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Contact: James Yolles (L+M) | [james@risaheller.com](mailto:james@risaheller.com) | 646-676-4488

Download photos of the Putnam Portfolio here:

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**L+M Development Partners & Invesco Real Estate Enter Contract on Landmark \$1.2 Billion Transaction to Return More Than 1,800 Deregulated Manhattan Apartments to Affordability**



*One of city & state's most significant preservation deals of former Mitchell-Lama developments will benefit all residents of 2,800-unit portfolio under regulatory agreements with NYC HPD & NYS HCR*

**New York, NY** (July 31, 2019) — L+M Development Partners and Invesco Real Estate today announced entering into a contract to purchase and preserve five former Mitchell-Lama developments in Manhattan from Urban American and Brookfield Asset Management. The regulatory agreements, covering all 2,800 units and enacted in partnership with the New York City Department of Housing Preservation & Development (HPD) and New York State Homes & Community Renewal (HCR), will secure long-term tenant protections, allowing L+M and Invesco to return more than 1,800 units in Manhattan to long-term regulation. The deal, a rare victory in the preservation of former City and State Mitchell-Lama developments at this scale, was funded through the L+M Workforce Housing Fund, which completed fundraising in 2019 and was established to make social impact investments in affordable and

workforce housing assets primarily in the New York City metropolitan area. L+M raised roughly \$500 million through the Fund and intends to invest the capital over the next several years.

“We really view this as a significant win for existing residents in this portfolio and for the City of New York, particularly when it comes to bringing former Mitchell Lama units back into regulation,” **said L+M Development Partners Managing Director Eben Ellertson**. “L+M's approach has always centered around creating affordable housing and keeping residents in their homes, and our Workforce Housing Fund represents a continuation of that work. This deal sends a strong message about how government and committed private sector partners can make a real impact in addressing the need for high-quality workforce housing in New York City. Thanks to our partners at the City, State and Invesco for seeing it through.”

“This landmark transaction will reclaim a large portfolio of once-affordable housing and provide thousands of New Yorkers the security of knowing that they can afford to stay in their communities for years to come,” **said HPD Commissioner Louise Carroll**. “I thank our development partners for joining us in taking significant strides toward preserving the affordability of New York City neighborhoods and I look forward to our continued collaboration on this project.”

“At a time when quality and affordable rental housing is in short supply, Roosevelt Landings will bring more than 1,000 apartments back into long-term regulation,” **said New York State Homes and Community Renewal Commissioner RuthAnne Visnuskas**. “As part of Governor Cuomo’s \$20 billion five-year 100,000-unit housing plan, we will continue to support projects that preserve and create safe, affordable housing opportunities for New Yorkers.”

"More than anything, this deal is win for tenants in these former Mitchell Lama properties that had been lost over the past decade to the free market," **said New York City Council Member Diana Ayala**. "Thanks to this agreement, nearly 3,000 units will be protected under a regulatory framework, residents will remain in their homes, and upgrades will be made that can be enjoyed by all tenants. We thank the City, the State and their private partners for coming together to do right by these longstanding communities in my district."

"This agreement will have a lasting impact on the lives of all residents living in these properties," **said New York State Senator Brian A. Benjamin**. "This is the way government and the private sector should work together -- to preserve and improve housing for those who live there, and to make improvements for existing and future residents. I hope this sets an example in other parts of my district and around the city as well, where the need to preserve and create high-quality affordable and workforce housing has never been greater."

“It’s hard to express just how much this agreement means for the tenants living in these buildings,” **said Heritage TA President Faheem Abdul-Razzaq**. “Our residents are proud, longtime members of their communities. When we learned that protections would return to the property, we were overjoyed. Our families have been here for years and now we know: we’re staying here.”

The former Mitchell-Lama developments were built between 1975 and 1980 and include River Crossing, the Heritage, the Miles and the Parker in East and Central Harlem, and Roosevelt Landings on Roosevelt Island. The 2.2 million square foot portfolio exited the Mitchell Lama program in 2005. To return the units to affordability, L+M and Invesco intend to work with HPD to enact a regulatory agreement to

protect residents living in the East and Central Harlem properties and work with HCR to do the same for Roosevelt Landing, which is governed under State authority.

The preservation transaction will commit L+M and Invesco – and any future owner – to long-term regulation. At the same time, it will restrict any future new development on the sites to 100 percent affordable housing.

L+M and Invesco will immediately begin a \$50 million series of capital improvements across the portfolio, including the continuation of energy savings measures begun by Urban American, implementation of structural upgrades as well as the addition of amenities to common areas, which will be available to all residents.

“In 2007, we set out on a path to reverse decades of mismanagement and make these communities a safer and better place to live,” **said Josh Eisenberg, a principal of Urban American.** “Over the last 12 years we spent more than \$100 million on new common areas, full window and terrace replacements, new mechanical systems, modernized elevators, and the largest residential energy efficiency project in the city’s history. With the critical assistance of HPD and the support and cooperation we received from our residents, Urban American renovated the apartments of more than 1,000 subsidized families without any increased cost to them. We are thrilled to see L+M and Invesco continue our legacy of improvements and further upgrade these communities while maintaining affordability for hardworking families in New York City.”

"This is a unique, highly sought-after portfolio, situated across two submarkets poised for continued above-market growth," **said Adam Spies, Chairman, Capital Markets at Cushman & Wakefield.** "L+M and Invesco deserve significant credit for their proposal, and we congratulate all parties on the transaction."

Cushman & Wakefield advised the sellers on the transaction. Adam Spies and Doug Harmon led the Cushman & Wakefield team, which also included Josh King, Adam Doneger, Michael Collins and Marcella Fasulo.

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