



HUDSON VALLEY PROPERTY GROUP

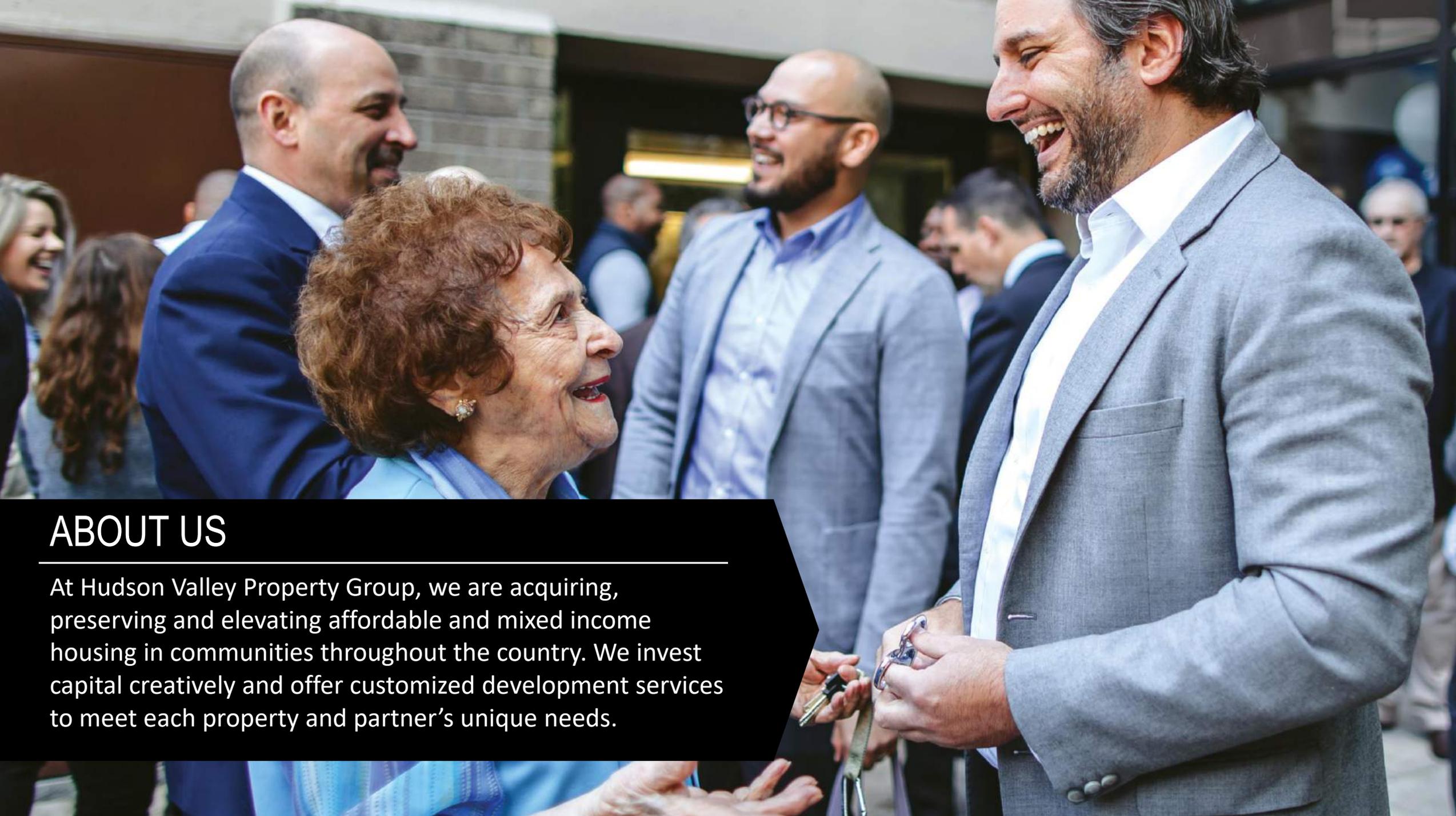
PIONEERING COMMUNITY PRESERVATION

FOR NOT-FOR-PROFIT OWNERS AND PARTNERS

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ABOUT US

At Hudson Valley Property Group, we are acquiring, preserving and elevating affordable and mixed income housing in communities throughout the country. We invest capital creatively and offer customized development services to meet each property and partner's unique needs.

HUDSON VALLEY PROPERTY GROUP: OUR STORY

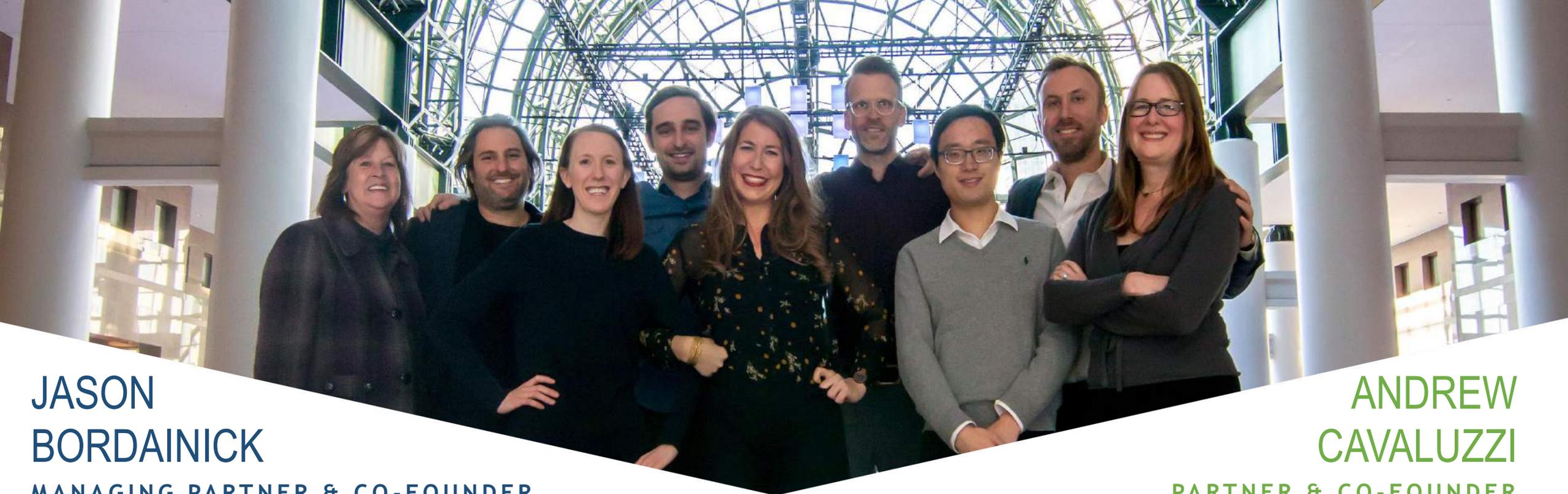
We strive to be the next generation of affordable housing: an honest and committed team executing creative financial solutions to preserve and elevate our nation's aging supply of low-income and workforce housing.

Hudson Valley Property Group was founded in 2010 by childhood friends and business partners, Jason Bordainick and Andrew Cavaluzzi. After observing blatant housing inefficiencies in their hometown of Rockland County, New York, Jason and Andy knew they could improve conditions for families in need of quality affordable housing. As sons of educators, they felt a connection to the area's public servants and understood their invaluable contribution to the community. In the context of the mortgage crisis, the two embarked on a mission to use their entrepreneurial experience, financial and real estate industry background, and clear compassion to fix the system. Jason and Andy came together to build an organization that would have a lasting impact on their community. The solution-oriented organization would enhance the vitality of the properties and communities they serve. Since its inception, the team's unique backgrounds, tenacity and mission-driven business approach have grown their portfolio across multiple states and to 3,500 units and growing.

