{Ayala} Land Use No. 240 consists of an Exemption Area located at 213 East

125 Street (Block 1790, Lots 1, 3, 5, 6, p/o 8, 41, 44, 45, 46 and 101) in Manhattan

Council District 8, known as MEC 125 Street – Parcel B West. These lots are

designated Urban Renewal sites within the Harlem-East Harlem Urban Renewal

Area. The City Council approved ULURP actions for these sites on October 7,

2008 (Resolution Nos. 1649, 1650, 1651 and 1652), including disposition

approval, UDAAP designation and project approval, as well as Urban Renewal

Plan Amendments and Zoning Map changes, in order to facilitate the East 125th

Street Project. Parcel B of this project consists of three parcels designated for

residential, commercial, community facility, and entertainment development.

The East 125th Street project is the result of a collaborative effort between City officials and local community participation that lead up to a Request for Proposals issued by EDC in 2006. Parcel C was the first to close in 2010, and completed construction with 49 residential units targeted to households with incomes between 40% - 60% of AMI (plus one super's unit) and approximately 5,600 sf of retail space. A portion of Parcel A was the next to close in 2015, and completed

construction with a cancer treatment facility known as the Proton Center, which is expected to open in 2019.

Land Use No. 240, which is Parcel B West, will be the third phase of the East 125th Street project to close. HPD has submitted for the record a timeline for Parcel B that details the condemnation and acquisition process that took place between 2008, when the project was approved, and 2018.

With that process now completed, the sponsor plans to construct a 19-story elevator building that will include a mixture of unit types: 98 studios, 97 one-bedroom, 179 Two-bedroom, and 28 three-bedroom apartments, as well as two superintendent units, for a total of 404 units.

Of the total unit count, 268 units will be targeted to families with household incomes at 40%, 50%, 100%, and 130%-165% of AMI, with initial rents estimated at 37%, 47%, 80% and 130% of AMI. The balance of 134 units will be market rate. The project also includes 62,204 sq. ft. of commercial space and 5,887 sq. ft. of community facility space, as well as 121 parking spaces

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

L.U.

MEC 125 Street November 1, 2018

and 10,000 sq. ft. of publicly accessible open space. Currently, the plan includes a supermarket as the retail anchor tenant, and a dance studio in the community facility space.

HPD is currently before the Planning Subcommittee seeking Article XI tax benefits for the Exemption Area in order to assist with maintaining affordability of the rental units for a term of 40 years, coinciding with a Regulatory Agreement establishing certain controls upon the operation of the Exemption Area. The cumulative value of the tax benefits is approximately \$135,607,967 and the net present value is \$36,483,616.

Presentation to:

New York City Council-Subcommittee on Planning, Dispositions, and Concessions

November 1, 2018



AGENDA:

- Developer Team
- Program Summary and Residential Affordability Mix
- Architectural Presentation
- MWBE Participation and Hiring Highlights
- Timing and Next Steps



DEVELOPER TEAM:

The Richman Development Group

New York City-based housing developer

El Barrio Operation Fightback

East Harlem-based affordable housing and mixed-use developer

Hope Community Development

East Harlem-based affordable housing developer

Monadnock Construction & Development

New York City-based housing developer and general contractor

Bridges Development Group

New York City-based retail developer



PROGRAM SUMMARY:

Project Use:	Square Feet / Unit Count:		
Residential	371,654 SF/ 404 units		
Commercial/ Retail	62,204 SF		
Cultural/ Community Facility	5,887 SF		
Parking	24,175 SF/ 121 spaces		
Public Open Space	10,000 SF		
TOTAL	473,920 SF		



AFFORDABILITY MIX:

*corresponding to the Points of Agreement

*plus two super units

Income Mix:	Distribution:	Subtotal:	
37% of AMI	12%	49	
47% of AMI	13%	52	
80% of AMI	25%	101	
130% of AMI	16%	66	
Market-rate	33%	134	
TOTAL	100%	402	



RESIDENTIAL MARKET COMPARABLES:

