



RIVERVIEW HOUSE

HUD PROJECT BASED SECTION 8



ACQUISITION



BRONX, NY



383 UNITS



FAMILY

PROJECT OBJECTIVES:

Located at 1600 Sedgewick Avenue in the 16th Council District in the Bronx, Riverview Apartments is a 26-story multifamily tower that consists of 383 units: three studios, 95 one-bedrooms, 239 two-bedrooms, 47 three-bedrooms and two super apartments. A HUD Project Based Section 8 HAP contract covers 315 of the units with additional units subsidized by portable tenant vouchers administered by NYCHA. The property is subject to a Regulatory Agreement with the City of New York Housing Preservation and Development and an Article V Tax Exemption. On-site amenities include: onsite parking, onsite laundry, common outdoor space and a playground. A child daycare facility occupies the one commercial space at the property.

HVPG worked with the previous owner in an off-market transaction to meet pricing expectations while maintaining the long-term affordability of the property, expanding tenant amenities and investing in building renovations.

FINANCING AND SUBSIDY:

HVPG is the manager of a private equity fund (HVPF) focused on the acquisition and preservation of affordable housing. Equity from HVPF was deployed to fund the acquisition of Riverview House, along with additional equity co-investment from Nuveen. The existing Wells Fargo mortgage was assumed and an additional supplemental loan was procured through Freddie Mac/Wells Fargo. HVPG secured a new 20-year HUD project based Section 8 contract with additional rental subsidy through a Mark-up-to-Market (tenant rent contributions remained unchanged).

RESULTS:

- Investment of approximately \$120MM in NYC's affordable housing supply
- Affordability of low income housing supply preserved for decades to come; secured by the issuance of a new 20-year project-based HAP contract by HUD
- The City of New York approved the assignment and assumption of the existing Article V Tax Exemption to support the long term financing of the project
- Renovation prioritizing building modernization, energy efficiency upgrades and resident quality of life improvements
- No displacement of residents
- **New Tenant Amenity:** Building-wide (apartments and common areas) Wi-Fi service will be provided to tenants for no charge. This service is in lieu of tenants procuring Internet access with 3rd party providers at charges ranging from \$40 to \$70 per month.

SCOPE OF WORK:

SITE

- Security upgrades
- Landscaping and playground updates

BUILDING

- Roof repairs
- Elevator modernization
- Façade work
- Energy saving lighting upgrades

UNITS

- Select units to receive new ovens and refrigerators
- Updated fire safety devices

COMMON AREAS

- Entire building is Wi-Fi enabled and high-speed internet is provided at no cost to tenants

