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MAYOR MICHAEL R. BLOOMBERG, HOUSING AUTHORITY CHAIRMAN TINO HERNANDEZ, AND HOUSING DEVELOPMENT CORPORATION PRESIDENT EMILY YOUSOUF ANNOUNCE \$2 BILLION FOR MODERNIZING AND PRESERVING CITY'S PUBLIC HOUSING

\$600 Million in Bonds to be issued on Behalf of City's Housing Authority

Mayor Michael R. Bloomberg, New York City Housing Authority (NYCHA) Chairman Tino Hernandez and New York City Housing Development Corporation (HDC) President Emily Yousouf announced today the most comprehensive plan in the City's history to modernize and preserve thousands of units of public housing. The \$2 billion program consists of \$600 million from a bond issue and a capital allocation of approximately \$1.4 billion that NYCHA expects to receive from HUD over the next four years. Deputy Mayor Dennis Walcott, HDC Chairman and Housing Commissioner Shaun Donovan and State Assembly Member Vito Lopez, Chairman of the Assembly Housing Committee, joined the Mayor at the Williamsburg Community Center for the announcement.

"We are undertaking the most aggressive efforts to build and preserve affordable housing for more New Yorkers and today's announcement further demonstrates our commitment," said Mayor Bloomberg. "We are preserving housing for more than 420,000 City residents to maintain a City of Opportunity for future generations. As the City's Housing Authority marks 70 years of providing housing for low- and moderate-income New Yorkers, this collaborative effort with the Housing Development Corporation will ensure that the 345 public housing developments will be here for years to come."

"NYCHA's commitment to providing affordable housing takes a major step forward today," said NYCHA Chairman Tino Hernandez. "The proceeds from this bond will allow us to finance and accelerate vital construction initiatives such as building façade repairs and roof replacements, thereby preserving thousands of apartments for our residents. This would not have been possible without Mayor Bloomberg's leadership and vision to preserve and expand affordable housing in New York City. I also want to commend our partners HUD Assistant Secretary Michael Liu and HDC for all of their support."

(more)

The initiative will be undertaken in two phases. The first includes the issuance of \$300 million to finance exterior brick work, and roofing in 129 developments with over 500 buildings across all five boroughs. The second phase will focus on major system replacements to extend the life of the buildings' infrastructure such as heating and plumbing; installation of automated boilers; kitchen and bathroom upgrades; modernization of underground utility lines, elevator replacements, and modernization of intercom systems which will increase efficiency and improve services to residents.

Bronx public housing residents will benefit from kitchen and bathroom repairs done at Edenwald Houses. At Whitman and Ingersoll Houses, at two of the NYCHA's oldest developments, a huge capital undertaking will renovate 3,500 living spaces, bathrooms, kitchens and elevators. At Linden Houses in Brooklyn, a new 25,000 square feet community center with a 150-seat auditorium, a kitchen, and outdoor recreational space will be constructed. At Brownsville Houses, interior stairs will be rebuilt. In Manhattan's Randolph Houses, 36 aging walkup buildings will be completely gutted and renovated and small studio apartments will be converted into larger, more desirable apartments. At Ocean Bay Houses in Queens, work will include the upgrade of all buildings facades, the rehabilitation and expansion of the day care center, a new community center and the installation of new sewers. In Staten Island, Mariner's Harbor, kitchens will be upgraded and entrances will be renovated, and at Berry Houses, windows will be replaced.

"The Mayor's emphasis on affordable housing has fostered an environment where we are encouraged to look for innovative ways to tackle problems facing the City," said HDC President Youssouf. "This transaction is a result of that positive environment. HDC is the nation's number one issuer of bonds for affordable housing, leveraging this expertise creates a cost effective way for NYCHA to accelerate its preservation plan."

HDC and NYCHA worked collaboratively to develop a plan to securitize the Housing Authority's annual capital funds appropriation from HUD. In 1998, the Federal Government passed legislation enabling HUD to develop a Capital Funds Financing Program, which allows public housing authorities to pledge a percentage of their future federal assistance to the payment of debt. This type of transaction has already been done by over 30 housing authorities across the country.

NYCHA was created in 1934 and is the nation's largest and oldest housing authority. The City's public housing stock is home to thousands of working New Yorkers and their families. There are 175,159 families and approximately 419,606 authorized residents living in NYCHA buildings.

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