Welcome to our 2013 Annual Report

Quality affordable housing is not only an essential need, it is a powerful force that improves the lives of generations of families, enhances the quality of communities, and supports overall economic development. The City of New York has a proud track record of creating and implementing innovative affordable housing strategies and programs that transform and strengthen neighborhoods, create meaningful jobs and opportunity for thousands of New Yorkers.

In calendar year 2013, the New York City Housing Development Corporation (HDC) helped to finance more than 7,600 affordable homes, each of which can contribute to the empowerment of the families they house and the communities they serve. As we release our 2013 annual report, we also acknowledge the leadership and commitment of former HDC President Marc Jahr and past HDC Chairs Mathew Wambua and RuthAnne Visnauskas, and we thank them for their efforts.

Over the course of the year HDC issued a total of approximately $1.9 billion in bonds in support of affordable housing. The Corporation, in fact, was ranked number one by Thompson Reuters SDC, the leading data resource of the municipal bond industry, among all municipal housing bond issuers nationally in 2013. This feat is made all the more remarkable given that the rankings reflect issuers with statewide single and multifamily programs, while HDC’s activity is exclusive to New York City’s multifamily market.

While we look back with pride on a year, and further back on a legacy of great production and accomplishment by HDC, we are also all too aware that there is much work ahead. We are continuing to collaborate with our public and private partners to refine existing programs and to innovate, both to finance new construction and to protect the City’s existing affordable housing resources. This is a commitment that has recently been renewed and reinvigorated by Mayor Bill de Blasio’s new housing plan, released in May of 2014 and simply but powerfully named *Housing New York: A Five-Borough, Ten-Year Plan*, to create or preserve 200,000 affordable units in the coming 10 years.

As you read about the three housing developments that are highlighted later in this report (one in Brooklyn, one in The Bronx, and one in Queens), the true power of housing and what it can accomplish is evident. Each of these demonstrates the innovation of our programs, the commitment of our partners and, most notably, the benefits to - and contributions of - the residents who have made these buildings their homes. These three developments are representative of what we are collectively striving to achieve, and what we must continue to achieve, as we move forward in our ever-expanding mission to provide quality and attainable housing for New Yorkers.

Vicki Been
HDC Board Chair
and HPD Commissioner

Gary D. Rodney
President, NYCHDC
A Dual Challenge: Growing Population, Rising Rents

The population of New York City continues to grow, with estimates projecting that the City will have 300,000 more people in 2020 than it did in 2010. This reflects New York’s role as a center for the arts, education, and industry, and as a magnet that continues to retain current residents and to attract new ones. The growth is also the result of a rising birth rate and the fact that more New Yorkers are both living longer and choosing to remain in The City as they age in place. At the same time, rents are also on the rise. Between 2005 and 2012, after adjusting for inflation, New York City rents rose by 11% while renters’ incomes stagnated.

Given these combined tensions, it is no wonder the affordable housing shortage in New York City has reached a crisis point. In 2012, almost 55% of all rental households were rent-burdened (spending more than 30% of their incomes on housing costs). More than 30% of rental households are “severely rent-burdened” (paying more than a full half of their incomes on housing costs). These high rent burdens affect nearly every income group in every neighborhood across the five boroughs.

The demand for affordable housing is illustrated by the response to new housing lotteries since the City fully launched its new online resource, NYC Housing Connect, which enables the public to search the website for housing opportunities and submit electronic applications. More than a quarter of a million people have already registered for the site. The three HDC housing developments that marketed through the new system in 2013 each attracted more than 25,000 applications and averaged a ratio of approximately 300 applicants for every one unit of affordable housing those developments provided. These response volumes have only continued to grow as the public’s awareness about the Housing Connect system has increased.

A Dual Benefit: Building for People Who Then Help Build Their Communities

The opportunity for quality and attainable housing has a dramatic impact on the quality of life itself. By reducing housing costs, families can allocate more resources to other critical expenses such as medical care and education, which in turn contribute to improved health and long-term financial security. Comprehensive and compelling research is presently under way to more specifically explore and document the powerful benefits of the affordable housing that has been created by HDC and our partners at the New York City Department of Housing Preservation and Development (HPD). HPD, in partnership with research teams from several prestigious universities, is conducting a long-term study to quantify the effect on thousands of New Yorkers who have applied to our programs, half of whom received an affordable unit and half of whom did not. And one of the developments highlighted later in this report, Arbor House, is partnering with Mount Sinai Hospital to conduct a study about the effect that particular site’s green and active design elements have had on the health of its residents.