Triple Bottom Line Business: A for profit company that aims to have big social impact and practices environmentally sustainable development.

At Hudson Valley, we believe safe, healthy, and quality living environments should be available and affordable to everyone. Affordable housing is the foundation to a community's economic, social, and cultural vitality. Hudson Valley's mission is to increase the supply of quality affordable housing. Beyond renovating and preserving homes for residents, we enhance services and facilitate linkages to other local resources.





JASON BORDAINICK

MANAGING PARTNER & CO-FOUNDER

Jason co-founded HVPG with a vision to create the preeminent housing preservation firm, improving upon the availability, quality, and affordability of housing across the country. A recognized industry leader, Jason applies his creativity, tenacity and business acumen towards building an impactful organization that achieves outstanding results for its partners - both for-profit and non-profit, and the communities it serves. Jason leads the strategic direction for the firm and ensures each project, partnership and investment is structured for success. Before founding HVPG, Jason founded and built the nation's largest online marketplace for off campus housing which helps millions of students secure housing each year. In his career, Jason has successfully executed over \$1B of investments on behalf of private investors and corporations. He also previously worked in mergers & acquisitions and corporate management. Jason holds an MBA from Stanford's Graduate School of Business and a BS in finance from the McIntire School of Commerce at the University of Virginia, where he was honored with the Warwick Johnson Jr. award for academic achievement.

ANDREW CAVALUZZI

PARTNER & CO-FOUNDER

Andy directs and oversees potential projects from property identification through project development to successful building completion. Andy has been involved in real estate brokerage, investment, and development for the past ten years. His diverse background in real estate has provided him with extensive experience to evaluate potential properties and execute successful outcomes. Andrew cultivates relationships with the municipalities and local residents that are key to the success of any project. His ability to work constructively with local, state and federal government officials on property rehabilitation and acquisitions ensures a positive outcome for local residents, the government, and HVPG investors alike. Prior to co-founding HVPG, Andy was a developer leading several real estate rehab, new construction, and development projects as well as a successful entrepreneur in the fitness and hospitality industries.

WHAT WE DO

WHAT WE DO

ACQUISITIONS

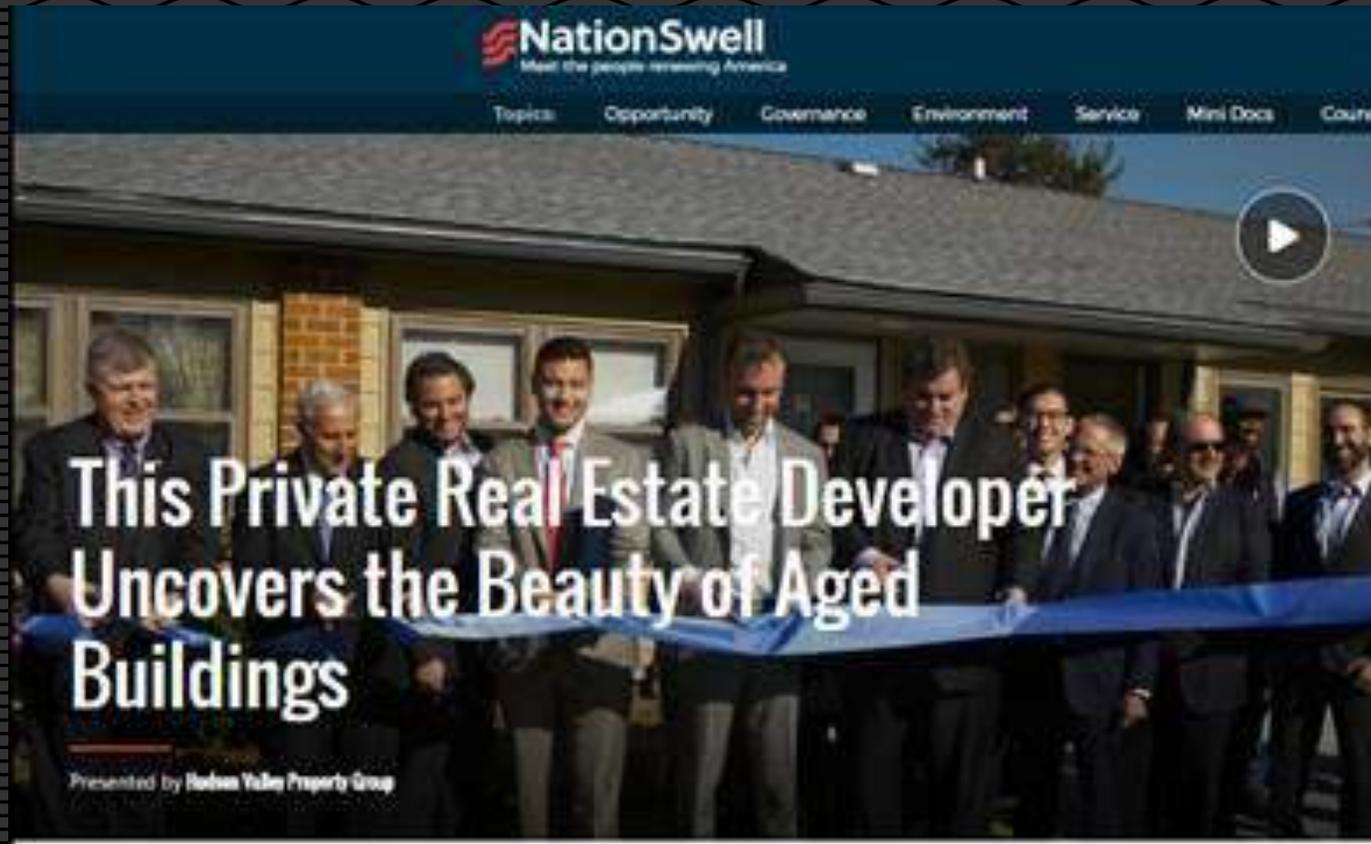
We actively acquire affordable, workforce and mixed income properties throughout the country. We are experienced with a variety of executions to ensure certainty of closing and optimal pricing for the seller.

