



Homes and
Community Renewal

NYSERDA

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NYS Homes & Community Renewal, NYSERDA, and Partners Announce Marcus Garvey Apartments' \$190 Million Renovation in Brownsville, Brooklyn; Extending Affordability for 40 More Years

Major Renovation to 625-Apartment Mitchell-Lama Complex Returns 80 Unoccupied Homes to the Rent Rolls and Deepens Affordability

First Low- and Middle-Income Property in NYC to Incorporate State-of-the-Art Microgrid System

Brooklyn, NY (June 8, 2017) - New York State Homes and Community Renewal (HCR) and the New York State Energy Research and Development Authority (NYSERDA) today joined community leaders and development partners to announce the completion of a \$190 million refinancing and renovation project to keep Brownsville's 625-unit Marcus Garvey Apartments affordable, viable and energy efficient for the next 40 years.

Improvements include bringing 80 vacant apartments back into service, upgrading security and electrical system across the complex – including installing renewable energy systems, and making comprehensive apartment and common area renovations. Under the terms of the transaction, homes at Marcus Garvey Apartments will be affordable to families earning no more than 60 percent of the area median income (AMI) and will remain in the Mitchell-Lama program. In addition, the number of Project-Based Section 8 vouchers available to the residents was increased by 25 percent— to 535 from 377— through participation in the federal Department of Housing and Urban Development's Rental Assistance Demonstration (RAD) program.

NYS Homes and Community Renewal Commissioner RuthAnne Visnauskas said, “Our goal was to preserve the irreplaceable Marcus Garvey Apartments as affordable housing, making it more sustainable and self-sufficient and helping to preserve Brownsville's affordable legacy in the face of development pressures. We are very grateful to all of our partners – Governor Cuomo for his leadership and vision, our sister agencies, financial institutions, development partners, local government and, most of all, the tenants who occupy these 625 apartments.”

John Rhodes, President and CEO, NYSERDA said, “Under Governor Cuomo's leadership, we are making clean energy available to all New Yorkers across the state. This project strongly supports Reforming the Energy Vision by enabling low-income residents to take part in generating solar energy and reduces greenhouse gas emissions; a win for everyone.”

HUD Deputy Regional Administrator Mirza Orriols said, “The renovation of Marcus Garvey Apartments shows the broad and diverse impact of HUD’s Rental Assistance Demonstration (RAD). In addition to preserving affordable units in Brownsville, RAD leveraged financing for a project that created jobs for residents and that invested in renewable energy technology to save taxpayers money.”

The 32-building Marcus Garvey Apartments was constructed in 1974 and spans 10 city blocks. The millions in capital improvements returned 80 vacant apartments to service and addressed problems with major building systems including installing a new electrical feeder system to supply power to the entire complex; masonry repairs to address water infiltration; boiler and window replacement; ground floor commercial and office space renovation; and the renovation of lobbies, commons areas and laundry rooms. Apartments in the complex received new bathrooms and kitchens, as well as upgrades to appliances and fixtures. A comprehensive security system was installed, along with exterior paving, landscaping, and 28,000 square-feet of new open space. During construction, the developer, L+M Development Partners hosted two rounds of free OSHA-10 training and hired 19 residents to work on the renovation.

The developer worked with Bright Power, Demand Energy, Bloom Energy, and Con Edison’s Brooklyn-Queens Neighborhood Program (BQNP), on the construction of a microgrid system at Marcus Garvey Apartments, the first-ever installed at a low- and middle-income housing community in New York City. The microgrid system will reduce the property’s power consumption by managing the generation and storage of renewable energy. It is made up of three components: a 400kW solar array, which is located on 21 rooftops; a 400kW fuel cell; and a 300kW lithium battery, which stores any excess energy generated by the solar panels and fuel cell thus allowing it to be released as the project requires it. The savings realized from the microgrid will be invested back into the property to allow for more social services and programs for residents. Other energy-efficient retrofits included adding insulation, lighting upgrades, and a new heating system.

Assemblywoman Latrice Walker said, “As a lifelong resident of Brownsville, the transformation that Marcus Garvey Apartments has undergone in the past two years far exceeded my expectations. Not only has L+M Development Partners, working with HUD and our state housing agency, expanded the number of Section 8 vouchers for the project, but the agreements they have forged on top of that guarantee that MGA will remain a source of low and affordable housing for generations to come. The renovations have made a real difference in people's lives, and I am so proud to have the state's first microgrid in my district, ensuring that clean, renewable energy is within reach for everyone, regardless of income.”