Ultimately, all three developments highlighted in this year’s annual report, and the residents who are spotlighted, already reflect the very real – and reciprocal – power and benefits of affordable housing. It is, after all, the residents of our housing who turn not only their apartments, but the surrounding communities, into their homes. This creates a foundation for those neighborhoods that can extend to a corresponding growth in quality commercial, retail, and cultural amenities that would not be possible without their support. This strengthened sense of community can also encourage healthier living and promote a shared resilience in the face of individual challenges. The descriptions of these three housing developments demonstrate how buildings and people both become collectively and inextricably woven into the very fabric of their communities.
Arbor House, an eight-story, 120,000-square-foot, LEED (Leadership in Energy and Environmental Design) Platinum-certified, green building was constructed on underused land formerly owned by NYCHA and is surrounded by NYCHA’s Forest House complex. Located in the Morrisania section of the Bronx, Arbor House is designated for low-income households earning no more than 60% AMI, which translated to no more than $49,800 for a family of four during the development’s initial rental process. There were preferences for some units for NYCHA residents, and others for formerly homeless households. Residents have first priority for renting the 43 sub-level parking spots.

Features & Amenities
ABS Architects, which designed Arbor House, incorporated elements into the building that meet the City’s Active Design Guidelines to promote physical health and reduce obesity through indoor and outdoor fitness areas and by encouraging stair use. Arbor House is also the first residential building in the country to have a hydroponic farm on its roof.

The building features artwork by local children and accomplished artist Béatrice Coron, whose work has been featured in the Metropolitan Museum of Art in NYC, the Walker Art Center in Minneapolis, Minnesota and the Getty Museum in Los Angeles, California. For Arbor House, Coron designed the decorative metal screens titled ‘Growing Strong’ that were incorporated into the fencing and window guards. Coron also designed the ornamental iron work for other Blue Sea Development projects with HDC in the South Bronx including The Eltona, The General Colin Powell Apartments, and The Melody. Her art can be seen in the City’s subway system, the North Carolina Airport, and a number of other public spaces around the country.

The American Cancer Society “Healthy High-Rise” Recognition
Arbor House and its developer, Blue Sea Development, received recognition from the American Cancer Society as a “Healthy High-Rise” in honor of the building’s 100% smoke-free policy. Air quality is further maintained with the use of low- and zero-VOC (volatile organic compounds) paints, adhesives, finishes, and sealants. Air ventilation and filtration are carefully monitored, and recycled materials are used throughout the building. The beautiful living green wall extending the length of the lobby helps to remove carbon dioxide and provide fresh oxygen. Mount Sinai Medical Center is currently conducting a study of residents’ health, tracking any changes and looking at the effects of active architecture on their lifestyle and habits.
THE ROOFTOP HYDROPONIC FARM

The 10,000-square-foot, pesticide-free hydroponic farm sitting on the roof of Arbor House’s eight-story building and operated by Boston-based Sky Vegetables, is the first of its kind on a residential building in the United States.

“Everything here is grown without soil,” said farm manager/lead grower Kate Ahearn. “It’s completely hydroponic. Right now we’re growing lettuce, kale, Swiss chard, watercress, and herbs. Other vegetables may follow. We sell to Fresh Direct, restaurants, hospitals, and other distribution centers in the Bronx, Brooklyn, and throughout the city.”

Although tenants have no direct access to the farm, they will soon be able to purchase shares in it and, according to their selected plan, will have varying amounts of produce delivered directly to a downstairs room in Arbor House once a week (or monthly, as they choose).

“We’re in the process of setting up a Community Supported Agriculture (CSA) arrangement,” said developer Les Bluestone, “to allow our tenants to buy shares in the produce. “We’re also working to get the local community association established as a CSA so that roughly 40% of the produce can be available to the community at large. But that will be a separate CSA from the one held by the building.”

Kate Ahearn pointed to the rows of delicate herbs sprouting from their tiny containers. “We seeded these last week,” she said. “We let them germinate, then bring them out into the light. By tomorrow they’ll be green. Production is really high at this site.”

The glass-topped roof is shaded to provide protection from the sun. Overhanging panels allow portions of the roof to be opened for ventilation. The farm uses an automated rainwater harvesting system, collecting rainwater from the roof and draining it down into the basement where it is caught by two 16,000-gallon tanks beneath the driveway. There it is cleaned, stored, and pumped back up to the roof for use on the plants. “That way we don’t have to buy our own water,” said Kate, “and it keeps all that water out of the storm drains.”

