

**Project of the Year
Downstate**

Nominee: 33 West End Avenue, New York, NY

Developer: Atlantic Development Group

33 West End Avenue in Manhattan consists of two separately financed buildings, each utilizing multiple complex government programs to assure affordability for a broad range of incomes. The two buildings, placed in service in 2007, contain 331 units.

120 elderly units are located in a building financed with \$18,000,000 of NYS HFA tax-exempt bonds, credit enhanced by HSBC. As a result, the project qualified for as-of-right 4% Low-Income Housing Tax Credits. The bond proceeds, together with Tax Credit equity from MMA Financial, enabled Atlantic to construct the \$33 million building which also participated in HPD's Inclusionary Zoning Program. Atlantic sold Inclusionary Zoning benefits to market rate developers to raise capital sufficient to retire the HFA bonds as a requirement of the Inclusionary Program is that the building be debt free upon completion to ensure it remain low income in perpetuity. This building, jointly developed by Atlantic and Metropolitan Council on Jewish Poverty received a 420c tax exemption.

The second 211-unit building was financed with \$68 million of variable-rate tax-exempt and fixed-rate taxable NYC HDC bonds and Atlantic equity. One hundred of this building's units are dedicated for middle income (57) and low/very low (43) families under HDC's "50/30/20" Program. The HDC mortgage benefits from the cross subsidy of the market rate component which enabled HDC's bonds to be credit enhanced by HSBC during construction and Fannie Mae upon completion. Ensuring the project's long-term feasibility, Atlantic purchased a 15-year forward-starting interest rate swap for the variable-rate bonds. This building received 421-a.

Atlantic provided 220 affordable units (67% of the total) in a high cost area of Manhattan. The average Volume Cap/affordable unit (\$327,273) was about 1/5 of a typical Manhattan "80/20".



Photo: 33 WEA