

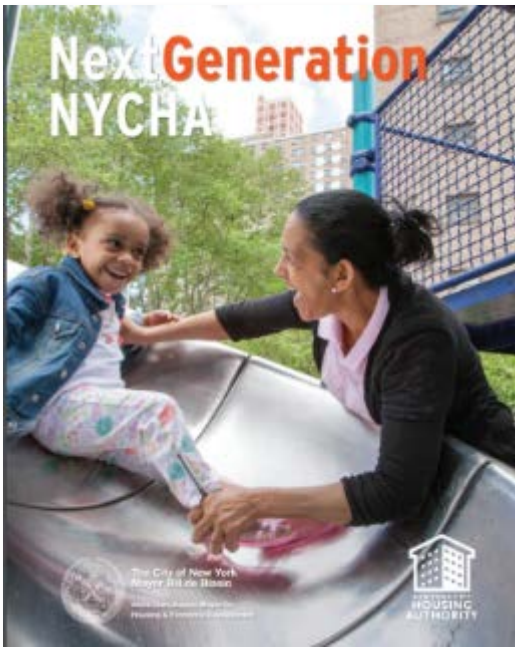


NextGeneration Neighborhoods

NH & RA Summer Institute
July 2018

NextGeneration Neighborhoods (NGN)

Goal: Build mixed-income housing on available NYCHA land to



- Generate revenue to preserve NYCHA portfolio
- Activate underutilized NYCHA land for mixed-income, mixed-use buildings
- Create affordable housing

NextGen Resident Engagement



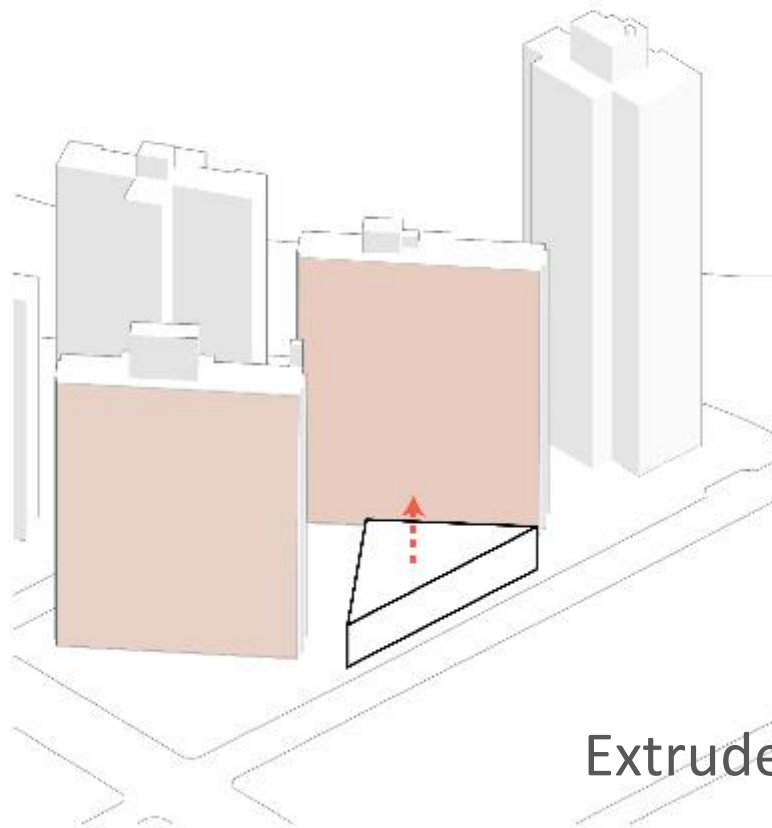
- Created a Community Principles document outlining resident preferences and concerns for the RFP.
- 13 meetings since designating Fetner Properties in May, 2017.