The Apartments

The building has 123 rental units of affordable and energy-efficient housing, including studios, one-bedroom and two-bedroom apartments. An additional apartment houses a superintendent who lives on-site. Energy Star LED fixtures are used throughout the building and low energy fans ventilate each apartment. Energy Star kitchen appliances, dual flush extra low-flow toilets and low-flow sink faucets and showerheads help keep energy costs down.

Another unique design element is that “learning thermostats” have been built into the walls of every apartment. This self-programming device tracks and “learns” tenant preferences for turning the heat or air conditioning on and off and creates a program based on those patterns. It senses when people are home and quickly learns to turn the heat or air down or off when the apartment is vacated. Tenants can use a smartphone, tablet, or computer to remotely adjust the temperature or, when home, change it manually. When used properly, the learning thermostat can lower heating and cooling bills by up to 20%. In addition, home energy use monitors in each apartment allow residents to monitor and control their electricity costs and consumption.
Ronald White

Ronald White, who served in the Marines and saw action in Vietnam, lived two blocks away on Jackson Avenue before coming here to Arbor House. “I know this neighborhood,” he said. “It’s good. They put the building in the perfect spot.” Ronald has been in the building since it opened and proudly declares, “I know just about everybody in it.” Unlike his former home, he is secure in the fact that his rent will stay affordable, and is still delighted that the amenities feel luxurious: “It’s a good building. Has good amenities,” says Ronald, adding “There’s a washer and dryer on every floor, a gym downstairs. A garage. You can’t beat it.”

Alicia Silvers

Alicia Silvers, her husband, five-year-old daughter and 19-month-old son live in a spacious two-bedroom apartment with a large living room and well laid out kitchen. An intercom equipped with a video screen lets them see who’s downstairs ringing their bell. “I love the kitchen,” Alicia said. “I love the building. It’s the nicest one I’ve been in in the Bronx.” Alicia is studying for her nursing degree, and her husband works for Google. They are hoping that their affordable rent at Arbor House will help advance their long-term plan to save money to buy a house for their growing family. But until then Alicia is enjoying her life at Arbor House. “I’m loving it. I use the fitness center. I take the stairs. Everything works great. Everything’s awesome.”

Luis Giurias

One resident at Arbor House, Luis Giurias, was even profiled in TIME Magazine, discussing how the development’s amenities and facilities have assisted his efforts to achieve a healthier life for himself and his family. Acknowledging in his interview with the magazine that he had never learned the importance of exercise when he was younger, Luis emphasized how Arbor House will give his own children a different life experience: “This will make it second nature to them to be healthy,” he told TIME. “It won’t be foreign to them like it was for me.”

To read more about Luis and healthy living in Arbor House, click here to read the full story in TIME Magazine.
The Mount Sinai School of Medicine On-Site Physical Activity Research Study

Obesity and type 2 diabetes are epidemic in New York City, and the South Bronx, where Arbor House is located, stands at the apex of that epidemic. Like many economically challenged neighborhoods, its residents often rely on fast, inexpensive “junk food” and avoid outdoor playground and recreation areas that may be deteriorating. Arbor House has incorporated design strategies to encourage its tenants to adopt a more active lifestyle. Will it work? A study is in place to see.

Elizabeth Garland, MD, MS, Department of Preventive Medicine, Mount Sinai School of Medicine, is conducting an on-site physical activity research study at Arbor House to determine the effects on its tenants of living in a building that actively promotes exercise and good health and follows the Active Design Guidelines.

Active Design Guidelines, which provide architects and urban designers with a manual of strategies for creating healthier buildings, streets, and urban spaces, include:

- Strategies for creating neighborhoods, streets, and outdoor spaces that encourage walking, stair-climbing, bicycling, healthy eating, active transportation, and recreation
- Building design strategies for promoting active living where people work, live, and play through the placement and design of stairs, elevators, and indoor and outdoor spaces

Arbor House has incorporated all applicable Active Design strategies in its building and in addition has placed the hydroponic farm on its roof to address the lack of access to healthy food in this particular Bronx neighborhood.

Dr. Garland’s on-site physical activity study began at Arbor House in June 2013 as soon as tenants signed leases and began moving in. They conducted focus groups, posed intake questions, measured height, weight, and BMI (body mass index) of those tenants who elected to participate. In all, 32 tenants, aged 17 and up (no children or seniors over 62 years old) are participating in the study.