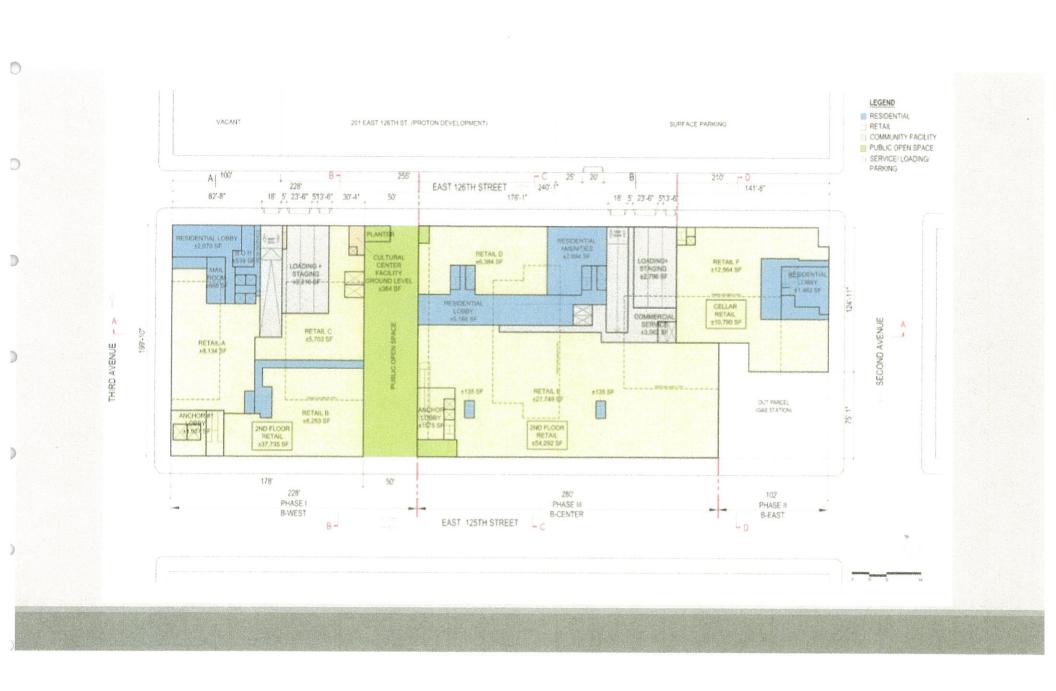
	Parcel B-West	211 Third Ave.	245 E. 124 th St.	1 Morningside Dr.	92 Morningside Dr.	400 W. 113 th St.
Rent/ Unit Type:	130% AMI Rent	Market Rent	Market Rent	Market Rent	Market Rent	Market Rent
Studio	\$1,979	\$2,266	\$2,550	\$3,845	\$3,200	\$3,376
1 BR	\$2,487	\$3,060	\$2,627	\$4,650	\$3,450	\$3,638
2 BR	\$2,993	\$4,139	\$3,625	\$6,410	\$6,000	\$5,685
3 BR	\$3,452	n/a	n/a	\$7,085	\$6,448	n/a

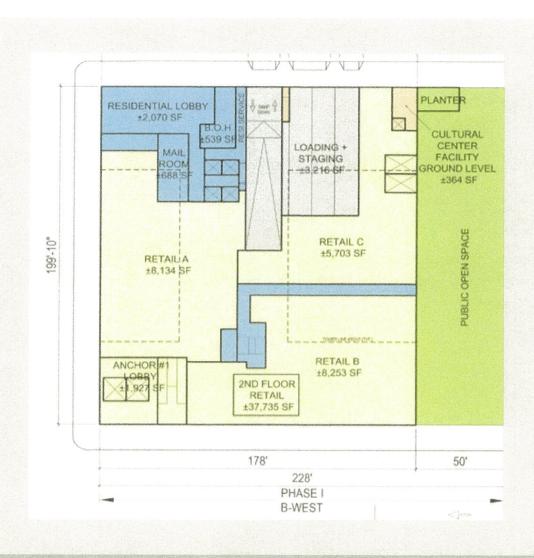


ARCHITECTURAL PRESENTATION:

- Site Plan (all of Site B)
- Typical Floor Plans (cellar, 1st, 2nd, 3rd, 4th +)
- •Rendering (looking at Third Avenue at E 125th Street)







