

# Real Estate Journal

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## CPCR and EBC break ground on 103 units of affordable housing - \$28.5 million project



Shown (from left) are: Peter Brodie, regional director-Northeast, RBC Tax Credit Equity Group; Charles Gatewood, senior vice president, Chase Community Development Banking; Mike Lappin, president & CEO, CPC Resources; Rev. David Brawley...

CPC Resources (CPCR) and East Brooklyn Congregations (EBC) were joined by the New York City Department of Housing Preservation and Development (HPD) and the New York City Housing Development Corporation (HDC) as they broke ground on 103 units of affordable housing in the Brownsville section.

Located on former HPD-owned land along Watkins St., this project will be developed using CPCR's unique Infill Housing Model - an efficient, cost-effective prototype for building affordable housing that is designed specifically to fit R-6 zoning, which is prevalent in residential neighborhoods throughout Brooklyn, Queens and the Bronx. As the development arm of The Community Preservation Corporation, CPCR will oversee all aspects of the development and construction of the project until the apartments are fully leased at which point East Brooklyn Congregation will assume control.

Michael Lappin, president and CEO of CPC Resources and The Community Preservation Corporation, said, "In the early 1980s East Brooklyn Congregations formed a plan to provide low and middle-income families with affordable housing options in East Brooklyn. As we stand here today, close to 30 years later, prepared to start another wonderful project, we can look across the street and see the results of that very first effort, the Nehemiah homes, and know that these projects have and will continue to help restore our city's neighborhoods for current and future generations."

The total development cost is projected to be \$28.5 million. In addition to HDC financing, HPD will provide \$6.3 million in City Capital and HOME funds subsidy through the Low Income Rental Program.

Comprised of 13 four-story apartment buildings that will rise side-by-side on vacant land fronting Watkins St. between Newport and Lott Avenue, 100 of the development's units will be affordable to families earning 60% of the HUD Income Limits (HUDIL). The remaining three affordable units will be set aside for families earning just 50% HUDIL.

"Developments like this are a lesson that well conceived and properly financed affordable housing development can continue and is continuing, even in the face of the current credit market," said HPD commissioner Rafael Cestero. "We at HPD are proud to be able to help partners like CPCR and EBC create the kind of housing that is so necessary to the health of our city's neighborhoods and the families that call them home."

The New York City Housing Development Corporation (HDC) will finance the construction of the Watkins St. buildings by issuing \$14.5 million in tax-exempt bonds and lending \$5.9 million in low-interest subsidy from its corporate reserves. HDC, the largest issuer of tax-exempt housing bonds in the nation, has helped to finance more than 41,000 units of affordable housing over the past six years under Mayor Michael Bloomberg's New Housing Marketplace Plan.

Marc Jahr, HDC president, said, "We're enormously pleased to be involved in this project. It represents not only the City's commitment to affordable housing, but its commitment to building strong neighborhoods. HDC's financing for 550 Watkins will buttress our investment in the reclamation of The Plaza (Noble Drew), the formerly beleaguered 385-unit development down the block from this new affordable housing. Together with the community, we're helping to better housing and an even more attractive place to live."

Over the past quarter century, East Brooklyn Congregations has been responsible for the transformation of many vacant blocks in East New York and Brownsville with the construction of nearly 3,000 units of housing. The Watkins St. development will be composed of 35 one-bedroom, 57 two-bedroom, and 11 three-bedroom units with an additional unit set aside for the superintendent. There will be on-site laundry facilities, outdoor recreation space and 22 on-site parking spaces.

Rev. David Brawley, co-chair of EBC, said, "In times of economic crisis, it's even more important to be developing housing for the people of New York City and we are pleased that the mayor is maintaining the City's momentum in affordable development. To that end, we at EBC are not just shovel ready, we are shovel busy."

The city's transfer of the land for use as affordable housing is part of Mayor Michael Bloomberg's \$7.5 billion New Housing Marketplace Plan (NHMP) to create and preserve 165,000 units of affordable housing. The NHMP is also part of the Mayor's Five Borough Economic Opportunity Plan aimed at bringing New York City through the current economic downturn as fast as possible. To date the NHMP has created or preserved over 85,000 units of affordable housing.