While findings are not yet complete, preliminary feedback indicates that the study is indeed demonstrating that the building’s promotion of stair-climbing and healthy living is succeeding. Tenants are taking the stairs more often than the elevator, and doing more walking. This seems to have an effect on overall behavior: tenants report not only using the stairs more often in their own building, but also doing so at work and in other locations as well. Moreover, they’re becoming more conscious of their health and what they eat. They’re also using the Arbor House gym on a regular basis and encouraging their children to do the same. Younger children are particularly fond of the gym’s small, colorful climbing wall. Teens and adults as well like the programmed stationary bicycles.
The Financing Structure
Blue Sea Development was selected as the developer for Arbor House through a competitive process and purchased the land at a below-market rate from NYCHA. The total development costs for Arbor House were approximately $37.7 million. HDC provided both a loan from tax exempt bond proceeds as well a subsidy loan that together funded roughly 73% of the total construction costs. HPD provided subsidies as well. The project also generated low income housing tax credits that provided significant equity towards the total project cost. HDC worked in active partnership with the developer as well as HUD, The New York State Division of Housing and Community Renewal, HPD, the Bronx Borough President’s Office, the Bank of New York Mellon, JP Morgan Chase, and local community leaders to coordinate and finance this development.

The Developers
Blue Sea Development Company, a sustainable property owner, development, general contracting and management firm, has developed thousands of affordable housing units over the past 30 years. Committed to high quality, healthy and sustainable homes, the company has built many other remarkable buildings also in partnership with HDC. Three of them, all in the Bronx—The Eltona, The Colin Powell Apartments, and The Melody—were, respectively, the first, second, and third LEED Platinum affordable housing developments in New York State.

Co-owner Les Bluestone is a pioneer and a visionary in building green for affordable housing. Together with his partner, Avery Seavey, Les has been on the leading edge of the green building industry for decades. He says that when Blue Sea first started building green there wasn’t a lot of knowledge about it or materials with which to do it. “Now there’s both. Green is happening.”

Most of all, Les cares about his tenants. He cares about their physical condition, how much they exercise, what foods they eat, how much they spend on electricity. He wants to build great quality homes that will make people happy and keep them healthy. “We’re happy with the results here at Arbor House,” Les added. “Whenever we do a building, we plan things carefully. And every now and then we hit the mark. Certainly in terms of energy efficiency, we’ve hit the mark here. We’re also happy with the finishing touches we’ve been able to put in: The softer, more energy-efficient LED lighting, the wallpaper in all the corridors, the carpeting and wood and marble touches, the art work. The people like it. If you treat people with respect and show that you care about them, it comes back to you, sometimes in spades.”

Building Staff
Blue Sea’s staff clearly takes similar pride in the development. Superintendent Ivan Crespo proudly walks through the entire development, pointing out every feature, from the automatic watering system in the backyard, to the security cameras that ensure safety in all common areas, and even to smaller details like the filtered water fountain in the fitness center. “I know everybody in Arbor House, I was here when they did the ribbon cutting.” Says Ivan, adding proudly “I take care of the whole building, front and back.”

“The people like it. If you treat people with respect and show that you care about them, it comes back to you, sometimes in spades.”

– Les Bluestone
Arverne View is a massive 11 multi-family building, 1,093-unit Mitchell-Lama rental property occupying 13 acres of beachfront property along the Rockaway peninsula in Queens Community Board 14. The complex (formerly known as Ocean Village) began construction in the mid-1950s and was completed in 1974. Given their advanced age, the buildings were already facing physical and financial challenges, and had more than 350 vacant apartments by the time Hurricane Sandy devastated the area in October of 2012.

Features & Amenities
Four laundry rooms, 526 surface parking spaces, two playgrounds, two basketball courts, and several open plazas are included in the amenities. One Senior Center serves the entire complex. An on-site staff of 60 to 70 people, including porters, handymen, leasing, compliance, management, maintenance, and marketing personnel oversee the property. Two Arverne View buildings rise to 19 floors, providing sensational views of Jamaica Bay or the Atlantic Ocean. Two buildings are 11 stories each, and seven (the “townhouses”) are four stories tall. The entire property is wheelchair-accessible and smoke-free. Dogs and cats under 20 pounds are allowed. Residents have a special access area to the beach, secured by an electronic key system.

