

IMMEDIATE RELEASE

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HUD, NYS HOMES AND COMMUNITY RENEWAL, MDG DESIGN + CONSTRUCTION, MARIEN-HEIM TOWER ASSOCIATES, AND HUDSON VALLEY PROPERTY GROUP CELEBRATE COMPLETION OF 181-UNIT MARIEN-HEIM TOWER RENOVATION

\$52.7 Million Preservation Effort Keeps 41-Year-Old Mitchell-Lama Development Affordable for Seniors for an Additional 40 Years

HUD's Rental Assistance Demonstration Program Key to Preserving Long-Term Affordability

Brooklyn, NY – October 6, 2016 – Today, the U.S. Department of Housing and Urban Development (HUD) and the New York State Homes and Community Renewal (HCR) joined residents and development partners MDG Design + Construction (MDG), Hudson Valley Property Group (HVPG), and Marien-Heim Tower Associates LP to celebrate the renovation of Marien-Heim Tower, a 181-unit affordable development for low-income seniors aged 62 and older. Marien-Heim Tower, a Mitchell-Lama development in the Midwood section of Brooklyn, recently completed a nearly \$53 million state financed and federally assisted rehabilitation project to preserve long-term affordability.

“Marien-Heim Tower illustrates HUD’s ongoing commitment to providing and preserving affordable housing for our seniors,” said **Holly Leicht, HUD Regional Administrator for New York and New Jersey**. “Originally financed and built through a HUD-insured loan, residents have benefited from federally subsidized rents for decades. Now, thanks to our Rental Assistance Demonstration, those affordable rents will be preserved, and much-needed repairs will make residents proud to call Marien-Heim Tower home.”

HCR Commissioner James S. Rubin said: “Keeping this apartment complex and others like it livable and affordable is a central tenet of Governor Cuomo’s affordable housing program. Simply put, this housing – these homes and others like them – are irreplaceable, and preserving them is not optional. We are so pleased with this outcome. The acquisition and renovation of Marien-Heim Tower is also a perfect example of how essential our partners are. Without HUD’s RAD program this project would have been unaffordable. We are grateful to all of our public, nonprofit, and private sector partners for stepping up and leaning in to keep this development viable, make it green, and maintain its affordability for the next 40 years.”

Marien-Heim Tower was built in 1975 using a HUD Section 236 loan guarantee, and contained a mix of 132 studios and 49 one-bedroom apartments. Over 40 years later, the building was in need of capital maintenance and upgrades, and Marien-Heim Tower Associates worked with MDG and HVPG to secure funding through HCR to finance the renovations while preserving its affordability for low-income seniors. The development leveraged HUD’s Rental Assistance Demonstration (RAD), which facilitated the \$52.7 million acquisition and rehab project, and included \$16 million in hard construction costs. The RAD program restricts residents’ rent to no more than 30% of their income while providing financing for required renovations.

“As developers on a project, residents are always our first priority,” said **Michael T. Rooney, Sr., principal of MDG Design + Construction**. “In the renovations for Marien-Heim Tower, our efforts were aimed at making the necessary upgrades to improve their quality of life, while maintaining long term affordability for vulnerable members of the community. The residents, who remained in their apartments for the duration of the project, developed friendships with the workers as they interacted on a daily basis, resulting in a positive and comfortable experience for workers and residents alike.”

“Working hand-in-hand with not-for-profit owners on transformative projects that give residents a much nicer, more comfortable place to call home is at the core of what we do. We are thankful for the good stewardship of the agencies—NYSHCR and HUD—and the very dedicated Marien-Heim staff for making the project such a great success,” **Jason Bordainick, Managing Partner, Hudson Valley Property Group**.

