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**HPD COMMISSIONER CESTERO AND HDC PRESIDENT JAHR CELEBRATE NYC AFFORDABLE HOUSING DAY WITH EVENTS IN ALL FIVE BOROUGHES**

**STATEN ISLAND: JOIN NYCHA CHAIRMAN JOHN RHEA AND RESIDENTS OF MARKHAM GARDENS AT RIBBON CUTTING CEREMONY TO CELEBRATE THE COMPLETION OF NEW RENTAL HOMES**

*HPD, HDC and NYCHA Partnership Yields First LEED Silver Affordable Mixed-Income Rental and Homeownership Development on Staten Island*

*New York City's New Housing Marketplace Plan – 100,000 Units and Counting*

Staten Island, New York, May 3, 2010 – New York City Department of Housing Preservation and Development (HPD) Commissioner Rafael E. Cestero, New York City Housing Development Corporation (HDC) President Marc Jahr and New York City Housing Authority (NYCHA) Chairman John Rhea joined the residents and developers of Markham Gardens to celebrate NYC Affordable Housing Day, marking the successful financing of 100,000 affordable homes created or preserved under Mayor Michael R. Bloomberg's New Housing Marketplace Plan (NHMP). Markham Gardens, a joint venture between The Domain Companies and The Arker Companies in conjunction with The Neighborhood Housing Services of Staten Island Inc. (NHSSI), is a new, sustainable mixed-income rental and homeownership development built on property formerly owned by NYCHA.

The NHMP, launched in 2003, was first envisioned as a five-year plan to finance the construction or preservation of 65,000 affordable homes for New Yorkers with a range of incomes and diverse needs. In early 2006 the plan—already viewed as the most ambitious and aggressive in the nation— was expanded to its current form: to enable the creation or preservation 165,000 affordable units by 2014. Since October, 2008 when the global recession began, HPD and HDC have continued to leverage the public and private funding necessary to begin work on nearly 17,000 additional units, outstripping any other city or state effort in the nation and reaching the 100,000 unit benchmark.

"Through our partnership with NYCHA, we are able to move ahead on many affordable developments that would otherwise be impossible to achieve," said Commissioner Cestero. "By conveying underused, or in the case of Markham Gardens, properties that have out lived their usefulness, to private sector developers of affordable housing, NYCHA is a key player in helping us to achieve the City's ambitious plans to create and preserve affordable housing. They, like our not-for-profit and for-profit partners here on Staten Island and in the other four boroughs are helping to create a more viable, affordable and livable city for all New Yorkers. We would not have reached this 100,000 unit benchmark without their commitment to this goal."

"Markham Gardens is the first large scale redevelopment project on a former NYCHA

property in collaboration with HPD and HDC, an example of the importance of collaboration in building affordable housing in New York," said NYCHA Chairman John B. Rhea. " This site originally was public housing and our collaboration resulted in an innovative financing solution to rehab public housing and also retain and reuse the site for a mix of incomes, from low and moderate income rentals, homeownership and 202 housing for seniors."

"This development is really a jewel and a rare opportunity for HDC to help create a real community on a large site," said Mr. Jahr. "These are sustainable homes, designed to become a neighborhood fitting for the borough of Staten Island. The new Markham Gardens is a great addition to our affordable housing stock in New York City, and because of the care with which it was designed and built; I know it will remain a valuable affordable resources for many years to come."

Originally, Markham Gardens was developed in 1943 to house workers during WWII that had been employed under defense contracts at the nearby shipyards. Following the war, Markham was designated as permanent housing for low-income residents and ownership of the complex was transferred to NYCHA. At 60-years-old, Markham Gardens was beginning to show its age. Rather than continue to a course of constant repairs to the deteriorating structures, NYCHA seized the opportunity to sell the site to a private developer, and working with HPD and HDC, the site has been with modern, high-quality standards that would better serve the range of incomes and housing needs of the Markham community. Every aspect of the development plan had been carefully planned with community members and residents opinions, more particularly throughout common recreation and gathering spaces, which the former boiler plant had been converted into a modern bi-level facility that includes the "Markham Gallery," a lounge featuring photographs and memorabilia regarding the history of the Markham Gardens community.