Currently, the complex has an on-site day care center, a grocery store, and a pizza shop. Approximately 10,000 square-feet of contiguous commercial space – all newly renovated – is yet to be filled. The owners are looking for a strong partner with a viable and sustainable program to occupy that space and they’re hoping to find someone to fill it within the next year. In the interim, they anticipate entering into an agreement with an innovative non-profit organization that activates vacant retail space for use by artists.
HURRICANE SANDY

Some Arverne View tenants, misled by their experience remaining in place during the far less damaging Hurricane Irene in 2011, elected to also stay in their apartments when Hurricane Sandy arrived on October 29, 2012. Sandy turned out to be the deadliest and most destructive hurricane of the 2012 Atlantic hurricane season, as well as the second-costliest hurricane in United States history. For those Arverne View residents who chose to ride it out in place it meant nearly three weeks without power—no electricity, no elevators, no heat, or running water.

New management was just coming on board. L+M Development Partners closed its purchase and refinancing deal with HDC and HPD one week after Sandy hit. In addition to the physical issues and repair needs that already existed at the site, the impact of Sandy was devastating, as described by L+M’s development director, Rick Gropper: “We had five feet of water, no power, the entire electrical infrastructure completely destroyed.” Undeterred, and aided by HDC and the City, L+M went to work.

Arverne View residents who were willing to leave were evacuated into temporary housing. Generators were brought in from as far away as Ohio. The lights went back on. The elevators ran and by mid-December, all tenants had returned.

In the aftermath of Sandy’s fury, Arverne View played a significant part in serving the community. Through a coordinated effort with HPD, the NYC Department of Homeless Services, and L+M, 10 area households displaced by the hurricane were immediately relocated to Arverne View. The development served as one of the largest relief stations on the Rockaway peninsula. A triage center, managed by Doctors Without Borders, was set up. Hot meals were served twice a day, and FEMA and the Red Cross visited the property on a daily basis to check on residents. Large quantities of food and supplies were donated by L+M and its managing agent C&C Affordable Housing, and both warming rooms and cellphone charging stations were set up for residents and non-residents alike.
The Residents

Lola Vaughn
Eighty-six-year-old Lola Vaughn has been living in the same apartment on the 14th floor of Arverne View’s Building 2 since 1978. Lola is retired after working in Manhattan’s Garment District for 46 years. Now a widow, she has one daughter and several grandchildren who visit her frequently. Staying with relatives during and after Sandy, Lola remained in touch with her friends at Arverne View. When she heard that new owners had taken over the complex and restored power and water, she was eager to get back into her own apartment and community. She recalls that her neighbors were somewhat apprehensive about the change in ownership, but that those tensions quickly subsided as they saw more and more real, tangible improvements being made each day. “The place was becoming safer and nicer to look at.” That positive momentum has continued. “I’m very happy with all the new changes,” said Lola. “It is a whole new ballgame here.” And Lola is an active contributor to Arverne View’s renaissance, running the site’s Senior Center on a volunteer basis. “She’s amazing,” said Rick Gropper of L+M. “We’ll probably name the Center after her.”

Lillian Moya
Lillian Moya grew up in the Sheepshead Bay section of Brooklyn, where she still lived with her father before moving to Arverne View’s Building 1. She found an advertisement for Arverne online, was called for an interview that November, and moved in the following month. Lillian lives with her two-year-old autistic son, Jose, who goes to school in the mornings and has therapy from noon to 5:00 every afternoon. Lillian says she’s really happy at Arverne View and if she hadn’t found this apartment, she would still be living with her father in Brooklyn. Lillian is so happy in fact that she proudly adds: “I’ve even helped market the complex to new tenants.”

Barbara McLean
Barbara McLean is an artist and student pursuing an education in social policy and advocacy online at SUNY Empire State College. She grew up in Hudson County, NJ, but was living on Shore Front Road in Queens when Sandy hit. Barbara’s apartment experienced minimal flooding, but her landlord’s unit was severely damaged. When the landlord decided he needed Barbara’s unit to rehouse his own family, she was given one month to find another place to live. She learned about Arverne View via an internet search, submitted her application in January 2013, and moved in shortly thereafter. L + M Development Partners promised her an apartment that had been completely renovated and she says: “They delivered. My apartment faces both the Atlantic Ocean and Brooklyn. I’ve got glorious views of the city and gorgeous sunsets over the ocean.” What more could an artist ask for? “Living at Arverne View gives me an opportunity to pursue my education and work on my art. I love the neighborhood,” Barbara said, “and its proximity to the beach.”
THE REHABILITATION

After Sandy hit, L+M immediately tracked down 10 generators from Ohio and brought them to the site. They worked with The U.S. Army Corps of Engineers, HDC, HPD, City Hall, and Con Edison, combining resources to bring power back to the complex within about three weeks.