“The board and staff of Marien-Heim Tower are grateful for the partnership we have developed with Hudson Valley Property Group and MDG Design + Construction,” said **Robert J. Walsh, President and Chairman of the Board of Marien-Heim Tower**. “This partnership was fostered by our counsel, Richard Singer, and accomplished with the outstanding creative work done by our architect, Jim Terjesen. It was the answer to our years-long search to find a way to do much needed renovations of our property without abandoning our century-long mission to provide safe, secure, and affordable housing for older adults in Brooklyn. Every prior proposal we received would have involved our not-for-profit organization receiving a lot of money through the sale of the property and in turn losing our mission and involvement in the ongoing life of the Marien-Heim Tower. We are also extremely grateful to the various state and federal government agencies who work worked with us to help this become a reality. Finally, we have the good fortune to have our very capable administrator, Theresa Vacante, and her small but smart and very dedicated staff. Without them, none of this would have been possible.”

The Marien-Heim Tower renovations totaled \$16 million and were carried out with the tenants in place. The new renovations feature energy and green improvements, façade and exterior repairs and replacements, apartment rehabilitations, building beautification, and quality of life improvements. Apartments were upgraded with new kitchens (cabinets, appliances, flooring, sinks), new water-saving bathroom sinks, showers and toilets, apartment floor repairs, new GFI outlets in the bathrooms, and new painting. The energy and green improvements include switching from an oil boiler to a new high-efficiency gas boiler; new windows, balcony doors and building entry doors; energy-efficient lighting throughout the building; bi-level lighting in the public hallways and stairwells; occupancy sensors in trash rooms, cellar and ground floor rooms; energy efficient exhaust fans; and weather stripping at all entry doors. BrightPower is monitoring the building’s energy improvements and, since their implementation, Marien-Heim Tower saved \$49,749 in combined energy, electric, gas and water costs between August 2015 and August 2016. Overall energy, gas, and water usage has decreased by 19%.

“The energy and water-related improvements at Marien-Heim Tower will tremendously improve building efficiency and more importantly, the quality of life for its residents. We were fortunate to work with the entire Marien-Heim Tower team, whose dedication to providing and maintaining long-lasting affordability and comfort was truly exceptional,” said **Jeff Perlman, CEO, Bright Power**.

Other renovations and improvements at Marien-Heim Tower include: extensive masonry repairs; wood flooring as needed; new closet doors; new windows and balcony doors; new intercom and nurse call stations; new circuit breaker panels and lighting; new paint in apartments; a new lobby and entranceway; new landscaping, fencing, and parking; renovated public hallways including removal of old

carpeting; a new water tank; upgraded security; new under-cabinet lighting in kitchens; and Aeroseal duct sealing technology incorporated throughout the building. The architect overseeing the renovations was Terjesen Architects, and the interior designer was Carol Millar Interiors.

Additionally, renovations were done to the community room, library, and laundry room, as well as the senior center. Operated by the Senior Citizens League of Flatbush, the senior center offers exercise classes like yoga and dance, educational classes, discussion groups, inter-generational programs, and a daily kosher lunch for seniors in the neighborhood.

“Marien-Heim Tower is a great example of the value that the Low Income Housing Tax Credit can bring to community development. Through our New York City focused multi-investor fund, Richman Housing Resources was able to invest over \$18 million equity funds in Marien-Heim Tower,” noted **Moshe McKie-Krisberg, Executive Vice President, Richman Housing Resources, LLC.**

A variety of private and public capital contributed to the preservation of Marien-Heim Tower. HCR’s Housing Finance Agency (HFA) provided \$26.5 million in tax-exempt construction bonds, \$15.8 million in permanent bonds, and \$18.7 million in as-of-right 4% Low Income Housing Tax Credits. Richman Equity syndicated the tax credits and Citibank was the tax credit investor. Through HUD’s RAD program, all tenants received project-based Section 8 vouchers, except for tenants who previously had portable Section 8 vouchers and units assisted under an existing project-based Section 8 contract. The new Section 8 contract guarantees the affordability of the development.