Alex Arker, Principal of The Arker Companies said: "We are honored to be a part of today's celebration of 100,000 homes financed under Mayor Bloomberg's New Housing Marketplace Plan. Without the support of HPD, NYCHA & HDC, Congressman Michael McMahon and State Senator Diane Savino, among others, we could not have realized our successful redevelopment of Markham Gardens. Markham Gardens is an example of a true public-private partnership in which a plan that reflected the desires of former Markham residents and the community has come to fruition."

"The new Markham Gardens Community is the product of years of close collaboration between the development team and our community," said Matt Schwartz, Principal of The Domain Companies. "Each aspect of the development, from the resident programs and after school activities to the architectural appearance and street names are the product of our close working relationship with our neighbors. The Markham Gardens that our community always believed was possible has finally become a reality."

The new Markham Gardens is a mixed-income development comprised of 49 three-story townhouse-style buildings. The 24 rental buildings include 240 apartments, 13 studios, 53 one-bedrooms, 111 two-bedrooms, 53 three-bedrooms, and nine four-bedrooms which are for rent to low- and moderate-income households. There are also 25 two-family homes available for sale to low- and moderate-income purchasers. A senior housing component with 80 units to be developed by the Sisters of Charity as a HUD 202 is in the works. The buildings include landscaped open spaces and a 6,000 square foot recreational center consisting of indoor basketball, exercise facility, computer center and classrooms. The most outstanding feature of the redevelopment plan is the maximization of "green" design features. Markham achieves LEED Silver certification from the U.S. Green Building Council, a first for Staten Island.

"When I lived at the old Markham Homes and had guests coming over or told people where I lived, I was ashamed, said returning Markham resident, Suzzette Sebbert. "Now when I have company come over or tell someone where I live, I am so proud."

Funding for the rental portion of Markham Gardens was provided by HDC in the form of \$25 million in tax-exempt bonds for the construction financing and a \$13.7 million permanent first mortgage loan. Equity proceeds, totaling \$33 million, from the sale of Low Income Housing Tax Credits and 421(a) negotiable certificates completed the financing. The homeownership development was financed by a \$7.3 million construction loan from Citibank. The NYS Affordable Housing Corporation (AHC) granted \$1.67 million to Neighborhood Housing Services of Staten Island (NHSSI) to help make the homes affordable for low-moderate income residents. This award was the largest awarded to any non-profit for construction financing and to a first time applicant. NYSEDA provided a grant of \$515,000 to ensure energy efficiency. NeighborWorks America granted \$250,000 to be used initially for construction financing, then for down payment/closing cost assistance for the homeownership units. HomeFirst grants from HPD will provide further down payment assistance to low-income purchasers.

"Markham Gardens is a wonderful example of private and public partnerships working together with residents to create opportunities for residents to live in affordable homes, improve their lives and strengthen their communities," said Alfred Gill, Interim Executive Director of NHSSI. "The design has transformed the landscape and added greatly to the aesthetic value of the neighborhood"

To celebrate NYC Affordable Housing Day and the 100,000 unit benchmark, HPD Commissioner Cestero and HDC President Jahr participated in an event in each of the five boroughs designed to highlight the diverse programs in the NHMP and the different types of housing developed or preserved. They started the day at True Colors, a Supportive Housing project currently under construction at 269 W 154<sup>th</sup> St in Manhattan that is the first facility of its kind designed to house gay, lesbian, bisexual and transgender youths; and travelled from there to Via Verde. Subsequent events include a ribbon cutting at Big Six at 59-55 47<sup>th</sup> Ave, in Woodside Queens, a nearly 900-unit Mitchell-Lama co-operative that opted to commit to another 30 years of affordability in return for low-cost mortgage refinancing through the HDC Mitchell-Lama Preservation Program, a community celebration honoring developers, housing advocates and tenants in East New York and Brownsville, Brooklyn at Riverdale-Osborne (424 Watkins Street), a former HUD multifamily complex purchased and renovated by CPC Resources and John Lenkenau and Demetrious Moragianis with funding from HPD, CPC, the NYS Division of Housing and Community Renewal and NYSEDA. The final stop of the day was Markham Gardens, a newly constructed mixed income townhouse community with both rental and homeowner units built at 70 North Burgher Avenue on a site formerly owned by the New York City Housing Authority.

