



Omni New York to purchase \$23.8 million debt on former Ocelot Bronx portfolio

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According to mayor Michael Bloomberg, senator Charles Schumer, congressman JosÃ© Serrano, council speaker Christine Quinn, deputy mayor for economic development Robert Lieber, Department of Housing Preservation and Development (HPD) commissioner Rafael Cestero and Fannie Mae executive VP of Housing & Community Development Ken Bacon, Omni New York LLC (led by former New York Met Maurice "Mo" Vaughn) has been chosen as the successful bidder for the debt on a portfolio of properties owned by entities of the Ocelot Capital Group. The Ocelot entities, which have allowed the buildings to fall into a state of disrepair, defaulted on their mortgage, prompting foreclosure proceedings. To ensure the properties ended up in the hands of a responsible developer that would invest in and maintain the affordability of the units, HPD, Fannie Mae and Deutsche Bank worked collaboratively to identify viable bidders for the mortgages covering 14 of the original 25 buildings. The collateral for the current loan portfolio is made up of 14 individual properties consisting of 416 units with mortgage debt totaling \$23.8 million, which Omni has purchased from Fannie Mae and Deutsche Bank at a reduced price through the bidding process. Omni has committed to invest up to \$1 million in emergency repairs and will work to obtain the deed to each of the properties in order to take title and become the long-term owner of each property.

"The sale of these buildings to an affordable housing developer with a track record as strong as Omni's is a home run for the residents, the neighborhood, and all of New York City," said Bloomberg. "When the former building owner allowed the properties to fall into disrepair and defaulted on its mortgage, the residents were understandably worried about the future. That's why the city stepped in, and (working with Fannie Mae every step of the way) we made a commitment to the residents that we would not allow the buildings to fall into the wrong hands and let the cycle repeat itself. Thanks to Fannie Mae, senator Schumer, congressman Serrano and others, we've put an end to the uncertainty of these properties, and we're confident that Mo Vaughn and Omni will do right by the residents - and that's something all of us can cheer."

"A new owner committed to affordability and building maintenance is the perfect holiday gift for Ocelot tenants, who have living for far too long under stress in crumbling buildings," said Schumer. "It is great news that Fannie Mae has stepped up and worked with mayor Bloomberg, HPD and my partner, congressman Serrano to finally find a way out of this housing mess. I recently called on Fannie Mae to negotiate with New York City and sell the endangered buildings to a preservation buyer who will fix up the building and ensure they stay affordable, and they have done just that."

"Today's announcement that Omni New York is the successful bidder for the Ocelot portfolio is very positive news for the tenants of these troubled buildings," said Serrano. "From the start of this whole ordeal, I have stood side-by-side with the tenants in saying that the properties must land in good hands. Omni New York has just such a reputation and I am sure under the leadership of Mo

Vaughn, these buildings will see immediate repairs and the improvements that are so urgently needed. I applaud the steadfast resolve of senator Schumer, HPD commissioner Cestero and all others involved for ensuring a positive outcome to this sad situation."

"The council is proud to have worked with HPD, Fannie Mae, senator Schumer, and congressman Serrano to ensure that the Ocelot buildings were put in the hands of a responsible developer with a good reputation," said Quinn. "Now we need to use that success as a model for dealing with similar buildings around the city. That's why we've formed a Predatory Equity Task Force, which will allow us to quickly respond to foreclosures around the city, and find creative new policies to prevent problems before they escalate."

"Fannie Mae's decision to accept Omni's bid for the Ocelot loan portfolio is outstanding news. This is a big step in the right direction that puts these properties on the path to finding responsible ownership. Omni brings a track-record of success and has worked with the city on some of our most challenging and distressed properties," said Cestero. "Throughout this process we used our development, enforcement and preservation expertise to arrive at this successful outcome which will now serve as a model to help us tackle the most at-risk buildings in the south Bronx and citywide. As we move forward HPD stands ready to work with Omni, our elected officials, and partners to ensure that the needs and concerns of the tenants and the neighborhood are served."