“We were actually operating on generators until February 2013, which was very expensive,” Gropper noted. “Fortunately, we were covered by flood insurance. We were getting oil deliveries every day—10,000 gallons for each of the generators per week.”

By the time power was restored and tenants were moving back, thanks to the financing provided by HDC, the other repairs were already underway. L+M renovated 1,093 kitchens and bathrooms, gutted bathrooms, put in new outlets, tubs, vanities, and plumbing. They also replaced all boilers, fixed the electrical structure, and re-landscaped the common areas surrounding the site.

One thing Sandy did was allow the developers to rethink the scope of work, adding extensive resiliency measures that had not previously been planned. Generators were placed on the roofs of the mid- and high-rise buildings. A flood barrier was installed along the beach. Drainage was added and all planting and landscaping plans were approached differently as a result.

Improving security was also a focus. The site perimeter was secured with fencing and gates were installed around the property as well as new locks on the building entryways. An intercom system connected to each apartment, and tenants were given key FOBs for electronic access. The new state-of-the-art security and access system also involved the installation of cameras throughout the complex, activity is monitored from a central location and recorded.

In addition to the functional needs of the property, the developers also addressed its aesthetics, working with a firm of design architects to reimagine and transform the Arverne View community. After extensive work to repair and secure the physical integrity of the buildings, they were each painted. Several shades of gray were used, and a wood color was applied to the balconies to provide accent and make the complex look more like a development that belongs by the beach.

The success of all these rehabilitation efforts is evident in the results. Four-hundred fifty vacancies were filled within an eight-month period, and Arverne View stands as a testament to the wisdom of preserving and investing in existing, irreplaceable affordable housing, and the resilience of the Rockaway Community and the City as a whole.
The Financing Structure
Arverne View’s financing required two phases totaling almost $100 million. The Phase I financing closed on November 9, 2012, just 11 days after Hurricane Sandy devastated the area. HDC provided the new owner with financing for the acquisition of the previous debt on the development from the Empire State Development Corporation (ESDC) as well as a portion of the construction costs related to rehabilitation of facades, roofs, common areas, and bringing the hundreds of vacant units into habitable condition. ESDC assigned the Interest Reduction Payment (IRP) contract relating to the property to HDC and HDC issued taxable bonds to finance an IRP-supported loan. Additionally, the project was transferred from state to city Mitchell-Lama supervision upon construction closing.

Phase II Financing
L+M completed the renovations associated with Phase I approximately six months ahead of schedule and approximately 400 vacant units had been rented and occupied within 15 months of Sandy’s landfall. Based on HDC’s commitment to take out any additional debt, Citibank agreed to provide a subordinate unsecured taxable bank loan in the amount of $17.17 million at an interest rate of 2.5% with interest accruing in order to allow the work for Phase II to begin. In October 2013, HDC issued additional debt (the total recycled tax-exempt debt on the project is approximately $72 million) to take out the Citibank taxable loan and fund additional repair work. The total rehabilitation budget was almost $60 million. The two-phase tax-exempt financing is expected to be insured through the Federal Housing Administration (FHA) Risk Share Program upon conversion to permanent financing in the fall of 2014.

The Developers
L+M Development Partners, Inc. has been an innovator in developing quality affordable, mixed-income and market-rate housing, while simultaneously improving the neighborhoods in which it works, since 1984. A full-service firm, L+M are experts in development, construction, management, fund management, acquisition criteria, and commercial leasing. The company takes pride in investing not only in developments, but also in people. Its long-standing dedication to the communities it serves is demonstrated through the job training and after-school programs it offers as well as its annual scholarship fund and the substantial support it provides for local nonprofit organizations.

We’ve played a part in transforming a community for some 4,000 people.