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MWBE PARTICIPATION AND HIRING:

- •We will enter a MWBE Utilization Plan with EDC and in cooperation with the E. 125th Street Development Task Force with a commitment to diverse business participation for the project, which will overlap with HPD's MWBE Build-Up Program that has a goal of awarding approximately \$14.6 million in subcontracts to MWBE companies
- There will be a Local Hiring Plan, in cooperation with the E. 125th Street Development Task Force, that will provide mechanisms to encourage neighborhood resident/local hiring during post-construction
- Post-construction jobs will be at or above living wage, and health insurance will be provided
- •The planned retail anchor tenant is a unionized grocer

TIMING AND NEXT STEPS:

- Closing in December 2018
- Construction Commencing in January 2019
- TCO expected in September 2021



{Salamanca} Land Use No. 232 consists of two non-contiguous city-owned vacant lots located at 3120 Park Avenue (Block 2418, Lot 6) and 451 East 159th Street (Block 2381, Lot 43) in Bronx Council District 17 and is known as Park and Elton Apartments. These two properties were initially acquired by the City through in rem title foreclosures for non-payment of taxes, in 1984 and 1977 respectively. They were then also designated as urban renewal sites in the Melrose Commons Urban Renewal Plan and condemned through that Plan in 1998. On June 27, 2007 (Resolution No. 939), five (5) sites were included in a ULURP action approving the disposition, UDAAP designation and project approval for development through HPD's New Foundations Program. The original project was envisioned as a 53 unit homeownership project across all five lots with affordability levels between 80% and 130% of AMI. Because of the downturn in the housing market in 2008, the developer was unable to secure private bank financing, therefore the project stalled.

In an effort to move forward with the project, the developer and HPD determined a two-phased scattered site rental project was the best option. Therefore, on May 25, 2010 (Reso. 262), the City Council approved an amendment consisting of a change in development program from New Foundations to the Low Income Rental

Program as well as a UDAAP tax exemption. The first phase has been developed across three lots consisting of 37 residential units affordable to households earning up to 60% AMI.

The two lots under Land Use No. 232 remain city-owned and undeveloped as the project experienced further delays due to the illness of the principal of the initial development team. Once the development team was reconstituted the project started moving again. Currently, the developer proposes to construct two buildings on the two undeveloped lots under HPD's Neighborhood Construction Program and upon completion, the project will consist of Thirty-Seven (37) units of rental housing, plus a superintendent's unit. The project includes a 15% Homeless set aside, which is approximately 6 units, for families referred from other social service agencies, such as the Department Homeless Services (DHS). There will be a mixture of unit types including 18 studios, 10 one-bedroom and 10 two-bedroom apartments. Targeted household incomes will range from 30% to 110% of AMI and rents will range between 27% to 90% of household income. Therefore it is anticipated that a studio will rent for \$354 for a studio at the 27% AMI level to \$2,037 for a two-bedroom apartment at the 90% AMI level. Building amenities for both sites include a laundry room, bicycle storage, and rear yard

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

L.U. 232

Park and Elton

October 23, 2018

accessible only to tenants. No commercial space, community facility, or parking spaces are planned for the project.

Today, HPD is before the Planning Subcommittee seeking to amend the Project Summary changing from the New Foundations Program to the Neighborhood Construction Program and approval of Article XI tax benefits for 3120 Park Avenue (Block 2418, Lot 6) and 451 East 159 Street (Block 2381, Lot 43) which will assist with maintaining affordability for these rental units. The tax exemption will be in place for a term of 40 years coinciding with the length of the regulatory agreement. The current cumulative value of the exemption is approximately \$6,699,908 with a net present value of \$1,713,406.



An HPD Neighborhood Construction Program Project:

Park and Elton Apartments

3120 Park Avenue/451 East 159th Street

Mixed-Income Rentals in Melrose, The Bronx

Xenolith Partners LLC

Xenolith is focused on the development of affordable, mixed-income and mixed-use projects that will revitalize communities and provide quality housing opportunities for all.

Xenolith prides itself on strong relationships, breadth and depth of expertise and ability to execute.

