douglass are being funded with a total of \$45,250,000 through a combination of tax-exempt volume cap and recycled bonds issued by HDC and secured with a letter of credit from Bank of America Merrill Lynch (BoA). The development is also receiving a total of \$20,800,000 in Tax Credit Assistance Program (TCAP) funding allocated to HPD by the US Department of Housing & Urban Development (HUD) and the NYS Division of Housing and Community Renewal (DHCR), and \$14,882,748 in HOME funds also provided by HPD. An additional \$21,670,778 in Low Income Housing Tax Credit (LIHTC) equity and developer equity are being provided by The Richman Group. Upon completion and lease up of the Balton, the bonds will be secured by Freddie Mac and serviced by Wells Fargo Multifamily Capital. Bonds for the Douglass will be secured by HDC's Residential Mortgage Insurance Corporation (RMIC).

HDC President Marc Jahr said: "Ground breaking events are full of meaning, representing a break from the past an active present and a successful future. This development – the mixed-income Balton and the low-income Douglass Park – is emblematic of exactly that: the past, the present and the future of Harlem. As with any successful venture, there are many parents, but truly, we owe our collective presence here today to one man who is not here: Ibo Balton. As he said, when he began to map out Harlem, block by block, lot by lot, "We'll take a map, stick it on a wall and start painting. Each brush stroke translates into a chance." It was important to him to be passionate. It is important for us to carry that torch."

"The Richman Group is proud to continue its decade-long commitment to the revitalization of the Harlem community with our two newest projects, The Balton and Douglass Park," said Kristin Miller, President of The Richman Group Development Corporation. "And we are so proud to be able to honor the memory of former HPD Planning Director Charles "Ibo" Balton by naming one of our new buildings for him. These projects reflect the key neighborhood building blocks for which Ibo was such a strong advocate – quality mixed-income housing, neighborhood retail space, and beautiful architecture."

"In April 2007 my office helped document some 358 vacant lots in Manhattan north of 96th Street. I'm pleased to see the city making great strides on this particular vacant lot to create new affordable housing units in Harlem. However, there is still a lot of hard work to be done. I look forward to working together with Commissioner Cestero and others to continue to realize the full potential of our vacant and underutilized land in Harlem and in the rest of the borough," said Manhattan Borough President Scott Stringer.

"During the 125th St. negotiation I insisted on more affordable housing for my community and the indigenous population who worked to sustain community life through good times and bad. This project represents partnerships on many levels, tough negotiations and a positive outcome for my community. I also believe the developers have acted as good community partners in granting my request to house Harlem Mothers SAVE, a not for profit addressing youth and gang violence, at no cost, in perpetuity in the community facility space. I

will continue to fight for more affordable housing in my community and throughout this city and encourage developers to be responsible community partner,” stated Council Member Inez E. Dickens

Daniel Martin, President of the Housing Partnership Development Corporation said, "The Partnership is excited to be part of the team that is redeveloping one of the last large vacant sites in Harlem. The Balton and Douglass Park will further add to the achievement of affordable housing in this great community."

“The Balton and Douglass Park developments represent a powerful combination of talent and execution. The collaboration amongst an experienced developer and long-time client in The Richman Group Development Corp. and strong municipal support through New York City Department of Housing Preservation and Development, New York City Housing Development Corporation and New York State Division of Housing and Community Renewal made financing this high impact affordable housing project a reality,” said Todd Gomez, Senior Vice President, Bank of America Merrill Lynch. “We are delighted to be part of this team and reinforce our company’s commitment to Harlem.”

“This was an exciting project that got closed in an incredibly tough credit environment. This deal shows both Wells Fargo and Freddie Mac’s continued commitment to providing affordable housing in our communities. We thank the Richman Group for choosing us to be a part of this project”, said Matthew Wiener, Wells Fargo Multifamily Capital.