PRESERVATION PARTNERSHIPS

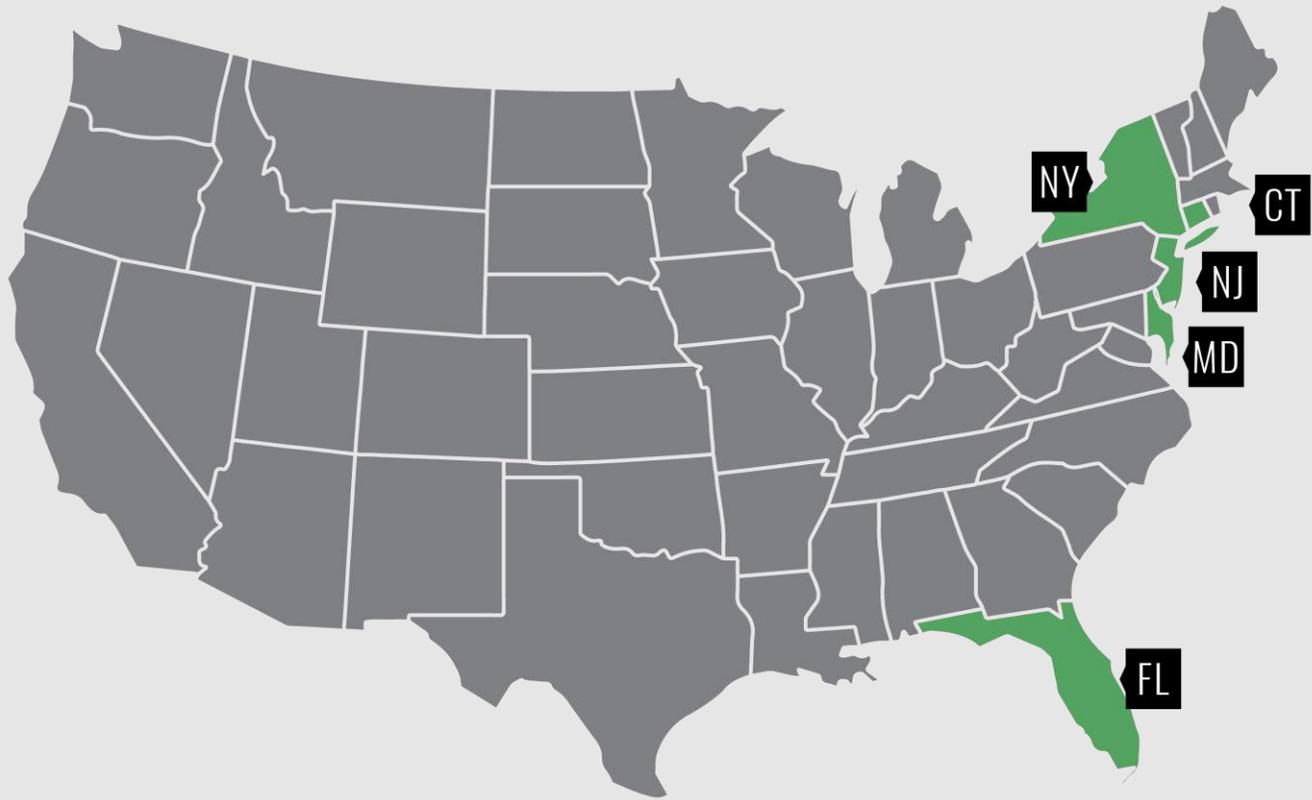
We partner with a variety of not-for-profit owners of affordable housing in unique and flexible ways. Our aim is to provide resources and solutions in order to preserve and renovate buildings to ensure top quality and performance. Alignment on mission, while championing long term partnerships through a collaborative approach, is our key to success.

OUR WORK IN FILM

PLEASE CLICK THE IMAGE BELOW TO VIEW VIDEO



Link to Nationswell website: <http://nationswell.com/hudson-valley-property-group-video/>



PORTFOLIO NUMBERS



HOMES
PRESERVED



RESIDENTS
SERVED



DEVELOPMENT
COSTS



FOCUS ON SUSTAINABILITY

HVPG utilizes best practices in sustainable and resource efficient development, including:

- Ensuring that all property rehabs have a **dedicated budget for energy efficiency upgrades**
- Selecting sustainable building materials & implementation of **energy conservation measures**
- Engaging state regulatory agencies and energy consultants to **monitor project performance and energy savings**
- Reducing landfill waste during construction by redirecting recyclable materials back to the manufacturing process and re-using materials where possible
- Minimizing water usage through the use of native plantings and water conserving technology
- Educating the community of green building features and strategies





FOCUS ON SUSTAINABILITY

Marien-Heim Tower Case Study



NFP PARTNERSHIPS



BROOKLYN, NY



182 UNITS



SENIORS

MARIEN-HEIM TOWER SCOPE OF WORK:

- Air sealing and weather-stripping
- Window and balcony door replacement
- New high efficiency boilers
- New dedicated, high efficiency domestic hot water boilers
- Low-flow water fixtures
- New lighting throughout the building & hallways
- Energy Star appliance replacements

HVPG Environmental Case Study: Marien Heim Tower, Brooklyn, NY				
	2014-2015 (pre-rehab)	Aug 2015-Aug 2016 (post-rehab)	Delta	% Decrease
Energy Usage (mmBTU)	13,576	11,302	2,274	17%
Energy Spending (\$)	\$258,437	\$208,724	\$49,713	19%



BEFORE:



AFTER:



BEFORE:



AFTER:





FOCUS ON SUSTAINABILITY

Colt Arms Apartments Case Study



ACQUISITION



PATERSON, NJ



207 UNITS

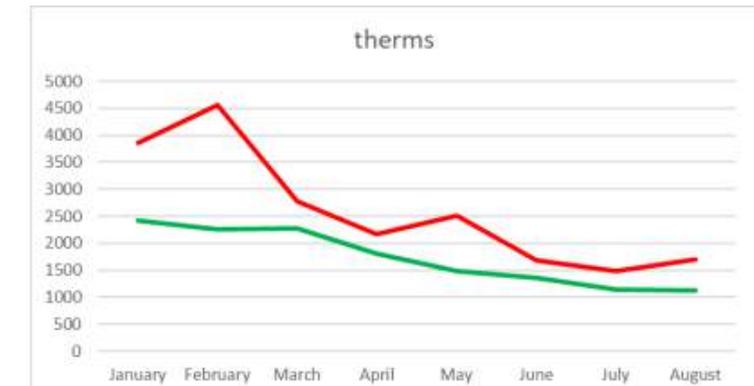


SENIORS



COLT ARMS SCOPE OF WORK:

- Solar panel roof
- New high efficiency boilers
- Upgraded air conditioning and heating system
- Insulated roofing and windows
- Energy-star lighting and new appliances
- Water-saving fixtures



HVPG Environmental Case Study: Colt Arms Apartments, Paterson, NJ				
	Jan 2015-Aug 2015 (pre-rehab)	Jan 2017-Aug 2017 (post-rehab)	Delta	% Decrease
Energy usage (kWh)	2,062,095	1,025,717	1,036,378	50%
Natural gas (Therms)	20,743	13,853	6,890	33%



Pre-rehab —
 Post-rehab —

PRESERVATION PARTNERSHIPS

PRESERVATION PARTNERSHIPS: ABOUT

Hudson Valley Property Group preserves affordable housing in partnership with not-for-profit owners. In this scenario, the not-for-profit owner has the option to remain involved with its property long-term, rather than an outright sale.

We take a very curated approach to our work, and provide a property-specific proposal and partnership structure to the Board. The project scope and partnership terms prioritize:

- Not-for-profit owner's mission
- Capital needs at the property
- Preserving the building's long-term affordability
- Most importantly, the needs and comfort of the residents

We have extensive experience with:

- HUD section 8
- HUD section 236
- HUD section 42 low-income housing tax credits
- NYS & NYC Mitchell Lama housing
- RAD conversions
- Rural development
- HUD section 202
- Mark-to-market and mark-up-to-market restructuring
- Partnership conflict resolution
- Creating value in unused development rights

DEVELOPMENT PARTNER ROLE

In close collaboration with the not-for-profit owner, HVPG undertakes the following responsibilities:

- Funding pre-development costs
- Creation of construction scope
- Obtain construction pricing
- Oversight of construction
- Create financial underwriting
- Negotiate with agencies, lenders and tax credit investors
- Hire and manage consultants (architect, engineers, expeditors, sustainability consultants, etc)
- Manage relationships with local, state, and federal agencies
- Determining what physical improvements should be made
- Determining what service enhancements should be made (if any)
- Construction & Project completion guarantee
- Lease-up guarantee
- Operating deficit guarantee
- Long-term LIHTC guarantee



"When HVPG walked into the room we were sold that these were the kind of people that we could work with. They understood our needs and identified with our mission immediately."