Xenolith is a New York City SBS-certified Women-owned Business Enterprise

- Developing & preserving more than 800 units of affordable housing including:
 - Moderate rehab of the 180-unit Belmont-Venezia Apartments
 - New construction of 115 affordable senior units at Del Sur, 1490 Southern Boulevard, Crotona Park East
- Developing community facilities in the Bronx with JASA, the LGBT Network and Soundview Presbyterian Church

Xenolith Partners LLC

AFFORDABLE HOUSING

Del Sur 1490 Southern Boulevard, Bronx



Coney Island Commons, Brooklyn





Belmont Venezia Apartments, Bronx



Stanley Commons, Brooklyn

Xenolith Partners LLC COMMUNITY FACILITIES

Coney Island YMCA Lap Pool

Prince Joshua J. Avitto Community Center









Coney Island YMCA

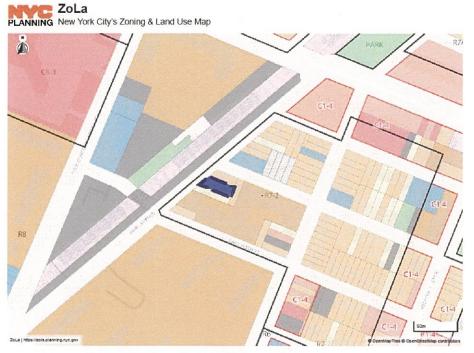
Prince Joshua J. Avitto Basketball Court

Proposed Development:

Park and Elton Apartments 3120 Park Avenue/451 East 159th Street Mixed-Income Rentals in Melrose, The Bronx

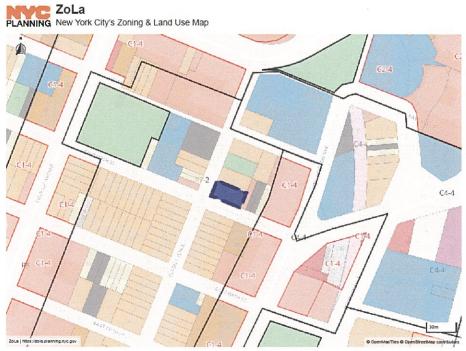


Land Use and Zoning



3120 Park Avenue CB1

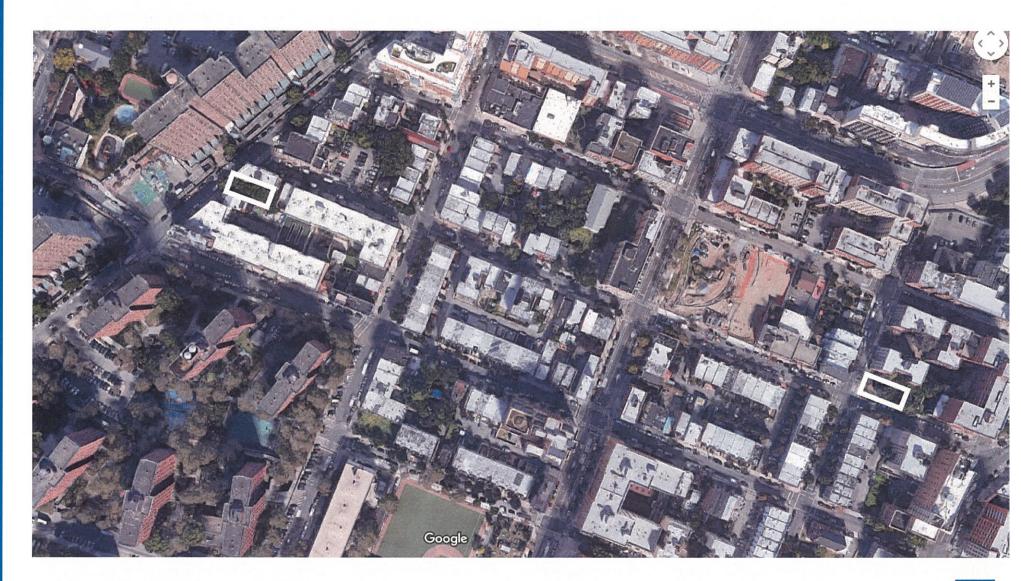
- One & Two Family Buildings
- Multi-Family Walk-Up Buildings
- Multi-Family Elevator Buildings
- Mixed Residential & Commercial Buildings
- Commercial & Office Buildings
- Industrial & Manufacturing
- Transportation & Utility
- Public Facilities & Institutions
- Open Space & Outdoor Recreation
- Parking Facilities
- Vacant Land



