

Real Estate Journal

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The Arker Cos. closes \$24.4m financing for 83-unit Hewitt House Apartments



Rendering, 886 Westchester Avenue - Bronx, NY

The Arker Companies, a leading developer of affordable housing in New York City, has finalized financing for the 83-unit Hewitt House Apartments at 886 Westchester Ave. in the Longwood neighborhood.

The \$24.4 million, 75,300 s/f development will include approximately 11,500 s/f of ground-floor retail.

"Housing affordability is one of the most pressing challenges facing New York City today," said Daniel Moritz, a principal of The Arker Companies. "Hewitt House Apartments will create first-rate, affordable apartments for working families, while also generating local employment through its retail component."

The residential units will be reserved for households earning up to 60% of annual median income for New York City. Seventeen units will be set aside for formerly homeless families and individuals. Construction is expected to commence in December and be complete in the fall of 2010.

The New York City Housing Development Corporation is providing \$11 million in tax-exempt bonds and \$4.565 million in subordinate financing. The development is also receiving \$7.4 million in tax credit equity from Wachovia Securities. Freddie Mac, through MMA Financial, is providing credit enhancement for a \$4.1 million dollar permanent mortgage. Bank of America is participating with a construction letter of credit in the amount of \$11.1 million. Bank of America is also providing a \$2.16 million loan to finance the project's retail portion.

"We are pleased to help finance this project," said Marc Jahr, president of the New York City Housing Development Corporation (HDC). "HDC is providing \$11 million in tax-exempt variable-rate bonds for the construction and permanent financing of Hewitt Houses as part of our Low-Income Affordable Marketplace Program (LAMP), as well as an additional \$4,565,000 in subordinate financing," he added.

"Since Mayor Bloomberg's New Housing Marketplace Plan was launched in 2003," said Jahr. "HDC has provided over \$3 billion in bond financing and subsidy for 219 affordable housing projects, containing 25,225 apartments in the Bronx, helping to strengthen its neighborhoods and its economy."

"The administration of Mayor Michael Bloomberg is playing a strong leadership role in promoting affordable housing," said Moritz. Mayor Bloomberg's New Housing Marketplace Plan aims 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.

Northeast Brooklyn Housing Development Corporation serves as non-profit sponsor for the Hewitt House Apartments.