Marien-Heim Tower was the first of two senior housing developments sponsored by Marien-Heim of Brooklyn. Founded in 1895 by a group of German Lutheran women living in downtown Brooklyn, Marien-Heim of Brooklyn was originally organized to sponsor an “old age home for elderly and indigent women” at the turn of the 20th century. Marien-Heim means “Marie’s Home,” a name that paid homage to Marien-Heim’s founder Marie Strybing. With changes in needs and models of care for the elderly, Marien-Heim of Brooklyn closed its doors and used the site of the old home on Ocean Parkway to build a new state-of-the-art senior citizen residence. That mission proved to be such a success that in 1980, Marien-Heim of Brooklyn went on to sponsor a second senior citizen housing development in Sunset Park. Located on the former site of Lutheran Medical Center, Marien-Heim of Sunset Park provides 168 units of senior housing for older adults in that community.

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About the U.S. Department of Housing and Urban Development (HUD)

For over 50 years, HUD's mission has been to create strong, sustainable, inclusive communities and quality affordable homes for all Americans. In New York, HUD funding provides rental assistance for over 600,000 households, emergency shelter for more than 70,000 individuals statewide, mortgage guarantees for nearly 300,000 New Yorkers, and more than \$7 billion in disaster recovery funding to the State in the wake of Hurricanes Irene and Sandy. More information about HUD and its programs is available at www.hud.gov and <http://espanol.hud.gov>. You can also connect with HUD on [social media](#), follow Secretary Castro on [Twitter](#), [Facebook](#), and [Instagram](#), and sign up for news alerts on [HUD's Email List](#).

About New York State Homes and Community Renewal

New York State Homes and Community Renewal (HCR) includes the Affordable Housing Corporation, the Division of Housing and Community Renewal, the Housing Finance Agency, State of New York Mortgage Agency, Housing Trust Fund Corporation and others. 2016 marks the fourth year of Governor Cuomo’s

\$1 billion statewide House NY program, whose goal is to create or preserve 14,300 affordable units by 2018. In 2015, HCR set a record for financing the creation or preservation of more than 11,000 affordable homes and apartments and was the #1 bond issuer in the nation with \$2.5 billion issued. The agency stands ready to make good on the Governor's new \$10 billion 100,000 unit House NY 2020 commitment. For more information on HCR programs and initiatives, please visit: <http://www.nyshcr.org/>

About MDG Design + Construction

MDG Design + Construction (MDG) is a leading real estate firm that develops, constructs, and manages quality affordable housing. MDG specializes in the moderate rehabilitation and new construction of residential apartment buildings in New York City and Long Island, and is the industry leader in occupied rehabilitations. For nearly 30 years, our hands-on approach and people-first philosophy has resulted in effective collaborations with developers, tenant organizations, community groups, and staff to produce high quality homes that residents are proud to live in. To date, MDG has created or preserved 14,000 units of affordable housing and is responsible for nearly \$850 million in construction and development. Learn more at www.mdgny.com.

About Hudson Valley Property Group

Hudson Valley Property Group (www.hvpg.com) is a New York based owner and developer of affordable housing with multifamily holdings throughout the East Coast. The firm's mission is to provide quality well-managed affordable and workforce housing to the communities it serves through investment in and rehabilitation of affordable housing. HVPG has specific focus and expertise in affordable housing solutions including government subsidy programs and innovative financing structures to preserve blighted buildings at risk of losing affordability. HVPG takes a curated and flexible approach to working with not-for-profit owners and partners, prioritizing the needs of the residents and not-for-profit organization.

About Bright Power, Inc.

Bright Power provides strategic energy solutions to building owners and operators in New York and across the nation. Specializing in multifamily apartment buildings, Bright Power's suite of services saves clients energy, money and time. Bright Power's energy management solutions include EnergyScoreCards benchmarking software, energy audits, energy procurement, solar energy, green building, and construction management of energy improvements. For more information, please visit www.brightpower.com.