

Deals & Dealmakers

# Tahl Propp inks deal to preserve 549 affordable homes

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Tahl Propp Equities (TPE) has signed a deal to finance the acquisition and renovation of five affordable housing properties in Harlem with a total of 549 apartments.

The deal allows for the rehabilitation of all buildings, and means all apartments will remain affordable to low-income tenants for the next 40 years.

In addition, all buildings have federal project-based Section 8 contracts, further preserving affordability through rental subsidies for the property owners.

“Preserving affordable housing is an impactful way for us to make our city more affordable and keep New Yorkers thriving. This vast preservation project will help keep more than 500 families in their homes, and is representative of the day-in-and-day-out work we do to make New York stronger,” Mayor Bill de Blasio said.



*Photo by  
sanchez  
jalapeno/ Flickr*

The deal was announced by the mayor at a ceremony attend by representatives from the New York City Department of Housing Preservation and Development (HPD), New York City Housing Development Corporation (HDC), the U.S. Department of Housing and Urban Development (HUD), Tahl Propp Equities (TPE), Bellwether Enterprise Real Estate Capital LLC and Enterprise Community Investment Inc. , both subsidiaries of Enterprise Community Partners, Inc.

The five properties are Gladys Hampton Houses (2411 Frederick Douglas Blvd and 400 St. Nicholas Avenue), New West I and II (8-56 West 111th St), and Riverside I and II (602-622 West 135th St).

The deal will finance building-wide renovations including roof replacements, new windows and boilers, updates to common areas, and updates to apartment interiors with new kitchen cabinets, appliances, flooring, and bathroom fixtures.

The total development costs of the portfolio, including the cost of acquisition and rehabilitation, total nearly \$135,133,374.

HPD provided a loan in the amount of approximately \$15.2 million. HPD also provided Low-Income Housing Tax Credits to the project which resulted in \$35.9 million in equity. HDC provided Tax Exempt Bonds which resulted in \$62,345,000 in construction financing from Bellwether Enterprise. Enterprise syndicated the tax credit equity to finance the deal.

To finance the loan, Bellwether Enterprise arranged a Fannie Mae credit enhancement for two series of bonds issued by the New York City Housing Development Corporation (HDC). Fannie Mae's Reduced Occupancy and Rehabilitation (ROAR) program underwrote the property's credit enhancement.

Joseph A. Tahl, president and co-founder of Tahl Propp Equities, said, "The City's affordable housing shortage, especially in vulnerable, historic neighborhoods like Harlem, calls for bold and innovative solutions, rooted in strong partnerships, vision and responsiveness to the community.

"Since launching our affordable housing preservation initiative in 2013, we have achieved the long-term preservation of some 1,500 units of affordable housing in both East and West Harlem, all of which are specifically set aside for low-income residents. We are

also working with the City on the construction of over 1,000 units of new affordable housing in Harlem, for total preservation and new production of 2,500 affordable units.”