– Rick Gropper

L+M Development Director Rick Gropper explains the firm’s particular commitment to Arverne View, describe it as being “at the nexus of a number of things we’re good at—creative and complicated financial structures, preservation, rehabbing, recapitalizing and repositioning distressed assets, and community development.” Gropper continues, “We’ve played a part in transforming a community for some 4,000 people. And we’re proud of that. We’ve created a place that people feel they’re a part of and are generally happy with. This is good for the residents and good for us as owners.”
More New Yorkers are choosing to remain in their city as they age, creating a clear demand for more affordable housing geared to support their needs. Riverway Apartments is one such building: a seven-story affordable senior living facility in the Brownsville section of southeastern Brooklyn for tenants aged 62 and over. The residence, which opened to widespread community acclaim, has 114 one-bedroom apartments, all of which are rented to households earning up to 40 or 50% of Area Median Income (which for individuals translated to annual incomes of no more than $23,240 or $29,050 respectively during Riverway’s initial rental process). The tenants, who are most often on a fixed income, pay no more than 30% of their adjusted gross monthly income for rent. The remainder of the cost is subsidized by project-based Section 8 vouchers provided by the New York City Housing Authority (NYCHA), one of several agencies with which HDC collaborated on the development.

**Features & Amenities**

The building features a landscaped rooftop garden, which helps to reduce heating and air conditioning costs by absorbing less heat than a traditional roof. All common areas are equipped with LED lighting, which is the most efficient available, its bulbs using at least 75% less energy than traditional incandescent bulbs and last 25 times longer. Additional special features include a ground-level outdoor landscaped recreation area, an activity room, a private lounge, a laundry room, and storage space. Eighteen parking spaces, including four spaces for drivers with handicaps, are available to tenants at no cost. All interior and exterior areas are fully accessible as the entire building is designed to accommodate people with disabilities. Common area hallways have handrails on both sides. There is 24-hour security on-site, and a monitored video feed operating in real time off-site.

**The Senior Center**

Of particular note is the building’s Senior Community Center, which at nearly 10,000 square-foot of ground-level space, is among the largest in any affordable housing development in Brooklyn. It is run by Catholic Charities, funded by an operating contract with the New York City Department of the Aging (DFTA). The Senior Center offers case management services and benefits analysis, exercise and health programs, intergenerational recreation programs, computer literacy classes, and other free support services. It is also a pleasant place for seniors to socialize and enjoy a meal with their peers. Services are provided primarily for the residents of Riverway Apartments, but are also available to other seniors living in the community.
The Apartments
Select units at Riverway are already handicapped-accessible and all can be readily adapted to meet state and federal handicap accessibility requirements and address the changing needs of the residents as they age. Every bathroom has a shower with a seat, oversize medicine cabinets, and appropriately placed handrails. There are also casement windows, which allow easy opening and closing, and tenant-controlled dual heating/air conditioning units. Frost-free refrigerators and self-cleaning ovens make it easier for seniors, some of whom are living alone for the first time in their lives, to do their own housekeeping. Allaying the fears of family and friends, each apartment also comes equipped with a high-tech audio/visual security system. Emergency call buttons link to a live, off-site security system that connects directly to the City’s Emergency Medical Services (EMS).

The mixed-use senior residence was designed by Terjesen Associates, an architecture firm with a reputation established over 30 years for quality design of healthcare, residential, and commercial properties.

The Residents

Elizabeth James

Elizabeth James, age 74, retired after working in banking for over 30 years, including 10 years on the night shift at Bank Leumi. Prior to her move to Riverway, Elizabeth had lived in the Bedford Stuyvesant section of Brooklyn where she and her late husband raised their children.

In January 2013, Elizabeth was forced to move after being unable to meet a steep rent increase. But after applying to Riverway Apartments, she is now happily ensconced in her apartment there. Elizabeth is enjoying how truly “new” it all is – from the new appliances she has in her unit to the new friendships she’s cultivating in the Senior Center. “They have trips, group meetings, guest speakers, even a nutritionist and individual counseling. I go to them all,” she says and adds that when she recently broke her wrists, “Not a day passed when one of my neighbors wasn’t bringing me food or checking up on me.” And while her children were initially worried that their mother would be on her own for the first time in her life, they needn’t have been. “I was afraid I would be a burden on my children. And that I would lose my independence,” says Elizabeth, “But here at Riverway, I have my independence. I’m living alone and loving it!”

“I was afraid I would be a burden on my children. And that I would lose my independence. But here at Riverway, I have my independence. I’m living alone and loving it!”
Willean Cowen

Willean Cowen, age 65, has been living in Riverway Apartments with her husband for approximately one year now. Her family previously lived in a NYCHA building in Brownsville. Willean raised three children there and worked as a teacher’s assistant in a Bay Ridge public school. She applied to Riverway after her daughter, who searched for senior housing on the internet, came across a posting for the development. Willean submitted her application two days before the deadline, and two months later learned that she was accepted. At Riverway, Willean participates in aerobic classes, yoga, Bingo and other games, and loves socializing with her peers. Her family visits often and she enjoys girl-talk with her daughter and new friends in the building. And it is those activities that have given her a fresh look at life: When her grandchild began school, Willean acknowledged feeling a little uncertainty about how she would spend her time. But Riverway Apartments has given her a more optimistic outlook as well as a healthier lifestyle. “This housing means a lot to me,” she says. “More than I can express. It is a life-altering experience.”

