

L+M, Tahl Propp Equities Nab \$161M in Financing for Harlem Affordable Housing Project

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A RENDERING OF LEXINGTON GARDENS II. COURTESY: L+M DEVELOPMENT PARTNERS

L+M Development Partners and **Tahl Propp Equities** have closed on \$161 million in construction financing for **Lexington Gardens II**, a 100 percent affordable housing project in East Harlem, sources told Commercial Observer. **Wells Fargo** provided \$83.7 million in debt and \$42.8 million in equity in the deal, which closed on June 29, and the remainder of the \$161

million in financing is being subsidized by the City, deal parties confirmed to CO.

The transaction was funded under **New York City's Housing Preservation and Development** "Mix & Match" program, which funds the new construction of mixed-income multifamily rental projects, sources told CO.

The 400-unit development will be located at **1465 Park Avenue** and the estimated total development cost is \$195 million. Construction is expected to commence this month.

As part of the financing, **New York City Housing Development Corporation** issued a \$57.8 million tax-exempt bond and originated a \$25.9 million taxable construction loan funded by **Wells Fargo**.

Additionally, **Wells Fargo Affordable Housing Community Development Corporation** made a \$42.8 million Low-Income Housing Tax Credit equity investment in the development.

"Wells Fargo continues to be exceptionally supportive of affordable housing. We closed on financing for almost 1,000 units last week alone, and we'll continue to lend on these projects," **Alan Wiener**, the group head of **Wells Fargo Multifamily Capital**, told CO.

Of the 400 units, 80 will be affordable to families with a household income between 27 and 30 percent of area median income (AMI), 119 units will be affordable to families with a household income between 47 and 50 percent of AMI, 40 units will be affordable to families with a household income between 57 and 60 percent of AMI, 80 units will be affordable to families

with a household income ranging between 80 percent and 90 percent of AMI, and 80 units will be affordable to families with a household income ranging between 125 and 165 percent of AMI.

In addition to bringing 400 new units of affordable housing to East Harlem, the project will include a 28,000-square-foot community facility, which will also be the new headquarters of the **Northside Center**—a nonprofit that provides behavioral, mental health, education and enrichment programs to children and families living in poverty—and 4,000 square feet of space for local retail along Lexington Avenue.