



## **Hempstead IDA approves financial incentives to maintain affordability of Park Lake complex**

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Hempstead, NY Frederick Parola, CEO of the Town of Hempstead Industrial Development Agency, said the agency's board gave final approval to a package of economic development incentives that will assist a developer maintain the affordability of a low-income apartment complex in Hempstead Village and provide \$35 million in upgrades to improve the lives of its 1,000 residents.

The benefits, granted final approval at the IDA's July 22 meeting, will assist the planned refinancing of a \$133 million mortgage on the community, Park Lake Residences, and the renovation of 240 apartments in the 14-building complex at South Franklin St. and Martin Luther King Dr. by Manhattan developer Scott Jaffee's Park Lake Owner LLC.

The project also requires final approval of \$63 million in tax-exempt bonds to be sold through the Nassau County Local Economic Assistance Corp., which gave preliminary approval to the bond sale in November 2020. The bond sale and the incentives agreement are to be closed simultaneously. No date has been set for the closing.

"I'm extremely pleased that our IDA has taken the steps necessary to keep affordable housing viable and available to the residents of Hempstead for many years to come," said town supervisor Donald Clavin Jr.

Park Lake, an affordable housing project that was built in the 1940's as military housing, receives funding from the federal government's HUD subsidized rent program and never has been on the tax rolls of the village, school district or town and it must remain so in the future or its expenses have been too great for it to continue to exist as an affordable housing community, according to the developer.

"This package of benefits is a lifeline for the thousand residents of Park Lake who have lived in fear that they might lose their apartments or that their rents would be raised," Parola said.

Under federal guidelines residents pay 30% of their income to live in assisted housing. The economic incentive package includes a 15-year extension of an existing 10-year PILOT, a mortgage recording tax exemption and an exemption for sales taxes on the renovations. HUD funds are only available if a property has an agreement for reduced taxes payments under a PILOT agreement for the same length of time as the federal mortgage. Reports commissioned by the IDA concluded that the PILOT agreement was necessary to allow the investment and renovation of the complex and will

result in payments of more than \$47 million to the Village of Hempstead and other taxing jurisdictions.

The existing PILOT was granted after the building was acquired last year by a different ownership group led by Jaffee, but the developers said the project is in dire need of more improvements, including include landscaping, security and lighting upgrades, interior painting, new floors to common areas and upgrades and replacements of kitchens and bathrooms. The developer also plan to build a new community center, management office and laundry facility and add solar panels. Construction would begin next summer and be completed in 18 months.

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