Mayor Bloomberg’s New Housing Marketplace Plan
Doing More with Less in an Age of Austerity
New Housing Marketplace Plan
Most ambitious municipal housing plan ever undertaken

• 11 years (2004 – 2014)

• $8.5 Billion (not including bonds)

• Create and Preserve 165,000 units of affordable housing

• Serving 500,000 low-income and middle-class New Yorkers
The New Housing Marketplace Plan is on track

- 110,134 units started to date
  - 65% are *low-income family units (71,501)
  - 35% are moderate/middle-income family units (38,633)
  - 72% are preserved units
  - 28% are newly constructed units
  - 69% are rental
  - 31% are homeownership

Today, there are new challenges and new opportunities

- We are finding new ways of getting to 165,000 units despite the economic and budgetary constraints
- The affordable housing plan now reflects a changed market and uses innovative means to make NYC as affordable as possible

*Low-income units are for qualifying families at 80% HUD AMI or less
The Landscape for Affordable Housing has Changed

The Opportunities Within the Crisis

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<th>Challenges</th>
<th>Then (2004-2008)</th>
<th>Now</th>
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<td>• Rising rents and sales prices</td>
<td>• Financial distress in multi-family stock</td>
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<td>• Displacement of tenants</td>
<td>• Diminishing availability and increased cost of credit</td>
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<td>• Increasing levels of market rate development</td>
<td>• Falling private investment</td>
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<td>• Diminishing availability of land</td>
<td>• Rising foreclosures</td>
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<td>• Increasing signs of physical deterioration</td>
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<td>Opportunities/Tools</td>
<td>• Cross-subsidizing mixed income housing</td>
<td>• Reclaiming formerly assisted stock</td>
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<td>• Inclusionary zoning</td>
<td>• Preserving existing stock</td>
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<td>• Rezoning under-utilized land</td>
<td>• Investing in new communities</td>
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• HDC seeks to increase the supply of multi-family housing, stimulate economic growth and revitalize neighborhoods by financing the creation and preservation of affordable housing for low, moderate and middle income New Yorkers.

• Established in 1971 under laws of the State of New York as a public benefit corporation for the purpose of financing affordable multi-family housing in the City of New York.

• Bonds are special obligations of HDC; not the debt of State or City.

• HDC receives no tax levy and is self-supporting.

• Governed by a 7-member Board of Directors appointed by Mayor and Governor; chaired by Commissioner of NYC Department of Housing Preservation and Development.

• A staff of 164 manages $11 billion in assets, including a multi-family portfolio of 145,000+ units with $8.2 billion in mortgage loans and loan interests.

• AA-rated by Moody’s and Standard & Poor’s.
• HDC had committed to finance approximately 25% of the Plan’s total units (42,000 units), using over $500 million in corporate reserves (i.e.: subsidy).

• HDC has surpassed its original goals, financing 49,450 units (i.e. 45% of the current New Housing Marketplace Plan units) that include over 1.6 million square feet of new community and retail space. HDC has also financed an additional 20,139 units under the NYCHA Federalization Program.

• Since 2003 HDC has issued over $10 billion in bonds and invested over $1 billion of its corporate reserves for the creation and preservation of affordable housing in the New Housing Marketplace Plan.
HDC Balance Sheet

140% Growth in Assets Since 2003

HDC Fiscal Year: 11/1 thru 10/31
HDC Net Assets

69% Growth in Net Assets Since 2003

HDC Fiscal Year: 11/1 thru 10/31
LEVERAGE RESOURCES THROUGH COLLABORATIVE EFFORTS
Hunter’s Point South

• Collaboration between the Dept. of City Planning, Economic Development Corporation, Dept. of Housing Preservation and Development and NYC Housing Development Corp.

• The largest middle income development created in NYC since the 1970’s

• The site will have over 5,000 residential units of which at least 75% will be permanently affordable to middle, moderate and low-income families earning approximately $32,000 to $130,000 per year.

• The site will also include retail uses, community facility space, a public school, and more than 11 acres of waterfront park land and other public/private open spaces, and accessory parking. Green elements will also be incorporated into the construction.

• The winning proposal for Phase 1 offers that at least 75% of the units be affordable, exceeding the RFP’s 60% affordable goal.

• HDC has an anticipated investment amount of $220 million for affordable residential units on Phase 1, consisting of $180 million in tax-exempt bonds with use of an additional $40 million in recycled bonds.

• Hunter’s Point South is anticipated to attract over $2 billion in private investment and generate more than 4,600 jobs.
NYCHA, HUD, HPD and HDC Collaboration

Collaborative effort between NYCHA, HPD, HDC, New York State and the Federal Government

• Federalize 21 City/State-financed NYCHA developments containing 20,139 units.
  - HDC Bonds $410,000,000
  - Equity $210,000,000

• HDC/HPD Developments on NYCHA Land
  - Sites 18
  - Units 2,708
  - Total Investment $660,720,000
    - Tax-exempt $263,760,000
    - Taxable $298,260,000
    - Corp. Subsidy $59,100,000
    - HPD Financing $39,600,000

• HDC/HPD Pipeline NYCHA Deals
  - 4 Developments 655 units (approx.)
Preserve 1,800 units of HUD owned housing units and extend the affordability period.

- Purchased a portfolio of HUD notes on 10 properties in Manhattan, the Bronx and Brooklyn.
- This will ensure the physical and financial needs of each property are addressed while maintaining the City’s housing preservation goals.
Creating housing for the middle class through the conversion of stalled market-rate developments.

• Pilot program announced in July 2010

• $20 Million in initial pilot will convert as many as 500 units

• Target: Middle-class New Yorkers, earning up to $127,000 for a family of four
Stabilize and create new affordable housing out of buildings in financial and physical distress

- Goal is to restructure privately owned rent stabilized buildings in distress and gain affordable housing.

- This initiative marries HPD’s roles as code enforcer and affordable housing finance agency.

- 3 broad strategies: aggressive outreach to lenders and owners; work with HDC and private sector partners to restructure debt; work with federal partners to find new resources.
Thank you

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