~ Bob Walsh, President of Board of Directors at Marien-Heim, Inc.

OUR APPROACH

STEP 1 COLLABORATE

We will discuss at length the mission of your organization and its priorities for the property, the onsite staff and the residents to ensure that our proposal and the project itself will meet the needs of the organization and the community.

STEP 2 DILIGENCE

We will request to review financials and to visit the site in order to present the Board with a curated proposal with accurate assumptions regarding the financing and scope of work required to achieve the project's goals.

STEP 3 PARTNERSHIP

HVPG will work closely with the Board to finalize the partnership terms and to ensure that all parties are comfortable with their roles in the project moving forward and with the proposed timeline.

STEP 4 EXECUTION

As the developer and in close collaboration with the not-for-profit organization, HVPG will: lead the selection of the development team, secure financing, finalize the scope of work and oversee tenant meetings to ensure that all stakeholders are prepared for upcoming renovations.

STEP 5 CONSTRUCTION

HVPG works hand in hand with management to create and execute a temporary tenant relocation plan in addition to directly overseeing all onsite construction throughout the entire renovation period.

STEP 6 STABILIZATION

HVPG remains involved post-construction as a partner and co-owner, offering asset management and support for the property management staff throughout stabilization and compliance.

PRESERVATION PARTNERSHIPS - Q&A

Q: How would redevelopment benefit the not-for-profit organization? The organization would receive a newly renovated property with the opportunity to maintain ownership and management responsibilities at no out-of-pocket expense. There is an additional opportunity to receive upfront cash payment, and long-term cash flows from operating efficiencies.

Q: How is HVPG different or unique? In addition to prerequisite experience and expertise, we set ourselves apart in our flexibility. We are comfortable playing a variety of roles in a project; whether that be serving as a co-developer that can take on financial guarantees, or as a buyer that is able to offer a competitive acquisition price to the owner with certainty of close. It is entirely dependent on the needs and interest of your organization.

Q: How is HVPG compensated? This is dependent on the structure of the project. The more risk HVPG takes on, the more we would look to share in the economics of the transaction. As a co-developer, HVPG would receive payment out of the development fees allocated in the rehab budget (not by the owner).

Q: What role would HVPG and the owner organization play? This is entirely negotiable. HVPG is able to provide financial guarantees, obtain financing, oversee construction, and assist in all aspects of permanent loan conversion. Our long-term involvement depends on the final deal structure that all parties are comfortable with.

For a more complete list of Q&A, please visit our website: www.HVPG.com

A multi-story brick apartment building with balconies. The building has a dark brick facade and white concrete balconies with black metal railings. In the foreground, a group of people, including men in suits and women in professional attire, are gathered on a paved area. There are blue balloons and some greenery visible. The scene appears to be an outdoor event or a group meeting.

CASE STUDIES

Recent not-for-profit partnerships include:

- Marien-Heim Tower, Brooklyn, NY
- Westminster House, Baltimore, MD
- Victorian Towers, Cape May, NJ
- Bethel Gardens, Hagerstown, MD



MARIEN-HEIM TOWER

Mitchell Lama, Section 236, RAD conversion, project-based section 8



NFP PARTNERSHIPS



BROOKLYN, NY



182 UNITS



SENIOR

PROJECT OBJECTIVES:

Marien-Heim Tower, Inc., a Brooklyn-based non-profit, has owned and operated the 182-unit senior building for more than 40 years. The property is located on Ocean Parkway in the Midwood neighborhood of Brooklyn, NY. By 2014, The property was in need of an extensive renovation but lacked the necessary financial capability and expertise.

Marien-Heim Tower, Inc. expressed interest in partnering with Hudson Valley Property Group to complete a tax-credit redevelopment of the property while retaining long-term involvement and management. Given MHT's expiring Section 236 contract and limited cash flow, the property required a robust development/financing solution to prevent further aging of the building and to preserve the units as affordable for its senior residents and the community.

HVPG SOLUTION:

An innovative solution was devised by Hudson Valley-MDG, a development partnership between Hudson Valley Property Group and MDG Design + Construction LLC. Hudson Valley - MDG formed a joint venture with the not-for-profit organization which allowed them to remain involved long-term as owner and manager while strengthening their financial capabilities.

RESULTS:

- Substantial \$16MM renovation at no out-of-pocket cost to the organization
- Generated several million dollars in proceeds that the organization could use to further its mission
- No increase in tenant paid rents
- No tenants were displaced
- Marien-Heim Tower, Inc. was heavily involved in the development of the scope of work, and continues to provide excellent management for the building and its residents

FINANCING AND SUBSIDY:

This \$53MM (total development costs) project was funded by tax-exempt bonds issued by the New York State Housing Finance Agency (HFA), and utilized as-of-right 4% Low Income Housing Tax Credits (LIHTC). The property participates in HUD's Rental Assistance Demonstration (RAD) program in connection with the new financing, and also benefits from decoupling the remaining Interest Reduction Payments (IRP) from the underlying mortgage so as to generate additional proceeds for the project.

Hudson Valley-MDG was also the first developer in New York State to utilize an innovative "Back-to-Back" financing structure in collaboration with HFA and Citibank that decreased transactions costs. This financing execution allowed the non-profit organization to retain long-term involvement as owner and manager throughout and after LIHTC compliance.

SCOPE OF WORK:

Environmental: updated lighting, Energy-Star appliances, energy-efficient boilers, burners, hot water heaters, toilets, and shower heads

Safety: new security system, balcony structural reinforcement, new intercoms, and emergency pull cords

Building exterior and grounds: new landscaping, benches, tables, skylights, windows, fencing, and façade restoration

Building interior: Renovated lobby, laundry room and main entrance featuring automatic doors

Resident units: new kitchens, bathrooms, cabinets, sinks, flooring, doors, and new paint





LOS TRES UNIDOS APARTMENTS

Project-based Section 8



NFP PARTNERSHIP



NEW YORK, NY



135 UNITS



FAMILY

PROJECT OBJECTIVES:

Los Tres Unidos Apartments (Los Tres) is a 135-unit low-income housing development located near Central Park in East Harlem, Manhattan. The property is subsidized through a HUD project-based Section 8 contract serving families with incomes at or below 50% area median income (AMI). Los Tres was originally developed by a partnership that included not-for-profit co-owner, Nuevo El Barrio para la Rehabilitación de Vivienda y Economía “NERVE”. NERVE’s consultant NCV Capital Partners (NCV) presented HVPG with the unique opportunity to partner with NERVE to exercise their “Right of First Refusal” (ROFR) to match a pending offer on the property. NERVE wanted to remain involved in ownership, but required investment and preservation expertise from a partner.

HVPG EXECUTION:

Hudson Valley Property Group (HVPG), in partnership with NCV Capital Partners and Belveron Partners, provided NERVE with the preservation expertise and equity investment to exercise their ROFR and preserve the property. The team obtained the support of the residents, the City of New York and from HUD.