451 East 159th Street CB3



Aerial View





Existing Building/Site

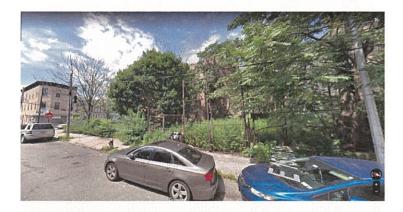
HPD Cornerstone sites intended to be developed as middle income affordable housing

Park: 4,353 sfElton: 5,100 sf

Both sites vacant

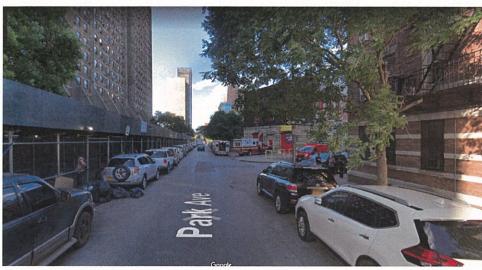
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Infill sites constrained by adjacent existing buildings











3120 Park Avenue





451 East 159th Street ("Elton")





Building Features

3120 Park Avenue	451 East 159th Street ("Elton")	Total
15,548 sf	17,902 sf	33,450 sf
14 units	24 units	38 units

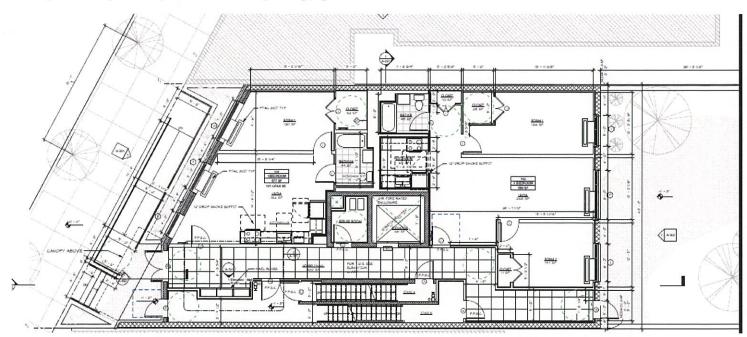
Amenities include:

- Energy Star appliances, lighting, plumbing fixtures
- Lightweight, economical C-joist construction
- Welcoming well-lit lobbies and elevators
- Curbside trees and landscaping
- Rear yard recreation spaces
- Bike storage
- Laundry room
- Live in super (w/ 2-bedroom apt)

