THE ENCORE

HUD PROJECT BASED SECTION 8, LIHTC

ACQUISITION | CAMDEN, NJ | 321 UNITS | FAMILY

PROJECT SUMMARY:

Located at 433 North 7th Street in Camden, New Jersey, The Encore (FKA Northgate One Apartments) consists of a twenty one-story building with a total of 321 affordable units. The property had not been renovated in decades and was in need of substantial renovation and a security overhaul. The proposed project required a pioneering financing structure along with the support and partnership from a variety of public agencies.

To ensure the long-term affordability of the property, HVPG assumed and extended the existing long-term project-based Section 8 HAP contract which ensures residents pay no more than 30% of their income towards rent. The property is additionally subject to LIHTC income restrictions through a thirty-year compliance period: tenants must qualify at 60% of Area Median Income (AMI) to reside at the property. This transaction represents a ~$130MM investment in Camden's affordable housing supply serving the community's low-income families.

FINANCING:

The acquisition and property rehabilitation of The Encore is financed with a mix of federal low-income housing tax credits (LIHTC) funded by Enterprise, Aspire NJ state tax credits, and a HUD FHA 221d4 loan originated by PGIM). This endeavor represents one of the first affordable housing preservation projects to leverage the new Aspire tax credit program administered by NJEDA (New Jersey Economic Development Authority)

RESULTS:

- Affordability of low-income housing supply preserved for decades to come with a long-term HUD project based Section 8 HAP contract and tax credit regulatory restrictions
- A $43MM LIHTC rehab prioritizing building modernization, energy efficiency upgrades, elanced security, unit renovations and resident quality of life improvements
- The City of Camden supported the project with a long-term PILOT Agreement
- No displacement of residents

SCOPE OF WORK:

The upgrades include a reimagination of the building's façade, which preserves the essence of the mid-century era when the former luxury apartment building was constructed. The scheduled upgrades are holistic including a complete building revitalization with site infrastructure upgrades, mechanical system replacements, and a number of in-unit bathroom, kitchen and apartment safety improvements, creating a market-rate aesthetic and ensuring adherence to HVPG's community standards.

The renovation also includes the creation of fully accessible dwelling units, and site improvements to create a fully accessible site. As part of HVPG's ongoing efforts to improve and maintain its properties for the residents they serve, the firm has also implemented a formal Community Enhancement Program at the property to create a vibrant, responsible, and safe community for residents. The enhancement program includes a site-specific emergency plan, active collaboration with local police departments and an enhanced, high-definition monitoring system providing sitewide security coverage, all with the goal of modernizing the property and improving residents' quality of life.