FINANCING AND SUBSIDY:

The project was financed by substantial equity investments provided by Belveron Partners and Hudson Valley Property Group, and a Fannie Mae mortgage through Prudential. As a result of the preservation endeavor, no residents were displaced and the property will remain affordable for decades to come.

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)
- The City of New York approved a new Article XI tax abatement to support the long term financing of the project
- Preference on some units has been reserved for formerly homeless families that have become eligible for housing
- Immediate capital needs will be addressed, as well as energy efficiency upgrades and security enhancements





WESTMINSTER HOUSE APARTMENTS

Project-based Section 8, HUD 202



NFP PARTNERSHIP



BALTIMORE, MD



283 UNITS



SENIOR

PROJECT OBJECTIVES:

Westminster House Apartments was put in service in 1965 and formerly owned by a local, Baltimore-based not-for-profit organization, United Presbyterian Ministries (UPM). UPM was also the onsite manager of the building. The HUD 202 senior apartment complex is located in the historic Mount Vernon neighborhood of Baltimore, and is open to seniors of 62 years and older. Westminster House provides many attractive amenities to residents including a library, lounge, solarium, private underground parking, convenience store, beauty salon, and fitness center.

The property had aged over its lifetime and in need of a substantial renovation to resident units, as well as major building system upgrades. Furthermore, many residents at the property were not receiving sufficient rental subsidy.

UPM expressed interest in partnering with Hudson Valley Property Group to complete a tax-credit redevelopment of the property while retaining long-term involvement and management.

HVPG SOLUTION:

Hudson Valley formed a partnership entity with UPM that acquired the building and provided an innovative solution that has: enabled the essential renovation at no out-of-pocket cost to the organization, generated proceeds that the organization can use to further its mission, and preserved affordability for hundreds of tenants without any increase in tenant paid rents. UPM and Hudson Valley worked hand-in-hand to create a thorough scope of work tailored to the property's needs, while also improving operations through increased subsidy, PILOT extension, and investment in building systems.

FINANCING AND SUBSIDY:

The ~\$40MM (total development cost) project will be funded by tax-exempt bonds issued by the Maryland Department of Housing and Community Development ("DHCD") and 4% as-of-right Low Income Housing Tax Credits ("LIHTC"). Currently, many residents receive rental subsidy through a variety of programs including Tenant and Project based vouchers (HUD 202 HAP contract). Hudson Valley was able to secure tenant protection vouchers for 168 additional residents that income-qualified but did not previously receive subsidy through the project-based contract.

RESULTS:

- Substantial \$20M renovation at no out-of-pocket cost to the organization that will improve resident quality of life and reduce future operating costs the property
- Generated over a million dollars in proceeds that the organization could use to further its mission.
- No increase in tenant paid rents and 168 income-qualified residents received new tenant protection vouchers.
- No tenants were displaced.
- UPM was heavily involved in the development of the scope of work, and continues to provide excellent management for the building and its residents.

SCOPE OF WORK:

Environmental: New HVAC control system and new energy-star appliances and lighting.

Safety: Addition of 16 new ADA units with ADA bathrooms, ADA handrails in hallways, ADA accessible restrooms, new smoke detectors and fire alarm system, new intercoms and wireless emergency call system.

Building exterior and grounds: Roof replacement and exterior beautification.

Building interior: New windows and shades, new automatic sliding doors at entry of lobby, new painting and flooring, upgraded elevator cab finishes.

Resident units: New kitchen cabinets and countertops, new carpeting and bathroom floor tiles, painting and new blinds, new bathroom and kitchen fixtures.





VICTORIAN TOWERS

Section 236, RAD conversion, project-based section 8



NFP PARTNERSHIPS



CAPE MAY, NJ



205 UNITS



SENIOR

PROJECT OBJECTIVES:

Victorian Towers Apartments has been in service for over forty years. It was originally developed by the Diocesan Housing Services of the Catholic Diocese of Camden (DHSC). This not-for-profit organization has owned and managed the property since its initial construction. The property is an age restricted apartment complex for low-income seniors located in Cape May, New Jersey.

The property was in need of renovations, as well as ADA compliance upgrades. It received subsidy through a Rental Assistance Payment (RAP) contract that was nearing the end of its term. DHSC wanted to renovate the building while preserving its affordability through a Rental Assistance Demonstration (RAD) conversion. The Diocese also wanted to remain involved long-term as part-owner and manager. The organization sought the expertise of a LIHTC development team and partner to execute this project.

HVPG SOLUTION:

Hudson Valley Property Group and MDG Design + Construction (Hudson Valley-MDG) formed a partnership entity with DHSC that acquired the building and provided an innovative solution that has: enabled the essential renovation at no out-of-pocket cost to the organization, generated proceeds that the organization can use to further its mission, and preserved affordability for hundreds of tenants without any increase in tenant paid rents through a RAD PBRA Component 2 conversion. Hudson Valley and the Diocese worked hand-in-hand to create a thorough scope of work tailored to the property's needs, while also improving operations through increased subsidy, PILOT extension, investment in building systems and ADA compliance measures.

FINANCING AND SUBSIDY:

Total development costs for this preservation endeavor were \$24M. The project utilized the NJHMFA Conduit Bond Program, equity generated from the sale of 4% Low Income Housing Tax Credits, and a tax abatement from the City of Cape May. Upon completing the refinance and rehabilitation of Victorian Towers, 56 units will remain affordable through a new 20-year project-based Section 8 Housing Assistance Payments (HAP) contract, and the remaining units will remain affordable through a 20-year Project-Based Rental Assistance (PBRA) agreement.

RESULTS:

- Substantial \$8M renovation at no out-of-pocket cost to the organization that will improve resident quality of life and reduce future operating costs at the property
- Long-term affordability preserved utilizing the Rental Assistance Demonstration II (RAD II) program, which included the issuance of a new 20-year, Section 8 Project-Based Rental Assistance (PBRA) contract
- Generated proceeds that the Diocese can use to further its mission
- No increase in tenant paid rents and no residents were displaced
- DHSC was heavily involved in the development of the scope of work, and continues to provide excellent management for the building and its residents

SCOPE OF WORK:

Environmental: Energy efficiency retrofit; water conservation measures including low flow toilets shower heads and faucets

Building exterior and grounds: professionally designed new Victorian-style façade with decorative gas street lamps lining the side walk

Building interior: Redesign of lobby featuring a seating area and grand faux fireplace

Resident units: Installation of new windows that are more conducive to senior living (easy open and close), creation of 10 fully ADA accessible units and several additional units for the hearing and visually impaired





BETHEL GARDENS

Section 236, RAD conversion, project-based section 8



NFP PARTNERSHIP



HAGERSTOWN, MD



94 UNITS



FAMILY

PROJECT OBJECTIVES:

Bethel Gardens Apartments was put in service in 1975 and formerly owned by local, Hagerstown-based not-for-profit organized Bethel Corporation (Bethel Corp). Bethel Corp was also the onsite manager of the development. Bethel Gardens is a 94-unit garden style apartment complex that received subsidy through a Rental Assistance Payment (RAP) contract that was issued in conjunction with a Section 236 mortgage.

The expiration of the RAP contract was fast approaching in early 2016, and Bethel Gardens' affordability was at-risk if it was not re-capitalized through the RAD (Rental Assistance Demonstration) program prior to the RAP contract expiration. Bethel Corp did not have experience with Low Income Housing Tax Credits, and wanted to work with an experienced developer team that had the financial expertise to ensure that the RAD conversion was properly executed. Bethel Corp expressed interest in partnering with Hudson Valley Property Group to complete the re-capitalization and renovation of the property while retaining long-term involvement and management.

