



Slate Property Group and RiseBoro Community Partnership to convert hotel to housing under HONDA program

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Queens, NY Slate Property Group and its non-profit partner RiseBoro Community Partnership completed their acquisition of the former JFK Hilton Hotel, marking a major milestone in converting the first former hotel into permanently affordable housing through New York's Housing Our Neighbors with Dignity Act (HONDA).

Slate and RiseBoro acquired the hotel at 144-02 135th Ave. in South Jamaica for \$64 million. Construction on the new Baisley Pond Park Residences is set to begin next month, converting the hotel into 318 apartments for low-income households and formerly homeless New Yorkers. By selecting a hotel with compatible layouts and making only selective changes to internal walls, Slate will complete construction in 21 months, compared to 36 months for conventional ground-up construction.

Originally built in 1987, the 350-room JFK Hilton hotel is located a half-mile from John F. Kennedy International Airport.

After its conversion to Baisley Pond Park Residences, all apartments will have full kitchens and ADA-compliant bathrooms. Building amenities will include multiple community rooms, a computer lounge, fitness room and on-site laundry. Landscape architecture firm OSD has designed a stunning indoor/outdoor garden space for residents.

As part of its conversion, Slate will replace all major building and mechanical systems, including new all-electric heating and cooling systems that will dramatically reduce its emissions. The building will

have new rooftop solar panels installed as well as efficient Energy Star appliances. The project was designed by Aufgang Architects and will be certified by Enterprise Green Communities.

Following construction, RiseBoro Community Partnership will retain long-term non-profit ownership and management of the building, made possible through the Department of Social Services' new and innovative Affordable Housing Services Program. This project marks the first time this model has been utilized to fund the creation of non-profit owned permanent affordable housing. RiseBoro will also provide onsite support and wrap-around services for residents as they transition from homelessness to permanent affordable housing. The staffing plan includes case managers and onsite programming. The former hotel's commercial kitchen is also being converted into a facility for Meals on Wheels that will support RiseBoro's clients.

Total development costs, including acquiring the hotel site, are projected at \$167 million, of which \$48 million is being provided through the HONDA program. The remaining capital is being provided through a \$50 million senior loan from the NYC Housing Development Corporation, which is being credit enhanced and serviced by Chase, and subordinate debt from the NYC HDC and the NYC Department of Housing Preservation and Development. Importantly, the project is funded with an allocation of 501c3 bonds from HDC, and will not draw from scarce Low-Income Housing Tax Credits (LIHTC) or volume cap, preserving them for other vital affordable housing projects. MSquared, a women-owned real estate impact platform, provided a key \$4.4 million pre-development loan, which was repaid at closing. The Baisley Pond Park Residences' on-site supports, wraparound services and operations will be funded through a long-term contract with DSS as part of the agency's Affordable Housing Services Program.

"Working with our non-profit and government partners, we have cracked the code of converting former hotels into permanently affordable homes. As we face down a national housing and homelessness crisis, this project is a model that points the way to rapidly bring new apartments online more than a year faster than ground-up construction," said David Schwartz, principal of Slate Property Group.

"Creativity is necessary to fill New York City's need for affordable housing and, with Baisley Pond Park Residences, all parties involved have met that challenge," said Scott Short, CEO of RiseBoro Community Partnership. "We're thrilled to be a part of the first successful hotel conversion in New York and look forward to taking another step in bringing affordability and access to the people of this city."

"This significant investment will help to bring our state one step closer to building the affordable, supportive, and sustainable homes that New Yorkers deserve," governor Hochul said. "My administration is continuing to back transformative projects that unlock our state's housing potential – including the first-ever hotel conversion project through the Housing Our Neighbors with Dignity Act – and we will keep using every tool at our disposal to build the housing we need to make New York more vibrant and more affordable."

"Digging our city out of this severe housing shortage will require every tool in our toolbox, and our administration helped win an important fight to add this hotel conversions," said New York City mayor Eric Adams, who made HONDA a major legislative priority. "Advancing this plan to turn a vacant hotel into more than 300 new, affordable homes is a sign that we can think outside of the box and take advantage of the opportunities in front of us. I want to thank our partners in Albany for making it possible to turn empty hotels into affordable homes and our development partners who will deliver on the promise of this idea for hundreds of New Yorkers."

"This conversion project provides us with a model for how to create new housing quickly, at a time where so many New Yorkers need an affordable place to live. Thank you to our partners across City agencies, Slate Property Group, and RiseBoro Community Partnership, whose collaboration will enable the creation of 318 new homes," said deputy mayor for Housing, Economic Development and Workforce Maria Torres-Springer.

"There's nothing NYC can't do with a bit of creativity and the will to improve our neighbor's lives," said HPD commissioner Adolfo Carrión "The conversion of the JFK Hilton marks the first of its kind and an incredibly clever measure the city is taking to fill homes with the people who need them most. In just half the time of a ground-up construction, this hotel conversion will get low-income and formerly homeless New Yorkers into permanently affordable homes faster, with the urgency that every New Yorker deserves."

"The conversion of the JFK Hilton is a critical milestone in the City's efforts to deploy new and innovative solutions that address the significant need for more affordable housing citywide," said HDC president Eric Enderlin. "HDC is proud to be a part of this creative partnership and we look forward to delivering more than 300 permanently affordable homes to the South Jamaica community."

"Quality, affordable housing is a prerequisite for a healthy and stable life, but the dearth of affordable housing options across New York City has kept far too many of our vulnerable neighbors from obtaining the housing they deserve," said Department of Social Service Commissioner Molly Wasow Park. "We are incredibly proud to play a role in this project and, for the first time, utilize our innovative Affordable Housing Service Program to support the creation of permanent affordable housing units with on-site services and place shelter residents with CityFHEPS vouchers directly into 192 of these homes. We look forward to continuing our partnership with Slate Property Group and RiseBoro Community Partnership on these efforts to expeditiously bring affordable homes online."

"Our city faces an urgent need for quality affordable housing and Baisley Pond Park Residences is a great example of how we can utilize new strategies and funding sources to address this crisis head-on," said Alicia Glen, founder and managing principal of MSquared. "We are proud to be a part of this first of its kind project, and one that we hope can be replicated for future developments."

"At a time when housing continues to be in great need, this hotel to apartment conversion will be

instrumental in helping to solve this crisis with the addition of 318 affordable and supportive units for the community,” said Sharmi Sobhan, managing director, Chase Community Development Banking. “We are proud to support RiseBoro, Slate and all the partners who are making this development a reality in Queens.”

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