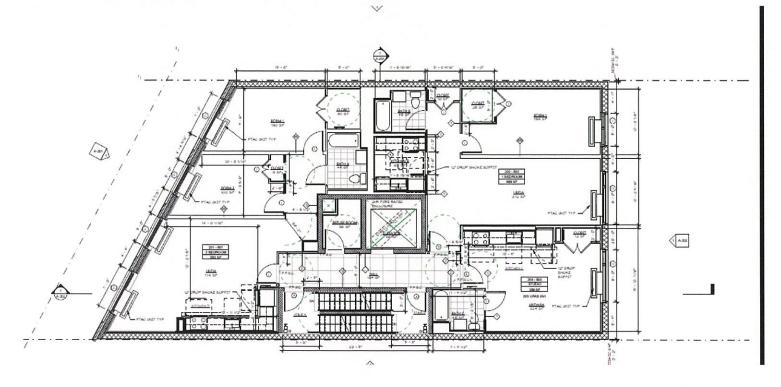


3120 Park Avenue

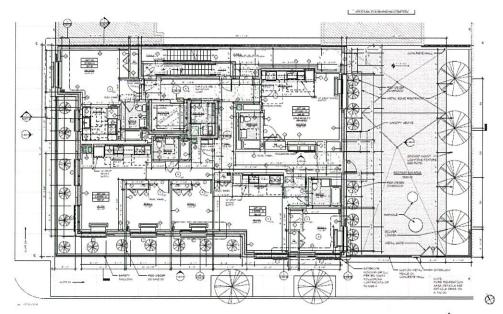
First Floor



Typical Floor

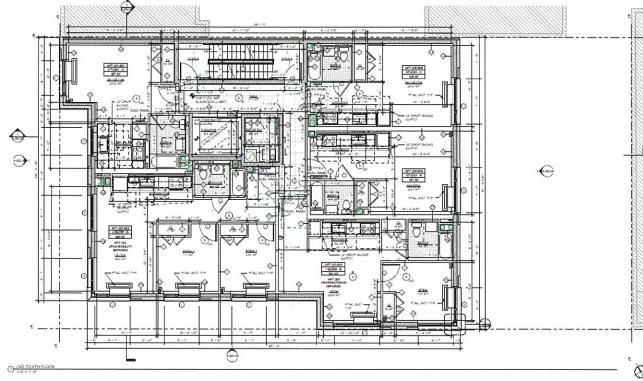


451 East 159th Street ("Elton")



First Floor

Typical Floor



Project Partners











Project Partners



- Transforming underserved neighborhoods into thriving and vibrant communities.
- \$10.5B Invested
- 193,000 units created
- 965,000 people housed
- Construction and Permanent Financing



- Assists in the development, promotion, and revitalization of affordable homeownership and rental housing through specialized programs and services that benefit the residents of New York City
- 35 years
- 60,000 units
- Predevelopment Loan

Project Partners



- Architecture and interior design
- Founded 1984
- Excellence through collaboration
- Committed to environmental building technology
- Multiple architectural awards for excellence
- Extensive affordable housing experience



- Complete construction services from pre-construction, through foundation, framing, interior and exterior work, and to completion
- Bronx-based
- Founded 2006
- Highest level of quality and safety
- HireNYC
- M/WBE Build Up

Sources and Uses:

TDC of \$11.9MM (\$356 psf, \$313,000/unit)

Construction Costs: \$9.25MM (\$263 psf + 5% contingency)

Soft Costs: \$2.65MM (22% of TDC)

- Higher than usual environmental costs due to soil conditions and need for environmental reports for each site without having a large number of units to carry the cost.
- No Developer Fee (per HPD NCP term sheet)

Capital Stack:

CPC First Mortgage

HPD NCP Subsidy

OER Brownfield Incentive Grant (BIG) Program

EPA Revolving Loan Funds

10% Developer Equity

Financing Challenges:

- Small unit count means subsidy sources are limited (i.e. too small for LIHTC)
- Two separate buildings not as cost efficient as carrying all units within one building
- Interest rates and construction costs are rising in tandem

Unit Mix:

	30% AMI	50% AMI	80% AMI	90% AMI
Studios	6	2	3	7
1BR	2	1	2	5
2BR	<u>1</u>	<u>1</u>	<u>2</u>	<u>5</u>
Total	9	4	7	17
	24%	11%	18%	45%

	30% AMI	50% AMI	80% AMI	90% AMI
Studios	\$354	\$667	\$1,184	\$1,342
1BR	\$456	\$847	\$1,493	\$1,690
2BR	\$557	\$1,026	\$1,802	\$2,037



According to the 2012-2016 American Community Survey data for the relevant census tracts:

- Median Income in Melrose is approximately 30% AMI
- 13% of local households would qualify for 50% AMI units
- 20% of local households would qualify for the 80% and 90% AMI units

Market rate rents are just above the 90% AMI levels. These 80-90% AMI units are helping to support the debt needed to finance the lower income units.

Units will be marketed through NYC Housing Connect. Income certifications and leasing to be conducted by PWB Management Corp.

Construction Hiring Contact Information

Jacqueline Cordero
DP Group General Contractors
icordero@dpgroupgc.com



The City of New York Bronx Community Board Three

1426 Boston Road, Bronx, NY 10456 felephone No :(716)378-9054 - Fex No :(718)378-9168/8226 E-241 Addiess (Assessed Spagnor model)

Government Services a rekretance for NYC Court Bo, Pife go to: pronemations:

RUBEN DIAZ, JR. BRONY BOROUGH PRESIDENT

GLORIA ALSTON CHAIRWOMAN

JOHN W. DUDLEY DISTRICT MANAGER.

