

Section II C – Description of Project

McCarthy Manor (the “Property” or “McCarthy”) is an existing 176-unit affordable housing property for seniors and disabled located at 501 S. Crouse Ave., Syracuse, NY 13210. It consists of one 8-story building with an elevator and sits on a 2.7 acre lot. McCarthy was built in 1980 and contains a lobby, leasing office, indoor fish pond, community room, library, business center, fitness center, and on-site laundry room. All of the amenities are exclusively for the residents. The Property’s 176 units are comprised of 175 one-bedroom units and 1 non-revenue two-bedroom employee unit. Each unit is 540 square feet for a total rentable area of 95,200 SF. All units are restricted under the NYSHFA Regulatory Agreement to households earning 60% of AMI or less. The Property is managed by Related Management Company and will continue to be post-rehab. There are 70 parking spaces for tenants.

We are seeking to finance an acquisition and renovation of the Property with local tax-exempt bonds from SIDA, along with as-of-right 4% tax credits from NYSHCR. Additionally, we are seeking a sales tax exemption and an exemption from mortgage recording tax.

The Property is currently owned by an affiliate of Related Affordable. The purchasers will be an entity affiliated with the current owners, but note that all related party rules will be followed upon acquisition.

McCarthy Manor was previously renovated with tax credits and bonds over 15 years ago, but is in need of another rehabilitation. All but one of the 176 units are subsidized by a project-based Section 8 Housing Assistance Payment (“HAP”) contract. As part of our proposed transaction, we will extend the existing HAP contract for an additional 20 years, the maximum term allowed by HUD. In addition, the Property will be subject to 30 years of affordability via a tax credit extended use regulatory agreement.

Our proposal contemplates renovation costs of approximately \$12m (68K/unit). The scope of work is expected to include: modernization of 100% of units including new baths, kitchens, flooring, A/C units, painting; new windows; landscaping and hardscape improvements including additional lighting, parking lot repairs, concrete repairs, and signage updates; modernization of community spaces; and the addition of new site-wide free wifi. We expect to request approximately \$23,000,000 in bonds.

Relocation during the renovation will be a combination of resident in-place and hotels. We will be renovating the apartments in phases and expect units not receiving ADA upgrades to take approximately 2 weeks. In order to maximize resident comfort and allow them to stay in their units as much as possible, we will be performing a portion of the rehab work with tenants in-place and a portion of the work with tenants relocated to either on-site “hotel” units, if there are available vacant units, or to a nearby suite style hotel. It will be during this second week that any asbestos remediation will take place. During the time that tenants are in-place, we will set up furniture and refreshments in the community room so that residents have somewhere to go during the day. Units receiving full ADA upgrades (5% of units) will likely be out of their units for approximately 8 weeks. These residents will either be relocated to an on-site “hotel” unit or a suite style hotel with a kitchenette.

Lastly, the Property has an Article 11 PILOT Agreement with the City of Syracuse that runs through 2047. The terms of which call for yearly tax increases of 5%. The purchaser plans to keep the PILOT in place upon acquisition.