Rufina Cabrera

Rufina Cabrera, 68, had been living with roommates in an overcrowded apartment in The Bronx before arriving at Riverway Apartments with the clothes on her back and whatever she could carry in two Macy’s shopping bags. She is a retired teacher and home attendant and the mother of two grown sons. But for Rufina, retirement does not mean inactivity. At Riverway, she’s a whole-hearted member of the community, volunteering as a cook for the monthly birthday celebrations that are given by the tenant association and management. She also volunteers as part of a security watch in the building’s lobby, dedicating three to four hours a week to this task. And like so many in the building, Rufina makes it a point to check on any neighbors who may be sick or ailing, quickly noting that they have done the same for her when she was in need. “I have caring neighbors here and a wonderful building staff,” says Rufina, “I feel safe. I believe I have arrived in heaven.”
The Financing Structure
Riverway Apartment was funded by a consortium of public and private entities, including HDC, the U.S. Department of Housing and Urban Development (HUD), and the Dormitory Authority of the State of New York (DASNY). The development of Riverway Apartments was a joint venture between SKA Marin, Inc. (a for-profit developer) and the Calvary Church of God, Inc. (a non-profit developer).

The development was built on land formerly owned by New York City, which was conveyed by the New York City Department of Housing Preservation and Development (HPD) to the developer at a cost below market rate. Limiting the purchase price of the land acts as an additional subsidy, helping to ensure the targeted affordability by reducing the total cost of developing the building. Of Riverway Apartments’ total development cost of approximately $36.1 million, HDC provided $20.2 million in tax-exempt bonds toward construction financing that was paid down to $7 million after construction was completed. HDC also provided $6.3 million in subsidy financing from its corporate reserves. HDC’s funding of the tax-exempt proceeds allowed the project to generate $13.3 million in tax credit equity. HUD provided mortgage insurance for the project and DASNY provided $1.5 million in financing. HPD made $6.9 million in federal HOME funding available and NYCHA provided the project-based Section 8 vouchers to subsidize rents for eligible tenants.

The Developers
SKA Marin, Inc. is a well-known real estate development and consulting firm, specializing in affordable housing, senior living, and community development in the New York metropolitan area. The firm has had a presence in New York affordable housing development since 1985 and was selected to develop this site through a competitive process.

Sydelle Knepper, founder of SKA Marin, has more than 25 years of experience in community-based development, public policy consulting, and construction management. In addition to the comprehensive services and amenities, Sydelle’s attention to detail is evident in several other aspects of the development she takes pride in, from the cascading waterfall in the ground-floor garden to the comfortable benches stationed on every floor so tenants can rest while waiting for the elevators. “You can go the extra mile in affordable housing, have that extra feature, so people can be proud to live here.”

“I want to make this a home where seniors can age in place,” Sydelle continues, revealing a commitment that is personal as well as professional. “I grew up with both my grandparents living in our house. It was a family, and this building is very much a family.”

Management
It’s a sentiment that clearly resonates with the building staff as well. Francisco Lazaro, Riverway’s property manager, points to the many communal activities he observes, from early morning tai chi in the garden to monthly birthday parties hosted by management and tenant meetings that have turned into “international potluck dinners” where residents bring dishes to share with one another that are reflective of Riverway’s cultural diversity. Observing and participating in that community makes his position at Riverway more than a job, as Francisco will readily admit. “I love all my residents here at Riverway,” he says, “We are a family, so we work like that.”

The Calvary Church of God, a joint partner in Riverway Apartments, has been very active in the Brownsville community for approximately four decades facilitating lunch programs, medical care visits, and other support for local seniors among a wide array of other community services such as youth programs. These other services now include after-school care for children in the community aged 6-14, which is one of the programs operated out of Riverway’s Senior Center and creates an interesting, intergenerational platform that has not gone unnoticed by Calvary’s dedicated staff. “The interaction between the generations is delightful,” says Steven Hutchinson, the organization’s youth director.
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