



Greystone closes \$550 million loan for Moinian/SL Green joint venture

September 05, 2017 - Front Section

Manhattan, NY According to Greystone, it has closed a \$550 million permanent Freddie Mac loan made to joint-venture partners The Moinian Group and SL Green Realty Corp. for Sky Residences, one of the city's premier mixed-use residential buildings. The Greystone Bassuk debt advisory team, led by Richard Bassuk and Drew Fletcher, represented the borrower and assisted in obtaining the Freddie Mac loan through Greystone's affordable lending team. The transaction marks the largest-ever single-asset tax-exempt financing completed by Freddie Mac and a first-of-its-kind private placement structure that includes permanent financing for

hundreds of NYC affordable housing units.

Richard Bassuk,
Greystone Bassuk

Drew Fletcher,
Greystone Bassuk

Steve Rosenberg,
Greystone Bassuk

Steve Rosenberg, CEO of Greystone, together with Billy Posey, Joe Mosley, and Jeff Englund, collaborated with Freddie Mac on the structure for Moinian and SL Green, and spearheaded the loan process for Greystone.

Located at 605 West 42nd St., Sky contains 1,175 units and 70,000 s/f of amenity space. The 71-story tower was developed by Moinian and designed by Rockwell Group. The project is utilizing 4% Low Income Housing Tax Credits and both tax-exempt and taxable variable rate bonds issued by New York State Housing Finance Agency (HFA).

The Freddie Mac loan completes an exit from the original construction financing provided by Bank of China and Union Labor Life Insurance Company in 2014. The permanent loan was structured as a direct purchase by Freddie Mac of the HFA bonds with a pre-stabilized funding and early spread lock.

Freddie Mac completed the direct purchase of the bonds with plans to securitize the bonds in a single-asset securitization, a first-of-its-kind structure that provided certainty of execution while also delivering pricing far below a standard bond credit enhancement. The structure was put in place under the Affordable New York Housing Program, the city's revamped 421-a tax abatement program.

Sky offers amenities for its residents including a multi-level fitness club; water club; spa; lap

pool; NBA regulation-size basketball court; two outdoor pools; café; kids' club; and a private outdoor park design by Thomas Balsley. The building also holds the unique distinction of being the largest single-tower residential building in the U.S., with 25% of its units designated as moderate and affordable housing. Lifetime Fitness, Volvo and Icon Parking occupy commercial space and the property also includes an onsite parking garage.

"Sky brings more than 1,100 new apartments—25 percent with long-term affordability restrictions—to the front lines of the affordable housing crisis," said David Leopold, vice president, targeted affordable sales & investments at Freddie Mac Multifamily. "Such a large, complex transaction took a strong partnership between Freddie Mac, the New York State Housing Finance Agency, Greystone, and The Moinian Group. I thank them for their dedication to increasing the amount of affordable rental units in an area that critically needs it."

"The Moinian Group is extremely proud to deepen its relationship with Freddie Mac with this ground-breaking transaction," said Joseph Moinian, CEO and founder of The Moinian Group. "David Brickman, David Leopold and the entire senior leadership team at Freddie Mac worked tirelessly alongside Steve Rosenberg and his counterparts at Greystone, to deliver a one-of-a-kind execution for the premier asset in our portfolio. For more than 20 years we have been investors along the Far West Side, where we own more than four million square feet. Our enthusiasm for the neighborhood is greater now than ever before."

"We are thrilled to have collaborated successfully with Freddie Mac and Greystone's lending team to deliver such a market-leading execution for Moinian's premier project, Sky," said Drew Fletcher, president, Greystone Bassuk. "This financing marks the culmination of over a decade of investment by Joe Moinian which has catalyzed the development of Manhattan's Far West Side into one of the City's most dynamic and fastest-growing residential neighborhoods."

"While mixed-income multifamily lending deals of this size don't occur every day, it's truly gratifying to know that Freddie Mac's commitment to affordable housing can be applied in such an impactful way," said Jeff Englund, senior managing director of Greystone's affordable lending group. "Affordable housing is desperately needed in New York and nationwide, and

Greystone remains committed to helping to finance transactions that create or preserve this housing for the long-term.”

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540