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#### **About Mayor Michael R. Bloomberg's New Housing Marketplace Plan**

New York City's affordable housing program to build or preserve 165,000 units of housing — enough to house half a million New Yorkers — is the most ambitious and productive in the nation—creating housing as well as jobs for New Yorkers. In April, 2010 the City reached the critical benchmark of 100,000 units financed—representing an investment of \$4.5 billion to date by the City, not including roughly \$5 billion in bonds issued by HDC.

Led by HPD Commissioner Rafael E. Cestero, the Plan has been recast to maintain production momentum while confronting head on the economic challenges facing the

City, the State, the housing industry, the financial sector and individual New Yorkers and their families. In order to fulfill the NHMP goal of 165,000 units, HPD and the NYC Housing Development Corporation (HDC) are responding to market realities and focusing on three primary goals: strengthening neighborhoods, expanding the supply of affordable and sustainable housing and stabilizing families by keeping them in their homes. To read more about the NHMP, please visit <http://www.nyc.gov/html/hpd/html/about/plan.shtml>

#### **About the New York City Housing Development Corporation (HDC):**

The New York City Housing Development Corporation (HDC) provides financing for the creation and preservation of multi-family affordable housing throughout the five boroughs of New York City. HDC's programs are designed to meet the wide range of affordable housing needs of the City's economically diverse population. In partnership with the NYC Department of Housing Preservation and Development, HDC works to finance Mayor Michael R. Bloomberg's New Housing Marketplace plan to create or preserve 165,000 affordable housing units by 2014. Since the plan launched in 2004, HDC financed more than 44,000 homes for low-, moderate- and middle-income New Yorkers. The New York City Housing Development Corporation is rated AA by S&P and Aa2 by Moody's and is the nation's #1 issuer of multi-family bonds.

#### **About the NYC Department of Housing Preservation and Development (HPD):**

HPD is the nation's largest municipal housing preservation and development agency. Its mission is to promote quality housing and viable neighborhoods for New Yorkers through education, outreach, loan and development programs and enforcement of housing quality standards. It is responsible for implementing Mayor Bloomberg's New Housing Marketplace Plan to build and preserve 165,000 units of affordable housing by 2014. Since the plan's inception, nearly 100,000 affordable homes have been created or preserved. For more information, visit [www.nyc.gov/hpd](http://www.nyc.gov/hpd)

#### **About The Arker Companies:**

The Arker Companies has been building projects in New York for more than 30 years. Located in Floral Park on Long Island, the development company contracts, owns, and manages multi-family and single-family housing, and retail and office projects. It is one of the leading developers of affordable housing in New York in its building of more than 4,000 units, for rent and for sale. Arker also develops market-rate, commercial and mixed-used projects. Company principals are Sol, Allan and Alex Arker and Daniel Moritz.

#### **About The Domain Companies:**

Founded by Matt Schwartz and Chris Papamichael in 2004, The Domain Companies specializes in the acquisition, rehabilitation and development of affordable, middle-income and market-rate housing with a focus on community development. Domain has been involved in the new construction and preservation of affordable and middle income housing, acquisition and repositioning of distressed housing, historic restoration, brownfield redevelopment, seniors and special needs housing, neighborhood retail and office complex development.

#### **About Neighborhood Housing Services of Staten Island:**

Neighborhood Housing Services of New York City (NHS) serves the metropolitan area of New York, New York. Through financial empowerment and affordable lending, NHS enables individuals and families to invest in, preserve and improve their Neighborhoods,

their Homes and their Future. In addition to providing services throughout New York City, NHS is a community-based organization with targeted impact in the following Neighborhoods: **Bedford-Stuyvesant, East Flatbush, North Bronx, Northern Queens, South Bronx and Staten Island**. NHS is a chartered member of NeighborWorks America®, a national network of over 230 community-based organizations in all 50 states.

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