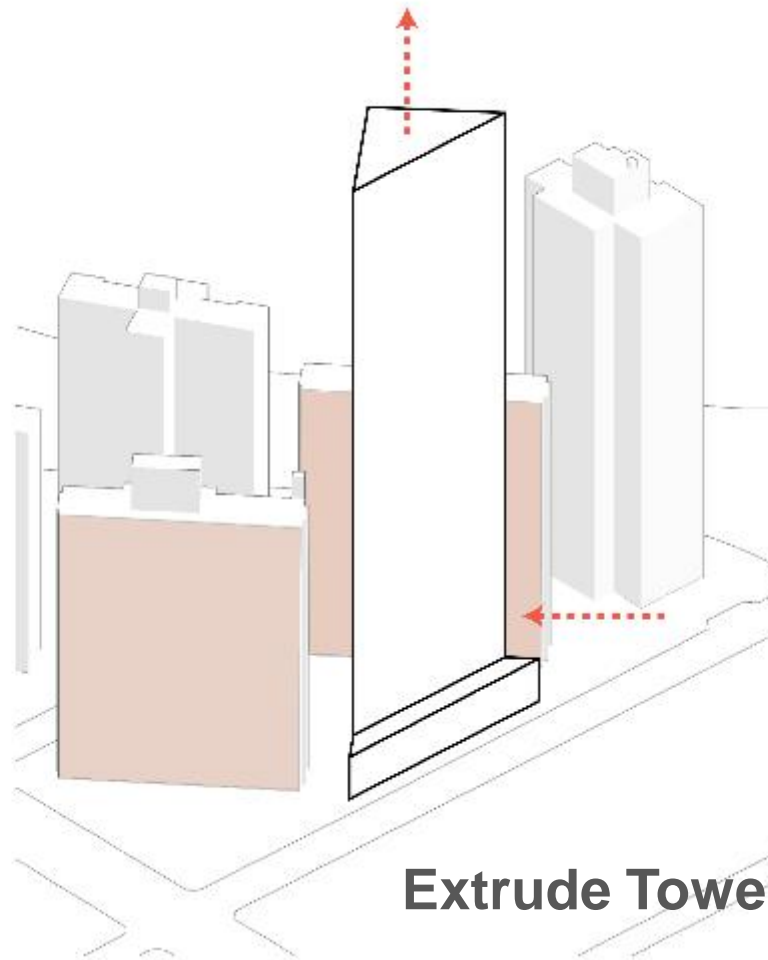
Design



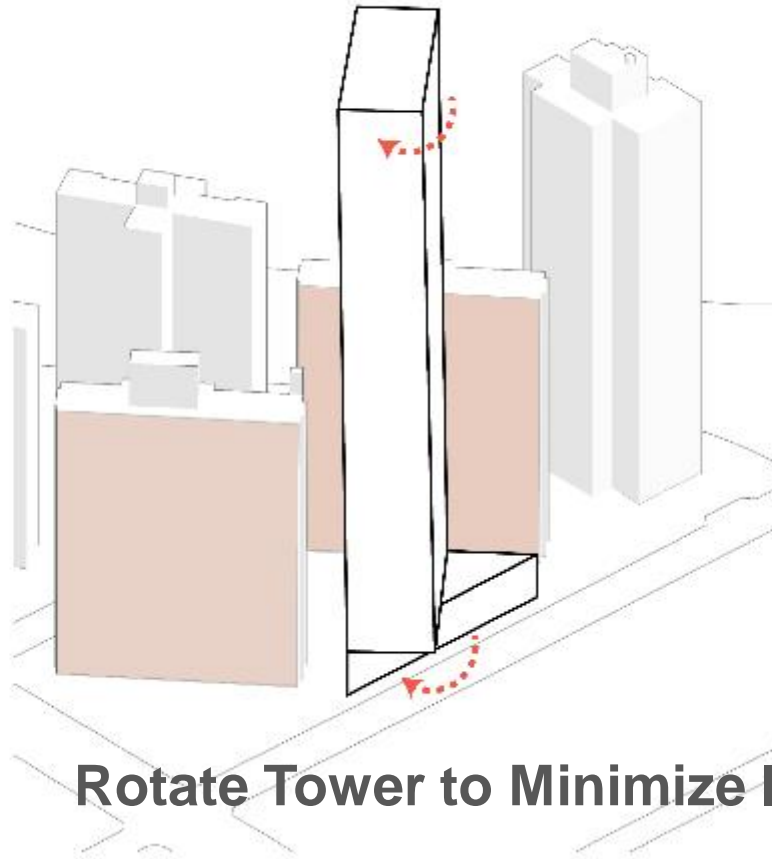
Aerial Image from South



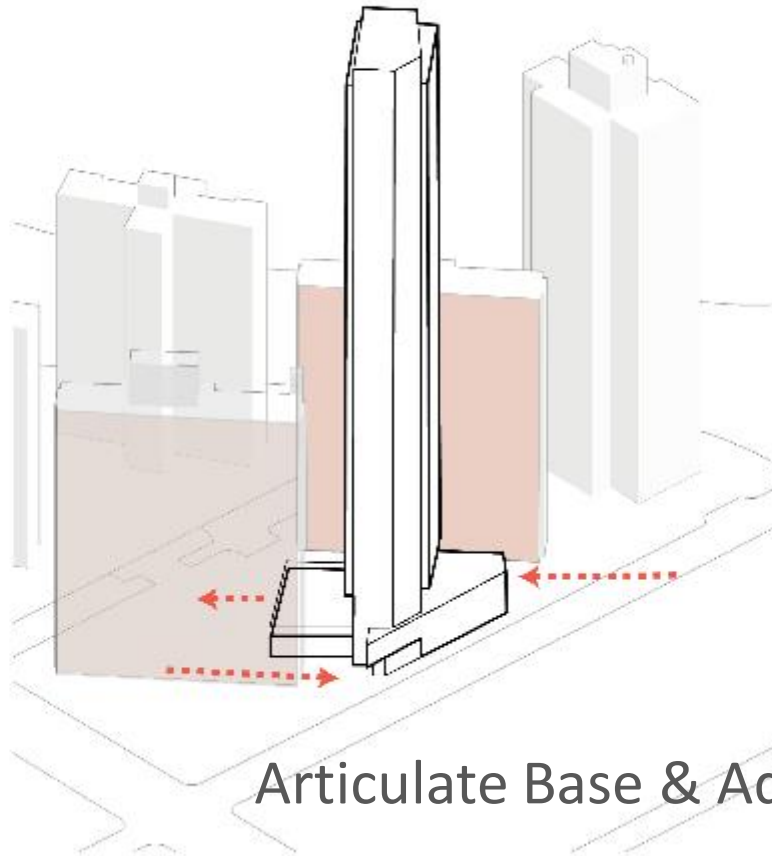
Extrude Ground Floor



Extrude Tower with Setback



Rotate Tower to Minimize Impact on Site



Articulate Base & Add Gymnasium







Housing Program

Housing Program

- Approximately 338 Units
- 50% Affordable / 50% Market
- Affordable Program is Compliant with City's Extremely Low & Low Income (ELLI) Term Sheet

Affordable Unit Mix

(% of total affordable units)

<u>Unit Type</u>	<u>Distribution %</u>
Studio	25%
1 Bedroom	45%
2 Bedroom	15%
<u>3 Bedroom</u>	<u>15%</u>
	100%

AMI Distribution (ELLA)

<u>AMI</u>	<u>% of Units</u>
30 % AMI	10%
40% AMI	15%
50% AMI	15%
<u>60% AMI</u>	<u>60%</u>
	100%

Principles of NextGen

- Affordable Units are Located Equitably throughout the building
- Entrances not Segregated
- Tenants of Affordable Units have Access to all Amenities



Economics

Construction Uses

<u>Uses</u>	<u>Affordable/ CF</u>		<u>Market Rate</u>		<u>Total</u>	
Land Payment	\$ -	\$0 /zfa	\$ 25,500,000	\$136 /zfa	\$ 25,500,000	\$78 /zfa
Hard Costs	\$74,700,000	\$443 /gsf	\$ 83,200,000	\$443 /gsf	\$157,900,000	\$443 /gsf
Soft / Financing Costs	\$21,400,000	\$127 /gsf	\$ 26,400,000	\$141 /gsf	\$ 47,800,000	\$134 /gsf
Total Uses	\$96,100,000	\$570 /gsf	\$135,100,000	\$720 /gsf	\$231,200,000	\$649 /gsf

Sources

<u>Construction Sources</u>	<u>Affordable/CF</u>	<u>Market Rate</u>	<u>Total</u>	
First Mortgage	\$ -	\$ 105,100,000	\$ 105,100,000	45%
HPD/HDC Subsidy	\$ 33,000,000	\$ -	\$ 33,000,000	14%
Deferred Dev Fee	\$ 13,100,000	\$ -	\$ 13,100,000	6%
Equity	\$ 50,000,000	\$ 30,000,000	\$ 80,000,000	35%
