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THE FINE FACTOR

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DEVELOPER GIVES WORKFORCE HOUSING AN UPMARKET SPIN

A steady stream of construction workers approached developer Peter Fine to shake hands at a June 30 topping out ceremony in Mount Vernon.

They thanked him for the jobs he created by building La Porte Apartments, a \$60 million, 14-floor affordable workforce housing project at 203 Gramatan Ave.

The path to those jobs, and more to come with two pending projects, has been a tortuous, nine-year process of securing government support and financing.

"Sometimes I think I'm not in the housing business, I'm in public works," Fine said. "But I'm OK with that."

Fine grew up in government-subsidized housing in Queens. He earned a master's degree in sociology from New York University in 1986 and became a social worker. He shifted to housing development in 1995, co-founding Atlantic Development Group and becoming one of the most prolific builders of affordable housing in the region.

La Porte, he said, "is by far the nicest workforce housing I've ever built."

Unlike typical housing projects, the 159 apartments will have washers and dryers and tenant-controlled heating and air conditioning. There will be a gym, children's playroom,

media room with a 12-foot screen and a lounge with a full pantry on the roof, surrounded by a 4,000-square-foot landscaped deck with views of the Manhattan skyline.

The building includes 20,000 square feet of retail space. A Dollar Tree store has taken half of the space and Fine would like to lease the rest to an apparel store and restaurant.

He also took control of the deteriorating Sidney Avenue Municipal Garage. He is waterproofing the leaky structure, making structural repairs, painting it and installing new elevators, lighting, signs and security cameras.

About 800 feet along Gramatan is getting a \$1.4 million makeover with a new sidewalk, trees, benches and streetlights.

The company is taking applications (applylaporte.com) for 20 studios, 99 one-bedroom and 39 two-bedroom apartments. Rents will range from \$990 to \$1,429. People with annual incomes from \$34,663 to \$64,680 qualify, and 30 percent of the apartments will be rented to Mount Vernon residents.

Topping out ceremonies mark the point when the last structural piece is placed atop a building and most of what remains to be done is interior work. The custom is part tribute to contractors and laborers and part public relations gesture announcing that a project is about to open for business.

Atlantic Development and the general contractor, To Better Days Construction, set up a buffet lunch amidst the grit of the unfinished retail space and the dusty, sweet smell of recently poured concrete.

The prime contractors include architect GF55 Partners LLP, structural engineer Brooker Engineering, mechanical, electrical and plumbing engineer Ettinger Engineering and civil engineer Kellard Sessions.

Fine pointed out that nearly one-third of the \$40 million construction budget was awarded to Mount Vernon companies and 43 construction jobs were set aside for Mount Vernon residents. He estimated that 150 construction workers are on site now.

The project was nine years in the making and spanned the tenures of three mayors.

Fine began discussions with Mount Vernon Mayor Ernie Davis in 2007. He said Davis saw the project as a catalyst to downtown redevelopment.

That was about the same time that Fine was helping to bring Lin-Manuel Miranda's "In the Heights" to Broadway, where it won best musical and three other Tony Awards in 2008.

That year, Fine's **Blue Rio** LLC bought two downtown **Mount Vernon** parcels for \$3.5 million. By then, Clinton Young Jr. had become mayor. Davis regained the mayor's office in 2012 and Richard Thomas displaced Davis this year.

All three mayors, Fine said, bought into the vision.

"It's a great city with good bones," Fine said in explaining his interest in Mount Vernon. "It just needs tender loving care."

The location, south of the Gramatan Avenue roundabout and next to the 5.2-acre Hartley Park, is considered the gateway to the city's commercial district.

Vacant buildings and underutilized land had blighted the neighborhood and detracted from economic conditions, according to findings in a 2010 state environmental quality review.

He also sought county support, and County Executive Andrew J. Spano pledged housing bonds. But in 2010, the new county executive, Robert P. Astorino, vetoed the deal. The county Board of Legislators overrode the veto in 2011 and approved \$4.5 million in housing bonds. But the appropriation languished with the county contract agency controlled by Astorino.

"I lost two years," Fine said.

He assembled financing from a variety of sources, in what the New York State Housing Finance Agency described as a complex structure.

Two years ago, the agency approved a \$30 million mortgage loan for Blue Rio Kenwood LLC, controlled by Fine and Kenneth Knuckles.

The agency also backed the project with a \$5.1 million subsidy loan and a \$3.1 million Senate loan. The State of New York Mortgage Agency provided a mortgage insurance policy.

The city kicked in federal money: a \$1.65 million community development block grant loan and a \$1.5 million Home Partnership loan. The city's industrial development agency negotiated payments in lieu of taxes to provide property tax relief.

In 2010, Atlantic Development planned to sell low-income housing tax credits - providing dollar-for-dollar reductions in taxpayers' federal income taxes - to raise about \$100,000 per unit. "Without these credits," the environmental quality review noted, "the applicants maintain the building would not be feasible."

Fine said he has deferred \$6 million in fees to make the financing work.

"I'm trying to make a profit," he said. "But I'm trying to profit on the quality of the units."

He explained that a lot of affordable housing is subpar and government officials are skeptical about developers. His strategy is to build a superior product, win the confidence of city officials and set the stage for more development.

La Porte is the first of three proposed buildings, including a market-rate building at 30 Oakley Ave. and senior citizen apartments on Crary Avenue.

He expects La Porte to be finished by September.

The next project is Hartley Park Towers, around the corner from La Porte at the site of the former Rose YM-YWHA building. Fine bought the property in 2009 from Halmar Construction for \$2.1 million.

The 10-story, 109-unit building will be the first market-rate apartments built in downtown Mount Vernon in 40 years, the company spokesman said. It will require 190 construction jobs. About \$6 million in construction and labor contracts will go to Mount Vernon businesses.

Fine hopes to break ground in September, pending city approvals that, he said, have been delayed.

"I would think they would want to keep us rolling, spending all the money and employing residents," he said.

"This was the beginning, the foundation," he said. "I want to keep the construction guys working in Mount Vernon."

BY BILL HELTZEL

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---- **Index References** ----

Company: Atlantic Dvlpmnt; **MOUNT VERNON** INDEPENDENT SCHOOL DISTRICT;
STATE OF NEW YORK MORTGAGE AGENCY

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