HVPG SOLUTION:

Hudson Valley formed a partnership entity with Bethel Corp that acquired the building and provided an innovative solution that has: enabled the essential renovation at no out-of-pocket cost to the organization, generated proceeds that the organization can use to further its mission, and preserved affordability for hundreds of tenants without any increase in tenant paid rents through a RAD PBRA Component 2 conversion. Bethel Corp and Hudson Valley worked hand-in-hand to create a thorough scope of work tailored to the property's needs, while also improving operations through increased subsidy, PILOT extension, and investment in building systems.

FINANCING AND SUBSIDY:

Total development costs for this preservation endeavor were \$18.5M. The project secured \$6.2M in FHA insured debt and Maryland CDA provided additional support through its Rental Housing Works Program. The development team also decoupled the Section 236 interest reduction payment to procure additional funding for the project. Residents at Bethel Gardens now receive rental subsidy through a new 20-year, Section 8 Project-Based Rental Assistance (PBRA) contract.

RESULTS:

- Substantial \$8M renovation at no out-of-pocket cost to the organization that will improve resident quality of life and reduce future operating costs the property.
- Long-term affordability preserved utilizing the Rental Assistance Demonstration II (RAD II) program, which included the issuance of a new 20-year, Section 8 Project-Based Rental Assistance (PBRA) contract.
- Generated proceeds that Bethel Corp can use to further its mission.
- No increase in tenant paid rents and no tenants were displaced.
- Bethel Corp was heavily involved in the development of the scope of work, and continues to provide excellent management for the building and its residents.

SCOPE OF WORK:

Environmental: updated lighting, Energy-Star appliances, energy-efficient boilers, burners, hot water heaters, toilets, and shower heads.

Safety: new security system, balcony structural reinforcement, new intercoms, and emergency pull cords.

Building exterior and grounds: new landscaping, benches, tables, skylights, windows, fencing, and façade restoration.

Building interior: Renovated lobby, laundry room and main entrance featuring automatic doors.

Resident units: new kitchens, bathrooms, cabinets, sinks, flooring, doors, and new paint.



RECENT PRESS

YOU COULD RETIRE AND LIVE CHEAPLY 2 BLOCKS FROM THE BEACH AT RENOVATED SENIOR COMPLEX

May 2019 - Cape May, NJ - Affordable living at the Jersey Shore just got a whole lot nicer, thanks to a \$24 million rehabilitation project. Victorian Towers, a 205-unit affordable housing development for senior citizens located near the Washington Street Mall in Cape May, recently completed a nearly year-long renovation project. Of the 205 rooms at the housing facility, 56 units will remain affordable through a 20-year, project-based Section 8 Housing Assistance Payments (HAP) contract, and the remaining units will remain affordable through a 20-year, Project-Based Rental Assistance (PBRA) agreement. The building is only a few blocks from the beach and is situated in the downtown area of the city. About 39% of Cape May's 3,500 people are over the age of 60. Of those seniors, 5.5% are considered to be living in poverty.

The turnaround comes years after residents told a different story of Victorian Towers. In 2012, it had several vacancies, and residents complained of a number of maintenance issues, according to a report in the Cape May Herald. Now, renovations included new flooring, new windows, and re-done hallways and community gathering area. Outside of the building, seven gas lamps were also installed to keep with the Victorian-style and historic feel of the town. MDG Design + Construction, LLC and Hudson Valley Property Group completed the project, which was funded through multiple banks, with assistance from the US Department of Housing and Urban Development.

The building is owned and operated by the Diocesan Housing Services Corporation of the Diocese of Camden. At an opening Friday, **Bishop Dennis Sullivan** said more affordable housing is needed, especially with the aging population living longer. “(We) need much more than we currently have,” he said. “The diocese would be glad to sponsor much more, and we are available...but we need to have cooperation, especially that of political powers like we have in the present.”

Hudson Valley Property Group co-founder Andrew Cavaluzzi said the organization first discussed the project with the Diocese in 2013 and revisited the idea two years later before coming to an agreement. Cavaluzzi said the residents' questions, comments, and understanding of the process and construction helped get the project completed. “Anytime that you have construction or renovations going on, there are a lot of nerves that come out,” Cavaluzzi said. “We went through everything, and the residents were great and were very receptive to what we had, and had some questions and comments. Because of the residents, we were able to get this done.”

The **DHSC's Executive Director, Jamie Reynolds**, said the development had to feel like home. “We try to incorporate that spirit at each of the properties we operate,” he said. “We are especially pleased with the opportunity to refresh Victorian Towers and bring some new life in one of our oldest properties, which was built in 1973.”



[LINK TO FULL ARTICLE](#)

EAST HARLEM TENANTS WIN \$60M AFFORDABILITY DEAL

February 13, 2018 – New York, NY– A \$60 million funding package will allow developers to preserve the affordable Los Tres Unidos apartments in East Harlem.

A partnership between Nuevo El barrio para la Rehabilitacion de la Vivienda y la Economia, (NERVE), NCV Capital Partners (NCV), Hudson Valley Property Group (HVPG) and Belveron Partners (Belveron) announced plan for the 135-unit multifamily development on 112th Street. Equity investments were provided by Belveron and HVPG along with a Fannie Mae mortgage through Prudential.

The property remains subject to its U.S. Department of Housing and Urban Development (HUD) Housing Assistance Payment contract, which allows tenants to pay only 30 percent of their monthly income towards rent. The new owner, a NERVE-NCV-HVPG partnership, plans to keep the property affordable for the long-term.

The NERVE organization was formed in 1975 and was one of the original developers of Los Tres Unidos. In 2017, NERVE exercised its right-of-first-refusal (ROFR) when its partner endeavored to sell. NERVE brought in new partners, NCV, HVPG, and Belveron for immediate equity and acumen to match the competing offer and secure the property for a January 2018 closing.

“When Robert Anzagasti of NERVE contacted NCV and expressed his desire to exercise NERVE’s Right of First Refusal to purchase Los Tres Unidos, I thought it would be very challenging to raise the necessary capital given the 30-day time frame as permitted under the agreement. However, by tapping into NCV’s network of investors we were able to find the perfect partners in Hudson Valley Property Group and Belveron to pull this off. The real winners are the tenants of Los Tres Unidos who will continue to live in high quality affordable housing in the emerging neighborhood of El Barrio (East Harlem) as the project will remain affordable for the foreseeable future,” stated Keith Gordon, Managing Partner of NCV Capital Partners.



[LINK TO FULL ARTICLE](#)

\$8 MILLION PROJECT MAINTAINS AFFORDABLE HOUSING FOR SENIORS IN CAPE MAY

November 21, 2017 – Cape May, NJ – The Diocesan Housing Services Corporation of the Diocese of Camden, Inc. (DHSC), MDG Design + Construction, LLC, and **Hudson Valley Property Group (HVPG)**, announce the closing of Victorian Towers, a refinancing and renovation project that will result in the investment of more than \$8 million in capital improvements to this 205-unit senior housing development located at 608 Washington Street in Cape May, New Jersey. The refinancing will preserve the affordability of Victorian Towers for 20 additional years while renovations will provide necessary upgrades to the units and property.

