

AFFORDABLE HOUSING FINANCE

\$79.3 Million Invested in Key NYC Development

Site 6 at Essex Crossing will provide 100 senior housing units, medical facility.

By [Donna Kimura](#)

A team of public and private partners is investing \$79.3 million in financing for an ambitious development that will include 100 affordable housing units for seniors, a medical facility, and a community center in New York City.



Site 6 at Essex Crossing will feature 100 affordable senior housing units and a medical facility that will span three floors. (Rendering courtesy of Dattner Architects)

Known as Site 6, the project is an integral part of Essex Crossing, a giant \$1.2 billion mixed-use development on nine sites in the Lower East Side of Manhattan. The sweeping project is being developed by Delancey Street Associates, which includes BFC Partners, L+M Development Partners, and Taconic Investment Partners. Goldman Sachs is the overall project equity partner.

The residential portion of Site 6 will feature 100 units of rental apartments affordable to senior households earning between \$24,200 and \$48,350 for an individual. Total development

costs for the residential component are \$31.3 million, with \$25.7 million in low-income housing tax credit equity being generated by tax credit allocations from the New York City Department of Housing Preservation and Development and New York State Homes and Community Renewal, along with a \$16.9 million construction loan. Wells Fargo invested in both the federal and state housing tax credits.

The five floors of commercial space include a 55,000-square-foot medical facility leased by New York University Langone Medical Center; a 13,000-square-foot community center run by Grand Street Settlement; a 4,000-square-foot outdoor garden/open space; and 6,000 square feet of retail.

Grand Street Settlement (GSS) will operate a ground floor café and local community-building programs related to job training, industry opportunities, and quality food; and service for the community. Through its new senior center, GSS will expand their local programming, events, and services. The building will also include a 24,000-square-foot educational facility.

“We think it’s a comprehensive approach to senior living and senior housing,” says Isaac Henderson, director at L+M Development Partners and Essex Crossing project manager for Delancey Street Associates. The medical center will cover three floors and provide an array of services.

Through an extensive public-private planning process, it became clear that affordable senior housing was one of the components that the community desired, according to Henderson.

“For us, Site 6 is one of the key community benefits that this project is providing,” he says. The project replaces a parking lot.

Site 6 is the latest Essex Crossing site to close on its financing. The project was bifurcated between the commercial and residential components. While housing tax credits are key to the residential portion, New Markets Tax Credit (NMTC) financing is helping to support the commercial component, says Angel Chen, project manager from L+M Development Partners for the site.

The NMTC allocations total \$34.5 million—\$15 million from the Low Income Investment Fund (LIIF), \$12 million from Enterprise Community Partners, and \$7.5 million from Wells Fargo, which is also the NMTC investor. Additionally, Wells Fargo and LIIF provided approximately \$20 million and \$6 million of debt to the project, respectively. Together with its equity partner, Goldman Sachs, the developer contributed \$9.85 million of equity.

The overall development will feature 1,000 apartments, half of which will be affordable to low-, moderate-, and middle-income residents. All 100 units at Site 6 will be affordable while several other sites will be developed with mixed-income housing.

“With the first four sites, we’ve closed 311 units of affordable housing,” Henderson says.

Site 6 broke ground in November to join several other sites that are under construction, according to Chen. The development team expects to have the first four projects completed toward the end of 2017 or early 2018.

Previously known as the Seward Park Urban Renewal Area and one of the largest community renewal projects in New York City, the Essex Crossing project will result in 1.87 million square feet of multifamily rentals, office space, community space, a movie theater, a bowling alley, residential condominiums, a public park, a new Essex Street Market, and a cultural facility.

A highlight of Essex Crossing will be the Market Line, a 700-foot-long public market spanning three city blocks. Anchored by a new home for the 75-year-old Essex Street Market, the Market Line will consist of 120,000 square feet of micro-retail ideally suited to the Lower East Side's diverse retail and culinary scene.