



VILLA VICTORIA

Project-based Section 8



ACQUISITION



NEWARK, NJ



194 UNITS



FAMILY & SENIOR

PROJECT OBJECTIVES:

Villa Victoria is a 194-unit, project-based Section 8 development located in Newark, NJ .5 miles from the Newark Broad Street light rail. The development is comprised of an 8-story midrise building and 11 townhome clusters. Hudson Valley Property Group (HVPG) acquired the property in 2018 with the goal of preserving the units as low-income housing for Newark families and seniors. The property required significant capital needs improvements and modernization renovations making it an ideal candidate for a low-income housing tax credit (LIHTC) preservation project. To ensure project feasibility, HVPG had to secure a property tax exemption from the City of Newark and a HUD mark-up-to-market (MU2M).

HVPG EXECUTION:

Hudson Valley Property Group pursued a LIHTC-financed acquisition of Villa Victoria. The owner received a market based rent increase to support the project, along with a new HAP contract. The team worked closely with local representatives and the City of Newark to secure a tax abatement, or Payment in Lieu of Taxes (PILOT), for the property as well. The preservation project included a \$6MM renovation of the property.

FINANCING AND SUBSIDY:

The acquisition of the property was financed through 4% Low Income Housing Tax Credits purchased by R4, and FHA 223f debt financing originated by Walker & Dunlop.

RESULTS:

- Long-term affordability preserved for decades to come; secured by issuance of a new 20-year project-based HAP contract issued by HUD
- Additional rental subsidy secured through mark-up-to-market (tenant rents remained unchanged)
- Tax abatement secured in partnership with the City of Newark
- \$6MM renovation prioritizing building modernization, energy efficiency upgrades and resident quality of life improvements

SCOPE OF WORK:

- **Environmental:** energy-saving appliances in units, low flow plumbing fixtures, system upgrades (including ventilation and heater replacement)
- **Safety:** units designated as ADA accessible, as well as units for the hearing and visually impaired, fire alarm system upgrade, building entry system/intercom upgrade, security system upgrade
- **Building exterior and grounds:** landscaping, new site lighting, new roof and insulation, repointing and cleaning of exterior facades
- **Building interior:** new community room kitchen, ADA accessibility improvements for common areas, elevator modernization, new flooring, lighting, and architectural features
- **Resident units:** kitchen and bathroom renovations, new unit lighting, and painting in all units

Photos: (left to right) Highrise building exterior; Resident lounge; Playground and site exterior