Total Sources	\$ 96,100,000	\$ 135,100,000	\$ 231,200,000	100%

Permanent Sources

First Mortgage	\$ -	\$ 105,100,000	\$ 105,100,000	45%
HPD/HDC Subsidy	\$ 33,000,000	\$ -	\$ 33,000,000	14%
LIHTC Equity	\$ 34,000,000	\$ -	\$ 34,000,000	15%
Brownfield Tax Credit	\$ 9,250,000	\$ 9,250,000	\$ 18,500,000	8%
Equity	\$ 19,850,000	\$ 20,750,000	\$ 40,600,000	18%
Total Sources	\$ 96,100,000	\$ 135,100,000	\$ 231,200,000	100%

Tax Abatement / PILOT

- Years 1–25: PILOT = 100% Tax Exemption
- Years 26–99: PILOT = 10% of Shelter Rents
- Taxes w/o PILOT: approximately 30% of Effective

Tax Abatement / PILOT

Year 1 Cash Flow without PILOT

~ 30% of EGI

Operating Cash Flow (Before Taxes)	\$2,865,000
Taxes	<u>\$3,000,000</u>
Operating Cash Flow (After Taxes)	\$ 135,000

Cash Flow

Affordable Cash Flow		Market Rate Condo	
Net Income	\$1,945,000	Net Income	\$9,740,000
Operating Expenses	1,570,000	Operating Expenses	1,700,000
Net Operating Income	\$375,000	Net Operating Income	\$8,040,000
Debt Service	0	Debt Service	5,550,000
Operating Cash Flow	\$375,000	Operating Cash Flow	\$2,490,000
Total Budget	\$96,100,000	Total Budget	\$135,100,000
Affordable NOI Yield on Cost	0.39%	Market NOI Yield on Cost	5.95%
Adjusted NOI Yield on Cost (adj. for Tax Credits & Subsidy)	1.89%	Adjusted NOI Yield on Cost (adj. for Tax Credits & Subsidy)	6.39%

Consolidated NOI	\$8,415,000
Consolidated NOI Yield on Cost	3.64%
Adjusted NOI Yield on Cost	5.78%



Development Team

Development Team

Lead Agency.....New York City Housing Authority (NYCHA)
Developer.....Fetner Properties
Architect of Record.....SLCE
Design Architect.....FX Collaborative
Mechanical Engineer.....Cosentini Associates
Structural Engineer.....McNamara Salvia