March 1, 2017

Ms. Terri Belkas-Mitchell Principal, Xenolith Partners LLC 23 Water Grant Street, #3D Yonkers, NY 10701

RE: 451 EAST 159% STREET (BLOCK 2381, LQT 43)

Doar Ms. Belkas-Mitchett:

This is to inform you that at a meeting of Bronx Community Ederd Three hard Tuesday, April 11, 2017, in which there was a quorum of members prosent and entitled to vote, approval was given for the Park and Elton Apartments development to be Incated at 451 East 159th Street in Joint Foonomic Development/Land-Lise and Housing Committee on February 21, 2017.

Bronx Community Board Three understands that the building will have 24 units affordable to households earning up to 90% and 100% of the area median income ("AMI") and that construction is scheduled to start in September 2017.

The board further supports the designation of Xeno ith Partners LLC as the Developer/Sponsor and supports its application for an Article XI tax abatement.

John Durkey District Manager

Gloria Alston, Chairwoman

Rev. Bruce Rivera, Charperson, Housing, Lang Use and Economic Development committee

Rev. Grupe Rivers. 14 Vice-Charperson

Chide Reinu 2rd Vice-Chaircerson

EXECUTIVE OFFICERS Rev. Idas A. Nana, Jr. Secretary

Kathy-Johnson-Moma. Treasurer

Rea Jones

Sgt-ai-Arms/Partementarian



BRONX COMMUNITY BOARD #1

3024 THIRD AVENUE BRONX, NEW YORK 10455

(718) 585-7117 • Fax (718) 292-0558 • E-mail; brxch1@optonline.net

SERVING PORT MORRIS . MOTT HAVEN . MELROSE

DOROUGHPRESIDENT GEORGE L. RODRIQUEZ CHAIRPERSON

RUBEN DIAZ, JR.

CEDRIC L. LOFTIN DISTRICT MANAGER

All-America City

Lebruary 27, 2017

Ms. Andrea Kretchiner Principal Xenolith Panners LLC 390 Capitol Avenue Harrford, CT 06106

Re: The Project - Park and Elian Apartments 2120 Park Avenue, Brook NY Block 2418. Lot 6 within the Velrose Communis Ethan Renewal Plan Area

Dear Principal Kretchmer.

This correspondence is forwarded to the principals of Xenolith Partners J.J.C regarding the firm's planned new construction project of 14 units in the Melrose section of Bronx Community Board One. The first presented the project's scope to members of the Board's Recommic Development I and Use and Housing Committee on Wednesday, February 8, 2017. The Committee approved the project on that date and moved its review to the Full Board of Bronx Community Board One on February 23, 2017 for consideration,

Please be covised that per Board has voted in the affirmative to provide this tener of support for the proposed project and its associated Tax Abstenced. This approval is contingent upon the firm making its best of four for residents of our Board to participate in employment opportunities thering construction by your General Contractor, SKT Development and upon project completion. As with past construction project's our Board has the ability in ussist you regarding that participation.

We look forward to our joint engagement on this project and its development. If you have any questions, I can be reached at 1(718) 585-7117 or via email hexcht@optonline.net,

Cadrie L. Lotter District Manager

> Honorable Ruben Diaz, Jr., Bronx Borough President · famorable Rathel Salamanco, Councilperson, 17th Council District Mr. George L. Rodriguez, Chaircerson Mr. Tec. Weinstein, Director of Bronx Planning New York City Department of Housing, Planning and Development

Thank you.

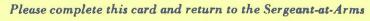
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I represent: 125 Mec Center LLC / The Kichian group
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THE COUNCIL THE CITY OF NEW YORK Appearance Card I intend to appear and speak on Int. No Res. No. 0246
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Name: Stephen Hayes
Name: Stephen Hayes Address: 125 W. 12th Street, MY, MY
I represent: \$ 125 MEC CONTIL LLC.
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