Rebuilding public housing in Yonkers, N.Y., requires clearing extra hurdles. In addition to construction, financing and other challenges, the public housing authority and its development partners face a history that includes a high-profile battle over desegregation and a recent development that ruffled some feathers.

The Municipal Housing Authority for the City of Yonkers (MHACY) and nonprofit The Community Builders (TCB) have succeeded in completing the first two phases to redevelop Cottage Place Gardens, a 256-unit, World War II-era public housing development that received a Choice Neighborhoods Planning Grant from the U.S. Department of Housing and Urban Development (HUD), as well as equity from low-income housing tax credit (LIHTCs).

“The historic nature of Yonkers colors a lot of what we do,” said Jesse Batus, senior project manager at TCB. That history includes a 1980s battle over desegregation that resulted in the city facing massive fines and some basic services being shut down, which became the basis of a 1999 book and a 2015 HBO miniseries “Show Me a Hero.” It also includes the 2009 demolition and redevelopment of the Mulford Gardens public housing site that was rebuilt as the Croton Heights and Grant Park Apartment complexes in multiple phases. Some Mulford residents were displaced in that redevelopment process and were not able to return to the new housing.

So the housing authority adjusted and brought in TCB to develop Cottage Place Gardens.

The developers began by building the 120-home, $63 million Schoolhouse Terrace on an adjacent plot of land, creating apartments for seniors and families who could move out of the first two 1940s buildings that were demolished to create space for 188 Warburton, a 51-apartment complex that opened in November 2016. The Warburton building began a new era for the property, which will gain homes, visibility and amenities over the six phases that are planned.

“Having built the first phase, the residents have given us and TCB a lot more credibility,” said Joe Shuldiner, the executive director of the Municipal Housing Authority of the City of Yonkers. “When we say we will take this year and get it done, we have a fair amount of credibility dealing with the public and
also with the political structure. We’re now viewed as being able to do what we say we’ll do.”

A Significant Change in Appearance, Amenities
Cottage Place Gardens was built in the 1940s, featuring 256 apartments scattered throughout the property. “It was a big site with squat buildings that you can’t see from the street,” Batus said. “So many families lived there, but it became clear as we reviewed documents that [the lack of visibility] was done by design to create pockets where people of lesser means are out of sight.”

So the developers secured land that connects the property to the neighborhood’s streets and are creating significantly more homes—more than 500 apartments will be on the property by the end of Phase VI.

Shuldiner said that the housing authority was pleased that it could build 51 units to replace the 35 that went away. “Unlike most of these [PHA renovations], we put more units on the site,” Shuldiner said. “Cottage Place Gardens is bounded on the south, west and east by roads that had no frontage … We acquired the frontage. The goal is to reintegrate housing with the larger community and we picked a site that lent itself to a range of incomes.”

It first acquired two ramshackle, 100-year-old school buildings adjacent to the site and built Schoolhouse Terrace. Then it completed 188 Warburton. The third phase should start in a matter of months and Batus estimates that each subsequent phase will take about two years.

188 Warburton
Construction began in 2014 on 188 Warburton Apartments, a $27 million development that is a 62,000-square-foot, LEED-certified development that includes one-, two- and three-bedroom apartments and 79 parking spaces. Other amenities include a multipurpose community room, in-unit dishwashers, a small play area for younger children and on-site laundry.

The five-story property also has air conditioning, a landscaped courtyard and excellent views of the Hudson River and Palisades. Batus highlighted a large community room, as well as the fact that 188 Warburton has elevators, compared to the former walk-up buildings at the site. He said the three-room duplexes, with stairways inside, have been popular.

Then there’s parking. “Both buildings [Schoolhouse Terrace and 188 Warburton] have internal parking, which is certainly a plus,” Shuldiner said. “There’s no room for street parking. The other advantage is it preserves land area for other housing.”

Changing the Neighborhood
After decades of existence, the role of redevelopment goes beyond housing. “I especially like the concept that it’s not just about the building,” Shuldiner said. “We hope to provide more than units. It’s really about rebuilding the entire community, extending beyond the footprint and going beyond to other buildings in the corridor to restore what used to be an extremely active commercial strip. It’s good for the big picture. It’s not just housing. It’s community development.”

On site, there are efforts to add education, including the College of New Rochelle, which is offering classes. “It’s really impacting the neighborhood in a very positive way,” Shuldiner said.

“I think we’re developing good relationships with neighbors,” Batus said. “Everybody has an opinion, but we’ve been lucky. We have a good partner and keep each other informed. It’s really helped to build Phase I and to see people move in. We didn’t reject many people who wanted to move in and when the community saw that, it made a difference.”

Financing
Financing for 188 Warburton included $10.6 million in LIHTC equity from JPMorgan Chase, loans from the

continued from page 1

continued on page 3
New York State Housing Finance Agency and New York state brownfield tax credits.

Scott Schmid, division manager for LIHTC equity investor JPMorgan Chase, said the relationship with TCB was crucial. “We’ve done more than 20 projects with them, it’s a lasting relationship,” Schmid said. “And we’re a New York-based bank, so we were particularly interested in our area. The city has a need for affordable housing and this project helps meet the need.”

Batus said another credit was crucial, too. “A big driver, since it was a 4 percent project, is that we had to do a huge demo,” he said. “We used the New York state brownfield tax credit, which is really a valuable element.” Batus said 20,000 tons of soil was removed, as well as several unexpected, underground storage tanks. But at the end, it was a clean site. Chase contributed a $3.9 million bridge loan for the brownfield credit, which can’t be claimed until the developer submits its first tax return with the property in service.

Returning tenants move into permanent homes. Batus said tenants had three choices: to stay in public housing, move to the new units or to take Section 8 vouchers and move to a private rental. According to Batus, about one-third took the vouchers.

“We managed to lease up the building in two months,” Batus said. “Because it’s a replacement, there’s a built-in audience, but that’s one of the things our partners at the housing authority made clear—we needed to provide the residents with minimal displacement.”

Choice Neighborhoods Program Role
A Choice Neighborhoods Planning Grant of $300,000 was one key to the development.

“The HOPE VI program ran its course and then HUD came up with its Choice Neighborhoods program,” Shuldiner said. “We were selected and we went with Cottage Place Gardens. It’s not the largest or most challenging [property]. It’s unique. And the housing authority thought this site could attract a wider range of incomes—more than the minimum incomes to take advantage of the views and location.”

Batus said the Choice Neighborhood Grant that was awarded allowed linkages to be built, including a relationship with the College of New Rochelle.

Now comes the next phase. Batus expects Phase III to start rolling by mid-2017 and each phase should be about two years. Schmid said JPMorgan Chase definitely is interested in subsequent phases. “We love projects like this,” he said. “It takes a dense, old project that suffers from functional obsolescence and puts new, modern, safe affordable housing in its place. It’s always a good thing.”

188 Warburton

FINANCING
- $10.6 million low-income housing tax credit equity from JPMorgan Chase NA
- $4.5 million first mortgage from New York State Housing Finance Agency (NYS HFA)
- $4.2 million brownfield cleanup program loan from NYS DEC
- $2 million Homes for Working Families loan from NYS HFA
- $1.7 million Neighborhood Stabilization Program 2 grant from The Community Builders (TCB)
- $1.2 million subsidy loan from NYS HFA
- $1.1 million deferred developer fee from TCB/Municipal Housing Authority for the City of Yonkers (MHACY)
- $750,000 loan from MHACY
- $550,000 HOME loan from City of Yonkers
- $300,000 Choice Neighborhoods Planning Grant
- $61,000 grant from New York State Energy Research and Development Agency

continued on page 4