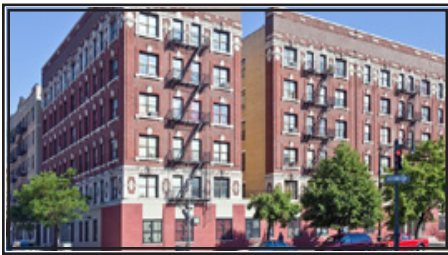


IN THE NEWS

Harlem Low-Income Property Rehabilitation Complete

New York—Gateway I, a 59-unit Section 8 apartment building on Lenox Ave. in Harlem, has scored a near-perfect 91 Real Estate Assessment Center (REAC) score for the second year in a row. The building's HUD-mandated inspection score, which rates the physical condition of the building as well as various quality-of-life criteria, is an example of a successful property rehabilitation by this measure, since as recently as 2006 the six-story property's REAC score was at a failing 51.



Over a four-year period, developer Tahl Propp Equities (TPE)—which bought the property in 2006—spent about \$526,000 on capital improvements for the building, largely replacing the infrastructure of the once-dilapidated property. In addition, TPE renovated the surrounding sidewalks, installed new and upgraded exterior lighting, and did façade repair and restoration work. About a fifth of the rehabilitation budget was spent on occupied apartments to improve standards of living for Gateway I residents.

As a Section 8, the property is specifically set aside for low-income residents, and currently is fully occupied. As evidenced by its high REAC score, rehabilitation of the property is essentially done, but TPE continues to work with tenant groups and their representatives in the building, as well as with community-based organizations, on improving its responsiveness.

Joseph A. Tahl, president of TPE, says that the rehabilitation “helped set a benchmark for the revitalization of the area.” But he also told MHN that in the current climate of austerity, it will be more difficult to find funding for this kind of property turnaround, even though he hopes that will not be the case. “Given the financial pressures the federal government is currently under, we hope they will continue to fund HUD’s full, reasonable and necessary budget,” Tahl says. “We think this is essential to preserve and maintain affordable housing for the most vulnerable Americans.”

Since 1999, TPE has invested roughly \$300 million in its Harlem portfolio, comprising approximately 2,500 units of residential, retail and community facilities in East and West Harlem. In East Harlem alone, the company’s investment has exceeded \$100 million, which not only includes acquisition costs, but also capital improvement to the buildings.