"Fannie Mae worked closely with HPD, Deutsche Bank, other stakeholders and our regulator to select Omni New York LLC as the winning bidder of the former Ocelot notes," said Bacon. "By selling the mortgage debt to a local company with a strong track record of rehabilitating affordable housing, we are facilitating a rapid transition of the properties to a responsible new owner who will be able to offer long-term stability to the tenants living there. The welfare of the tenants has remained a top priority for Fannie Mae."

"Omni is thrilled to have been chosen as the successful bidder for the Ocelot portfolio. I think this speaks volumes about our history as a responsible developer and our commitment to helping preserve affordable housing for families here in the Bronx and throughout New York City," said Vaughn, co-managing director and co-owner of Omni New York LLC. "This outcome could not have been achieved without the hard work and support of Fannie Mae and HPD, and we look forward to moving ahead with the foreclosure process and substantial rehabilitation of these properties."

"With today's announcement that Omni New York has been chosen as the successful bidder on the Ocelot portfolio we can finally see a path forward to restoring basic services to the families who have lived too long in deplorable conditions," said council member Maria del Carmen Arroyo. "I applaud the city and HPD for their ongoing efforts to preserve and maintain affordable housing in New York, and Fannie Mae for working to find a responsible development company to tackle this distressed portfolio."

"The transfer of the Ocelot portfolio to Omni New York LLC, a company that takes pride in its focus on the social aspect of neighborhood revitalization and partnerships with community and neighborhood groups, is very encouraging and represents a sound investment in the health, safety and future of the individuals and families who reside in these buildings," said council member Annabel Palma. "Omni has a track record of taking their management responsibilities seriously, and I am simply thrilled that preserving this block of affordable housing will not only help stabilize the lives of the residents, but the adjacent communities as well."

"We are very pleased that Fannie Mae has decided to transfer these mortgages to Omni, who has an excellent track record of revitalizing distressed housing and a demonstrated commitment to long

term affordability. We commend Fannie for taking into consideration the true value of this portfolio and for selling the mortgages at a price that reflects the building conditions and the rental capacity of the existing tenants. UHAB is committed to working with all parties to ensure that the transfer of ownership and subsequent renovations of these buildings moves as swiftly and smoothly as possible," said Dina Levy, director of organizing and policy for the Urban Homesteading Assistance Board.

HPD began working with Fannie Mae in the summer to identify a method of expediting new ownership of the Ocelot buildings. HPD, Fannie Mae and Deutsche Bank assembled a bidder pool of several non-profit and for-profit property entities in order to create a shortlist of candidates to participate in the bidding process. Each of these entities had a proven track-record of developing, constructing, rehabilitating, managing and operating affordable multifamily properties in New York City. Each entity had also shown the ability to manage severely distressed properties. In the interim, HPD, Fannie Mae and Deutsche Bank worked jointly to develop a disposition strategy for selling the notes that would eventually lead to the transfer of the properties to a new owner who would also evaluate the properties' rehabilitation needs.

The city has been aggressive in tracking the Ocelot buildings and making emergency repairs so that the tenants can have access to the essential services they are entitled to. Of the fourteen buildings, ten have been in HPD's Alternative Enforcement Program (AEP) and one additional building was added to AEP Round III in November. AEP is an additional HPD enforcement mechanism that is intended to alleviate the serious physical deterioration of the 200 most distressed multifamily dwellings in New York City. AEP charges and other emergency repair work done by HPD to fix immediately hazardous conditions at the Ocelot buildings and properties now total in excess of \$1.3 million.

Omni New York is a real estate development company that was founded by Vaughn and Eugene Schneur to help revitalize neighborhoods. Omni focuses not only on the real estate aspect of revitalization and development, but also on the social aspect of the revitalization of the neighborhood by partnering with community and neighborhood groups to provide social services to the community, such as after-school programs for children as well as skill-building seminars and classes for adults. Since December 2004, it has acquired and has either rehabilitated or is in the process of rehabilitating 2,937 units of affordable housing in NYS.