Ron Moelis, CEO and Co-Founder of L+M Development Partners said, "Preserving and stabilizing Marcus Garvey Apartments was a massive undertaking, but also a critical one to ensure that Brownsville can retain the affordability it's historically been known for. In this effort, we've been guided by The Sabaoth Group, Brownsville Community Justice Center, Project EATS, Grand Street Settlement, and others who've helped us advance the community's goals: the desire to lead healthier lives, the need for jobs and opportunities for young people. Along with our residents, who have demonstrated amazing fortitude in sticking with this property over the years, I want to thank Governor Cuomo, Commissioner Visnaukas, Assembly member Walker, and our partners in the private sector for helping create a beautiful, inclusive community at

Marcus Garvey."

The development's solar installation will generate an estimated 563,100 kilowatt-hours of electricity annually, the equivalent of powering 80 average-sized homes in New York. The solar panels will offset 160 metric-tons of carbon dioxide annually, which is comparable to taking 34 cars off the road.

"This project is a glimpse into our energy future," said **Matthew Ketschke, vice president, Distributed Resource Integration at Con Edison**. "Our customers want clean energy, resiliency and lower energy costs. Con Edison works with customers to help them meet these objectives. By taking advantage of our Brooklyn-Queens Neighborhood Program to offset costs of the microgrid, the developers help keep our environment clean and our electric service reliable."

"Demand Energy is proud to partner with L+M of this groundbreaking project and the revitalization of the Marcus Garvey Village," said **Doug Staker, Vice President of Global Business Development for Demand Energy**. "Our *Distributed Energy Network Optimization System (DEN.OS)* is providing the integration of solar, fuel cell, and battery systems, while delivering savings for the Marcus Garvey operation and providing critical grid support for Con Edison on summer days when the grid is stressed."

Financing for the project came from public and private investment to meet the total development cost of \$190 million. New York State Homes and Community Renewal provided \$90.8 million in tax exempt bond financing; and \$5.3 million in an estimated annual allocation of tax credits. The development also received \$500,000 from the New York State Energy Research and Development Authority's (NYSERDA) Multifamily Performance Program, which works with building owners to identify solutions for saving money by using energy more efficiently. The solar array was supported with \$462,862 in funding through NY-Sun, administered by NYSERDA, Governor Cuomo's \$1 billion initiative to advance the scale-up of solar and move New York State closer to having a sustainable, self-sufficient solar industry. Citi Community Capital is the construction lender on the project and Wells Fargo is the tax credit investor.

Mitchell-Lama Preservation

The preservation of Marcus Garvey Apartments is part of the Governor's original \$1 billion House NY initiative to transform 8,600 aging state-financed Mitchell-Lama apartments in critical need of repairs and upgrades into quality, safe homes by 2018. In 2016, New York State Homes and Community Renewal preserved another 1,360 Mitchell-Lama apartments, bringing the total to 6,660 in 26 locations and keeping this crucial stock of housing affordable for low- and middle-income New Yorkers for another 40 years.

Expanding Access to Affordable Housing

The revitalization of this development aligns with Governor Cuomo's 2018 State Budget that provides \$2.5 billion of the \$20 billion Housing and Homelessness Plan to finance the creation and rehabilitation of 100,000 affordable and 6,000 supportive housing units. The goal under the new five-year plan is to target a near 50/50 split between new construction and preservation and between units funded in NYC and those throughout the rest of the state.

Vital Brooklyn Initiative

The Marcus Garvey Apartments' renovation complements the Governor's \$1.4 billion Vital Brooklyn community development and wellness initiative, creating a new model to provide resources and opportunities in Central Brooklyn. The initiative will serve as a national model for high-need communities.

On-Site Community Programs

In line with its commitment to affordability, renewable energy, and the Brownsville community, L+M has funded new programs and services for residents by activating vacant lots around the property in response to a community needs assessment.

- L+M funded Project EATS (PE) to build a half-acre urban farm with 22 raised beds and a greenhouse. At its weekly farm stand, PE sells the kale, string beans, eggplant, squash and lettuce it grows on the farm to Brownville residents at affordable prices. The non-profit has also operated afterschool and summer programs; hosted cooking demonstrations and community fairs; and hired locally.
- To address the community's youth development needs, L+M and Brownsville Community Justice Center (BCJC) opened a youth clubhouse made out of re-designed shipping containers that doubles as a workshop and meeting space. The clubhouse has allowed BCJC to continue its work to connect justice at-risk youth to GED and college assistance, internships, and job training. L+M also funds Grand Street Settlement to operate an after-school program in the community room at Marcus Garvey Apartments, as well as a summer camp.

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