“The AFL-CIO Housing Investment Trust (HIT) is proud to help bring more affordable housing to this historic community by providing financing for Douglass Park,” said Carol Nixon, Director of the HIT’s New York City office. “Our participation in this important redevelopment project is part of the Trust’s long-time commitment to New York’s low-income residents and working families.”

The Balton will be located at the northeast corner of St. Nicholas Avenue and West 127th Street. The new apartment building will be across the street from St. Nicholas Park and the entrance to the 125th Street subway station. The Balton consists of two wings of six and 12 stories and will include 156 studio, one-, two-, and three-bedroom apartments. The project is a 75/25 mixed-income rental; 75% of the units will be reserved for households earning up to 130% of the Area Median Income (AMI) for New York City which is equal to \$99,840 for a family of four, and 25% of the units will be reserved for households earning up to 60% of AMI which is equal to \$46,100 for a family of four. Building amenities will include concierge services, on-site super and management office, state-of-the-art fitness facility, resident lounge, children’s activity room, outdoor courtyard, roof terrace, bike storage and broadband wiring. Many apartments will feature wood and ceramic tile floors, designer kitchens and baths, washer/dryer connections, private terraces in select units, and park and city views.

Douglass Park will be located at the southwest corner of Frederick Douglass Boulevard and West 128th Street. It will be an 8-story building with 70 one-, two-, and three bedroom apartments, which will be reserved for households earning from 40% AMI which is equal to \$30,750 for a family of four, up to 60% of AMI. The building will include a resident lounge, fitness center, outdoor courtyard, bike storage, laundry facilities, and onsite super.

Excavation and foundation work began on the site in mid-September. Construction completion for both buildings is projected for summer 2011. During construction, the two projects are expected to create a total of more than 1050 construction jobs. Apartments in both buildings will be marketed through city-supervised lotteries. Applications to enter the lotteries will be made available in late 2010.

For more information on obtaining an application please visit: www.thebalton.com and www.douglassparknyc.com

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New York City's Five Borough Economic Opportunity Plan

The Five Borough Economic Opportunity Plan is a comprehensive strategy to bring New York City through the current economic downturn as fast as possible. It focuses on three major areas: creating jobs for New Yorkers today, implementing a long-term vision for growing the city's economy, and building affordable, attractive neighborhoods in every borough. Taken together, the initiatives that the City has launched to achieve these goals will generate thousands of jobs and put New York City on a path to economic recovery and growth.

NYC Department of Housing Preservation and Development

HPD's mission is to promote quality housing and viable neighborhoods for New Yorkers. It is the nation's largest municipal housing preservation and development agency. Responsible for implementing Mayor Bloomberg's New Housing Marketplace Plan to build and preserve 165,000 units of affordable housing. HPD also actively promotes the preservation of affordable housing through education, outreach, loan programs and enforcement of housing quality standards. (www.nyc.gov/hpd)

NYC Housing Development Corporation

The New York City Housing Development Corporation (HDC) provides a variety of financing programs for the creation and preservation of multi-family affordable housing throughout the five boroughs of New York City. Our programs are designed to meet the wide-range of affordable housing needs of the City's economically diverse population. (www.nychdc.com)

The Richman Group Development Corporation

The Richman Group Development Corporation is one of the country's leading developers of market-rate, mixed-income, and affordable housing, having completed over 15,000 units. Richman has a national reputation for structuring creative development financing and building strong public-private partnerships. Although the company's development efforts are national in scope, each project Richman develops is tailored to the needs of the community it will serve. In addition to The Balton and Douglass Park, Richman has completed the development of two other Harlem projects: The Hamilton and The Langston. (www.therichmangroup.com)

Monadnock Construction, Inc.

Monadnock Construction has been one of New York's most reputable general contractors and construction managers since 1975. Through private and public partnerships, Monadnock has successfully built over 8,600 units of housing. As a local industry leader in the construction of quality affordable rental and homeownership housing, Monadnock Construction is also a builder of luxury hi-rise, modular construction and dormitories. (www.moncon.com)