

# Novogradac Journal of Tax Credits

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## BFL Creates Affordable Housing in the Bronx

**Mark O'Meara, Staff Writer, Novogradac & Company LLP**

**A**n affordable housing property in the Bronx, New York, N.Y. will soon open its doors to people who have experienced homelessness, people with disabilities and survivors of domestic violence. A groundbreaking ceremony for Barrier Free Living (BFL), a 121-unit affordable supportive housing development, was held June 4. Construction on the property is expected to be complete by May 2015. A month later, it will welcome residents.



**Photo: Courtesy of Alembic Community Development**  
Barrier Free Living, a 121-unit affordable supportive housing development in the Bronx, N.Y., had its ground breaking ceremony June 4 and is expected to complete construction by May 2015.

“We want to address the issue of making permanent housing available for people with disabilities. While there are people with disabilities who can successfully live independently, we know that others need support services to be able to be successful living in the community,” said Paul Feuerstein, BFL’s president and CEO. “Our project is to get those who need supports out in the community living in supportive housing.”

The property is named after its nonprofit owner Barrier Free Living, whose mission is to “empower individuals with disabilities to live independent, dignified lives free of abuse.” BFL teamed up with Alembic Community Development on its first permanent supportive housing development. Alembic specializes in partnering with nonprofit community-based organizations to build affordable and supportive housing and community space.

“We partner with nonprofit organizations and assist them in realizing their vision. We provide development capacity. It’s ordinarily not our vision that we are trying to realize, but the vision of the nonprofit,” said Benjamin Warnke, principal of Alembic. “This was a pretty compelling project and we felt like it was a good match in terms of skill sets and temperament ... It was more about feel than science.”

### **BFL Provides Housing, Tenant Services**

The BFL property is comprised of two buildings: one building, on East 138th Street, will provide 50 affordable housing units to families whose head of household is a disabled survivor of domestic violence. In addition, there will be one unit for an apartment manager who will supervise both buildings. The second building, on East 139th Street, will have 70 units for individuals with disabilities who are survivors of domestic violence, severely disabled women who are in nursing home diversion programs and women

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who are disabled veterans. Units will be available for families and individuals earning at or below 60 percent of the area median income, which is equivalent to an annual income of no more than \$36,120 for an individual or \$51,540 for a family of four.

“Our goal is to prepare them for community living,” said Feuerstein. He said that the property provides permanent housing and residents are welcome to stay as long as they like, but that BFL sees the development as a step to self-sufficiency. “Eventually our goal is to help people move out and live on their own.”

This facility offers many amenities to help residents live as comfortably as possible, Feuerstein said. All units in both buildings will meet Americans with Disabilities Act (ADA) accessibility standards. Because many residents will rely solely on elevators to get in and out of their homes, two elevators will be installed in each building. Furthermore, buildings will offer 24-hour security. Staff will be on site five days a week to provide residents with social supports such as assistance negotiating federal medical and nutrition assistance programs. A child care center will be available for families living at 138th Street. BFL will offer children’s programs, as well as a backyard playground.

### **BFL Benefits from a Bounty of Funding Sources**

The \$42.5 million development was the beneficiary of almost \$1.6 million in Neighborhood Stabilization Plan 3 (NSP3) funds provided by the New York City Department of Housing Preservation and Development (HPD). HPD also provided more than \$4.4 million in subsidy loans from its Supportive Housing Loan program.

“[The NSP3 funding] helped close the gap. It was the last money in the deal,” said Jessica Katz, HPD’s assistant commissioner of special needs housing. “The goal of NSP is to create economic stabilization. We knew that construction of BFL would be a good economic driver for the area.”

Additionally, BFL received construction and permanent financing from New York City’s Housing Development Corporation (HDC). HDC provided \$20.5 million in bond financing during construction and a \$7.9 million subsidy loan. Citibank provided a \$16.9 million equity investment for the 4 percent low-income housing tax credits (LIHTCs) through a fund managed by The Richman Group. The New York State Homeless Housing and Assistance Corporation (HHAC) also provided \$7 million in permanent financing through its Homeless Housing and Assistance Program.

“BFL takes people out of the shelter system and puts them in supportive housing,” said Brett Hebner, assistant director for

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**Photo: Courtesy of Alembic Community Development**  
The East 139th Street building will have 70 units for individuals with disabilities who are survivors of domestic violence, severely disabled women who are in nursing home diversion programs and women who are disabled veterans.

the bureau of housing and supportive serves at the Office of Temporary and Disability Assistance (OTDA), which staffs HHAC. "Our allocation is set at \$30 million per year so this award is a significant commitment for us. All of the units in this project are for a homeless and special needs population, which is what made this project attractive. Typically, only a portion of the units are reserved for the homeless and people with special needs."

"The bonds were the key to leveraging the tax credits, which cover 40 percent of total development costs," said Joan Tally, HDC's executive vice president of real estate and chief of staff. "This was a hard project to finance because of its unique population. It takes a lot of players and resources to pull a deal like this together."

### **BFL Fits Big Picture in New York**

BFL has received positive feedback for its effort to create permanent supportive housing in the Bronx, said Katz. In part, because it supports Mayor Bloomberg's New Housing Marketplace Plan, which looks to finance the construction or preservation of 165,000 units of affordable housing by 2014. "This is a plan to develop 165,000 units of affordable housing across the city. This development gets us 120 units closer to that goal," said Katz. HPD is responsible for implementing Mayor Bloomberg's New Housing Marketplace.

Furthermore, the city and state have partnered together to create more supportive housing units through the New York, New York III agreement. This agreement, put into action in November 2005, set a goal to build 9,000 units of supportive housing by 2016. Katz said BFL will go a long way in helping the city and state reach this goal.

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At press time, BFL and Alembic had begun excavation and foundation work. The next phase of construction will be to start building the superstructure and putting up the masonry. At the current rate of construction, BFL predicts that residents could be able to move into the complex in June 2015. ❖

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