

Case Study

Green and
Healthy Homes



Jagernauth and Amanda Harilal learned about HPD's financing programs after attending a Property Management Course held at HPD. They inherited their property from Mr. Harilal's parents over ten years ago. The building's small size and low rents made it difficult for the property to cover rising utility and ongoing maintenance expenses.

With HPD's below-market interest rate loan and tax abatement, the property was able to get the financing it needed to address critical repair and energy efficiency work to lower its operating expenses. All of this was done without increasing rents to the tenants, ensuring the long-term financial and physical viability, as well as the affordability, of the building.

1097 Glenmore Avenue
Cypress Hills
Brooklyn



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NYC
Department of
Housing Preservation
& Development

Case Study: 1097 Glenmore Avenue

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# of Units in Building	5
Owner Type	Individual For-Profit Owner Owner lives in building
Financing Programs	Green Housing Preservation Program Lead and Healthy Homes Program
Loan Amount and Terms	\$409,470 total <div><div>\$72,000 forgiven after 30 years</div><div>\$336,970 repayable over 30 years at 0.50% interest</div></div>
Tax Benefit*	Enriched J-51, owner will have no tax liability for the first 12 years of the loan
Predevelopment Financing	The owner was able to access \$23,000 in financing from the New York City Energy Efficiency Corporation (NYCEEC) to cover costs related to the closing of the HPD construction loan (i.e. environmental testing, capital needs assessment and energy audit, and legal fees).
Projected Utility Savings	\$13,132 per year, a 24% reduction from current utility expenses
Rent Restriction**	5 units total <div><div>2 units at 60% AMI</div><div>3 units at 80% AMI</div></div> <p>(Current average rent is at 43% AMI, or \$841/month)</p>

* **Enriched J-51:** The J-51 tax benefit is an as-of-right tax benefit for property owners of rent stabilized housing who have completed rehabilitation work. The amount of the benefit received is dependent upon the amount of work completed. When owners receive governmental assistance to complete rehabilitation work, the amount of benefit is greater than what they would receive if they self-funded the work.

** **Rent Restriction:** The rent restriction for each property is unique and derived from where current rents are today. While it is HPD's mission to preserve affordability of rents for low- and moderate-income New Yorkers, HPD understands that owners need their income to grow in order to meet annual expenses, while also turning around a modest profit. HPD performs in-depth financial analysis to make sure its rent restrictions are not overly burdensome to properties and allow room for growth.

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