Originally constructed in 1973 to house low-income seniors, Victorian Towers is a six-story development containing 205 studio and one-bedroom apartments as well as 82 parking spaces located near shopping, medical, and public transit services. Renovations will include improvements to the units; a redesigned lobby with a seating area; and a complete overhaul of over 2,000 square feet of community facilities. Exterior work includes the installation of easily opened and closed windows and a new Victorian-styled facade. Efficiency upgrades include new AC units and water conservation measures such as the installation of low-flow toilets, shower heads, and faucet aerators. The scope of work also involves the creation of 10 fully accessible units designed in accordance with the Americans with Disabilities Act, including several units for the hearing and visually impaired.

DHSC has managed Victorian Towers for decades and will continue to remain involved with the property for the long term to continue serving its residents and the Cape May Community. As development partners, MDG and HVPG will bring substantial financing and development resources to the project, and will continue to be a partner of DHSC post-renovation.

“We are proud to be partnering with the Diocese to further its mission in providing its low- to moderate- income earning Cape May residents with high-quality affordable housing. We are grateful to NJHMFA and the HUD RAD program for providing the programs and support to make this project a success,” commented **Jason Bordainick, Managing Partner and Co-Founder of Hudson Valley Property Group.**

Upon completing the refinance and rehabilitation of Victorian Towers, 194 units will remain affordable through a 20-year Project-Based Rental Assistance (PBRA) agreement, while the balance of the units will remain affordable through the HUD Section 236 program. The project utilizes the NJHMFA Conduit Bond Program, equity generated from the sale of 4% Low Income Housing Tax Credits.



“We couldn’t be more pleased to be able to make a significant investment in the improvement of Victorian Towers,” said **James Reynolds, the Executive Director of DHSC.** *“Our partners at MDG and HVPG are consummate professionals and are helping us to further the work of the Church in advancing the interests of low- and moderate-income seniors and families in need throughout South Jersey.”*

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HVPG, PARTNERS & NEW YORK CITY CELEBRATE COMPLETION OF 613-UNIT MITCHELL LAMA HOUSING RENOVATION



May 12, 2017 – Hudson Valley Property Group (HVPG), Phoenix Realty Group (PRG), and Belveron Partners are pleased to announce the completion of the \$14 million renovation project for Keith Plaza and Kelly Towers, located in the Bronx, New York. Councilman of the 15th District, Ritchie Torres, HDC Chief Operating Officer & General Counsel, Richard Froehlich, Assistant Commissioner, Division of Housing Supervision, Julie Walpert, and HUD Deputy Regional Administrator of New York and New Jersey, Mirza Orriols, joined the development team at the ribbon cutting ceremony on Friday, May 12, 2017 at 11am.

“The extensive rehabilitation and preservation of more than 600 units of housing at Keith Plaza and Kelly Towers demonstrates the successful public and private partnership needed to protect the affordability and quality of our critical Mitchell-Lama housing stock,” said **HDC President, Eric Enderlin**. *“I would like to acknowledge and thank our many partners at HUD, HPD, Hudson Valley, Phoenix Realty Group, and Belveron Partners for all their hard work to preserve this vital affordable housing for The Bronx and New York City.”*

“Our preservation work is safeguarding the affordability of homes and neighborhoods, and ensuring the quality of our city’s critical infrastructure – housing – for generations to come,” said **HPD Commissioner Maria Torres-Springer**. *“Preserving the remaining stock of Mitchell-Lama housing is an important component of the housing plan, and this investment is paying off at developments like Keith Plaza and Kelly Towers. HPD thanks HDC, Hudson Valley Property Group, and Phoenix Realty Group for bringing much-needed improvements and the security of extended affordability to more than 600 families.”*

The acquisition, preservation and renovation of Keith Plaza and Kelly Towers provided a unique and innovative financing solution to prevent the loss of 613 units of workforce and affordable housing from New York City’s housing stock. Keith Plaza is one of the early preservation projects in the nation utilizing the Rental Assistance Demonstration II (RAD II) program, which included the issuance of a new 20-year, Section 8 Project-Based Rental Assistance (PBRA) contract.

Both properties were built in 1975 under the Mitchell Lama Housing Program restricted to 125% AMI rents. Mitchell Lama workforce housing properties are some of the most at-risk affordable housing properties in New York City. As mortgages mature on these properties, many owners elect to make them market rate or to sell to a market rate developer. The preservation of Keith and Kelly ensures that these properties will remain quality, affordable housing in the Bronx community for decades to come.

“These important preservation projects will ensure that working class families and retired seniors who reside here have a quality, affordable place to call home for years to come. We plan to follow the City’s lead and continue to work to preserve affordable housing throughout the five boroughs.” **Jason Bordainick, Managing Partner, Hudson Valley Property Group.**

Financing was provided by the City of New York, including the New York City Housing Development Corporation and the New York City Department of Housing Preservation and Development, in addition to an equity investment provided by Belveron Partners and the developers Hudson Valley Property Group and Phoenix Realty Group. More specifically, Keith Plaza and Kelly Towers were financed by approximately \$40 million in tax-exempt recycled bonds and an additional \$7.7 million secured by 236 Mortgage Decoupling Interest Reduction Payments.

Keith Plaza, a 311-unit, 30 story building located at 2475 Southern Boulevard, and Kelly Towers, a 302-unit pair of 17-story buildings located across the street at 2375 and 2405 Southern Boulevard, are 99% occupied and provide homes for both low and moderate income working families and seniors. There is a lengthy waiting list to secure a unit at both of these properties.

Both properties are centrally located in a rapidly redeveloping area of the Bronx, near Fordham University, St. Barnabas Hospital, the Bronx Zoo and the New York Botanical Gardens. PRG and HVPG acquired the properties in December of 2015 with the intention of preserving them as affordable workforce housing for the long-term. The buildings were renovated over the over the course of 2016 and 2017.

“Today Keith Plaza joins nearly 25,000 affordable units nationwide renovated through HUD’s Rental Assistance Demonstration, with nearly 10,000 of those located in New York State,” said **Mirza Orriols, HUD Deputy Regional Administrator for New York and New Jersey**. “RAD has served as a lifeline for multifamily properties in need of refinance and repair, preserving long-term affordability and providing residents with the stable, quality housing we know is a gateway to opportunity.”

The total development cost surpassed \$88 million and the renovation cost exceeded \$14 million. Key upgrades consisted of common area and unit renovations to improve resident comfort and safety. The common area renovations included extensive repairs to the parking garage, upgrades to the exterior landscaping and recreation areas, renovation of the lobby and building entrances, new flooring and painting in all common areas, a new trash compactor and a new security system. The unit renovations included new appliances, electrical fixtures, sinks, cabinets, and countertops in the kitchens, as well as new vanities, lavatories and GFI outlets in the bathrooms. Each apartment also received new electrical panels and new door hardware. Significant energy efficiency enhancements were also included in the project scope such as improved heating systems and new lighting.



[LINK TO FULL ARTICLE](#)

HUDSON VALLEY PROPERTY GROUP ACQUIRES 1,009-UNIT PORTFOLIO



Feb. 2016 – Hudson Valley Property Group (HVPG) has acquired 1,009 affordable housing units throughout northern New Jersey. Located in the towns of East Orange, Hazlet, Metuchen, Old Bridge, Orange, Paterson, and Windsor, the seven family and senior housing properties are subsidized through project-based Sec. 8 contracts. It is estimated the developments house 2,500 residents.

