



nyrej

Preservation Development Partners completes rehab on 75-units

June 25, 2012 - Spotlights

Preservation Development Partners, a joint venture of developers Donald Capoccia, Joseph Ferrara, Brandon Baron, Francine Kellman and Brian Raddock, revealed recently the \$2.5 million rehabilitation of Trinity Apartments, a 75-unit multifamily complex at 2105 Daly Ave.

Purchased last year, the property was the development firm's first real estate acquisition, signifying the developer's commitment to preserve affordable housing stock and eliminate the risk of it being converted into market rate units.

Kellman, PDP principal, said, "Without displacing a single tenant, the improvements were completed on a fast track schedule. Our original time frame was 12 months, but we completed the project in just eight months' time. This is an important 'first' for us and it's a model we plan to repeat, providing a long-term benefit to the community."

The renovations include new boilers, new flooring in common areas and individual apartments, new electrical wiring throughout the building, stairwell improvements and kitchen and bathroom upgrades. Other significant upgrades include repaired or new roofing and facades.

Raddock, PDP principal, said, "The Bronx has experienced growth in retail and construction in recent years. The purchase and rehabilitation of Trinity Apartments through the use of tax-exempt bonds and the benefit of new 20 year federal, Project Based Section 8 rent subsidy contract will ensure that all of its units remain affordable."

The project was financed under mayor Michael Bloomberg's New Housing Marketplace Plan (NHMP), an \$8.4 billion initiative to finance 165,000 units of affordable housing for half a million New Yorkers by the close of the 2014 fiscal year.

The acquisition of the five-story property was financed by \$9.9 million in New Issue Bond Program (NIBP) bonds issued by HDC. An additional \$5.3 million was raised through Low Income Housing Tax Credit Equity via Wells Fargo, credit enhanced by Freddie Mac through its Low Income Housing Tax Credit (LIHTC) Mod Rehab program.

Trinity Apartments has 23 one-bedroom units, 33 two-bedroom units, nine three-bedroom units, nine four-bedroom units, and one superintendent unit. The property is a U.S. Department of Housing and Urban Development project and it includes a full service day care center for the surrounding community. The project serves households making 60 percent of the Area Median Income (\$47,520 per year for a family of four) and benefits from a Project Based Section 8 Contract (HAP Contract) which has been renewed for 20 years, thus preserving its affordable rent, while limiting the vacancy risk. The project is near public transportation, parks and hospitals. It is also just two blocks away from the Bronx Zoo.

Preservation Development Partners is a partnership formed by K&R Preservation and BFC

Partners. K&R is owned and operated by its principals, Ms. Kellman and Mr. Raddock. Prior to forming K&R, Ms. Kellman and Mr. Raddock closed on two affordable housing properties in the Bronx and Manhattan for a Seattle based developer. They oversaw the complicated rehabilitation and positive transformation of the Manhattan property, Lexington Courts, which, when acquired consisted of nine buildings in various states of deterioration.

BFC Partners is owned and operated by its three principals, Messrs. Capoccia, Ferrara and Baron. The essence of BFC's activities over the past 25 years has been the acquisition, development, financing, construction, marketing and management of affordable housing, which includes government subsidized low and moderate-rental as well as for sale home ownership. BFC and its principals have concluded over \$550 million in acquisition and development projects since the firm's inception. The construction contract amount for those projects exceeds \$350 million and encompasses the construction of 4,000 units ranging from single family newly constructed units in Long Island to the substantial rehabilitation of multi-site, multiple dwellings with over 120 units, to smaller scattered site projects requiring the substantial rehabilitation of 6 to 17 unit buildings.

BFC will act as the exclusive general contractor for Trinity Apartments to give the principals total control over the construction.

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