The deal, which is valued at more than \$180 million, is the latest transaction by HVPG, a New York City-based affordable housing preservation firm. The company partnered on the deal with Red Stone Cos. and Wheelock Street Capital. Red Stone was responsible for securing the debt financing and worked closely with HVPG to assemble the capital stack for the transaction. Wheelock Street Capital provided the majority of the equity capital. The debt was funded by utilizing a financing facility structured by Walker & Dunlop and Fannie Mae. The portfolio was owned by Kline Enterprises and formerly managed by First National Properties.

“The previous owners built an impressive organization and team providing much-needed affordable housing throughout New Jersey,” said Jason Bordainick, Managing Partner of HVPG, in a statement. “We are excited to have the opportunity to carry on their legacy, and to preserve these properties for decades to come.”

The joint venture plans to hold the properties long term and pursue renovations and sustainable upgrades on the properties.

“We are especially excited to have leveraged our relationship with Walker & Dunlop and Fannie Mae to structure and participate in a flexible and multiple-party debt/equity capital stack to maximize the opportunity on this acquisition and preservation of over 1,000 affordable housing units,” said Brian Renzi, managing director of Red Stone.

The New Jersey-based property management company, Community Realty Management, assumed operations while retaining a majority of the existing management staff at each of the sites. The portfolio was listed and brokered by SVN AFFORDABLE | Levental Realty, and the transaction was led by managing director Gene Levental and senior advisor Jamie Renzenbrink. The law firms of Nixon Peabody, Berman Indictor, and Goodwin Procter represented the joint venture in the transaction. *(Photo: Metuchen Senior Citizens, Metuchen NJ)*

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MARIEN HEIM TOWER RIBBON CUTTING: HVPG CELEBRATES WITH BROOKLYN NOT-FOR-PROFIT OWNER

October 6, 2016 - Brooklyn, NY – Today, the U.S. Department of Housing and Urban Development (HUD) and the New York State Homes and Community Renewal (HCR) joined residents and development partners MDG Design + Construction (MDG), Hudson Valley Property Group (HVPG), and Marien-Heim Tower Associates LP to celebrate the renovation of Marien-Heim Tower, a 181-unit affordable development for low-income seniors aged 62 and older. Marien-Heim Tower, a Mitchell-Lama development in the Midwood section of Brooklyn, recently completed a nearly \$53 million state financed and federally assisted rehabilitation project to preserve long-term affordability.

Marien-Heim Tower was built in 1975 using a HUD Section 236 loan guarantee, and contained a mix of 132 studios and 49 one-bedroom apartments. Over 40 years later, the building was in need of capital maintenance and upgrades, and Marien-Heim Tower Associates worked with MDG and HVPG to secure funding through HCR to finance the renovations while preserving its affordability for low-income seniors. The development leveraged HUD's Rental Assistance Demonstration (RAD), which facilitated the \$52.7 million acquisition and rehab project, and included \$16 million in hard construction costs. The RAD program restricts residents' rent to no more than 30% of their income while providing financing for required renovations.

“Working hand-in-hand with not-for-profit owners on transformative projects that give residents a much nicer, more comfortable place to call home is at the core of what we do. We are thankful for the good stewardship of the agencies—NYSHCR and HUD—and the very dedicated Marien-Heim staff for making the project such a great success,” **Jason Bordainick, Managing Partner, Hudson Valley Property Group.**

“The board and staff of Marien-Heim Tower are grateful for the partnership we have developed with Hudson Valley Property Group and MDG Design + Construction,” said **Robert J. Walsh, President and Chairman of the Board of Marien-Heim Tower.** *“It was the answer to our years-long search to find a way to do much needed renovations of our property without abandoning our century-long mission to provide safe, secure, and affordable housing for older adults in Brooklyn. Every prior proposal we received would have involved our not-for-profit organization receiving a lot of money through the sale of the property and in turn losing our mission and involvement in the ongoing life of the Marien-Heim Tower.”*



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AHF RECOGNIZES INDUSTRY CATALYSTS

Oct. 2016 – Six individuals 40 and younger named AHF’s 2016 Young Leaders.

SPECIAL FOCUS | 2016 YOUNG LEADERS

The 6-year-old Hudson Valley Property Group (HVPG) is becoming a force in affordable housing.

The New York-based firm expects to double its portfolio of nearly 1,400 units by closing deals on another 1,500 apartments by the end of this year. HVPG owns properties in Florida, Maryland, New Jersey, and New York and is expanding into several more states in the Northeast and Mid-Atlantic in 2017.

HVPG gets its name from the region where founders Jason Bordainick and Andrew Cavaluzzi grew up. The childhood friends established the firm in 2010 to help address the need for affordable housing by rehabilitating blighted properties and at-risk developments.

“The vision is to build a nationwide platform to preserve affordable housing, bring fresh ideas in how deals are financed, and strengthen partnerships that [let us] grow the business [and] expand on the services we can offer tenants and the community,” says Bordainick, managing partner.

HVPG has been strategic and creative in its willingness to partner with different for-profit and nonprofit firms, says Deborah VanAmerongen, strategic policy adviser at Nixon Peabody, a law firm that’s worked with HVPG. “With each of these partnerships, [HVPG’s] skill set has grown, and they’ve rapidly developed the capacity to undertake transactions on their own,” she says.

Bordainick, 35, serves on the board of the New York State Association for Affordable Housing. —D.K.



Spirited Entrepreneur

Jason Bordainick leads the rising development firm Hudson Valley Property Group

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RAD HELPS REPOSITION STRUGGLING PROPERTY

Colt Arms Apartments was heading in the wrong direction. “The property was spiraling down,” says Jason Bordainick, co-founder and managing partner of HVPG. “If it ended up continuing in that direction, people would have been displaced because of obsolescence of the property over time.”

The critical piece of preserving the property has been to help residents by “project-basing” the apartments through the RAD conversion, says Bordainick. “The majority of residents were not subsidized,” he says. “As a result of the RAD program, effectively all of the residents who are income-qualified received project-based assistance, which lowered the amount of money that the tenants had to pay out of pocket.”

Most residents will now pay just 30% of their income toward rent. Under the RAD conversion, 154 units have PBRA through the Department of Housing and Urban Development. The New Jersey Department of Community Affairs provides Sec. 8 project-based vouchers for an additional 52 units. The mix allows HVPG to accommodate different residents and not displace anyone who has been living at Colt Arms. PBRA contracts help owners like HVPG to address deferred maintenance and long-term affordability of privately assisted housing stock. They offer longer-term, 20-year contracts instead of the typical 15-year project-based vouchers, and they are made directly with HUD rather than going through public housing authorities.

The Colt Arms deal required several sources of financing, including 4% low-income housing tax credits and tax-exempt bonds from the New Jersey Housing and Mortgage Finance Agency. R4 Capital syndicated the credits to raise approximately \$10 million in equity, and Red Stone Tax Exempt Funding did a private placement to purchase the bonds, providing approximately \$20.5 million, including a \$1.9 million interest reduction payment loan. The development team also had to decouple the Sec. 236 interest reduction payment. There are two tranches of debt—one against the mortgage on the property and another on the decoupled IRP stream, which had about eight more years left, says Bordainick.

“We spent a lot of time and money in advance of closing to execute a variety of tests, third-party reports, and meetings with tenants to ensure that we had the right budget and scope for the preservation work,” he says.

BEFORE:



AFTER:



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THANK YOU

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